

The Greens NSW

Media Release

8 April 2006



Private childcare failure points to government policy headache

Greens NSW Education spokesperson, John Kaye, has called on the Lemna government to come clean on the details of the failure of the out-of-school-hours childcare contract in nine new privately financed public schools.

Commenting on revelations in today's Sydney Morning Herald (p. 10), Dr Kaye said: "Yet another flaw in a NSW Public Private Partnership (PPP) has been uncovered. Just like the Cross City Tunnel, the community suffered because the contract failed to protect the quality of service delivery.

"After numerous complaints from parents, the Lemna government had to negotiate an exit strategy from the contract to provide out-of-school-hours childcare. Corporate giant ABC Learning which had purchased the original provider, Peppercorn, was clearly not interested in the expensive end of childcare.

"In the end, the public sector will be left carrying the can for the most expensive services, while private providers skim off the profits.

"The Minister's spin cannot cover up the failure of the private provider to deliver quality services.

"The government needs to come clean on the failure of ABC's predecessor Peppercorn. What was the nature of the parents' complaints and how long did it take the government to act on them? The Greens will be pursuing the Minister in parliament until we get satisfactory answers," Dr Kaye said.

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Media Release

12 March 2006



Auditor General sounds alarm bells on privately financed public schools

Greens NSW Education Spokesperson John Kaye said that buried within the recent Auditor general's report was alarming evidence that the economic basis for Public Private Partnerships (PPP) in NSW may well be based on unreliable and suspect financial modelling.

Dr Kaye said: "It is time to re-examine the financial underpinnings of Public Private Partnership ideology. Hot on the heels of Sydney's Cross City Tunnel debacle, the NSW Auditor General has released a report that casts a very large shadow over the supposed economic benefits of privately financing and maintaining public schools.

"It appears that the NSW government does not know with any degree of certainty how much it would cost to perform the same function in the public sector. Any attempt to say that private sector control is cheaper is now fraught with danger.

"The Auditor General's report proves that the methodology used by the Government to estimate the costs of public sector provision is highly unreliable and suspect.

"The report shows that relatively small changes in assumptions produce massive variations in the estimate of public sector costs, suggesting that the model cannot make reliable predictions. Small but inevitable errors in forecasts of factors such as interest rates, wage growth and insurance costs will render meaningless any prediction made by the model.

"The entire economic argument for PPP schools and possibly other projects such as roads is based on a model that may suffer from the 'garbage in, garbage out' syndrome.

"If the costs of building and maintaining a school in the public sector are unknown to any degree of certainty, then the comparison to the private sector bids is unreliable. It could well be that publicly financed and operated schools are cheaper in the long run.

"If that is the case, the community would have sacrificed the benefits of public ownership to dodgy modelling and discredited economic ideology.

"The lemma government must immediately release the modelling and subject it to independent scrutiny," Dr Kaye said.

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