

Tender Truth: The real costs of letting the private sector deliver public services

The talk you're going to listen to is on *Public-private partnership (PPP)*.

Here's the definition from Wikipedia: **public-private partnership** describes a government service or private business venture which is funded and operated through a partnership of government and one or more private sector companies. These schemes are sometimes referred to as PPP, P3 or P³.

PPP involves a contract between a public sector authority and a private party, in which the private party provides a public service or project and assumes substantial financial, technical and operational risk in the project.

Part 1. Introduction

Match the names on the left with the information in the second and third columns

[1] Grover Norquist	[a] Nobel Laureate economist	I. Co-authored a book on PPP.
[2] Milton Friedman	[b] Professor of Public Sector Management, University of Melbourne	II. advocates strict limit on government spending
[3] John Alford	[c] associate professor , Australian National University	
[4] Janine O'Flynn,	[d] US conservative activist	III. Thinks the government should be so small that it can 'fit' in a bathtub

Part 2:

1. According to Janine, what is the highest duty of government?

2. Janine states that Private and Public sectors have different purposes in terms of business value. What are those differences?

Authentic Listening

3. The last 20 to 30 years have seen the emergence of the so called 'new public management'. What kind of management is this?

4. John explains that there are three things to consider before outsourcing. What are they?

5. What is the reason might a government typically offer to justify the outsourcing of its services?

6. Recently, the Road Authority of Victoria announced that they are planning to outsource construction management. Why does John think this is not a good idea?

7. Janine gives an example of a conflict between public and private sector that happened in the aged care services. What actually happened and what made this possible?

Part 3: Individuals and their motivations

8. The talk continues with the explanation of what happens when the match between motivation and motivators goes wrong, i.e. when the incentive structures are wrong. What happened in each of the three cases?

[a] (blood donation) _____

[b] (testing in education) _____

[c] (Meals on Wheels) _____

9. According to Janine, there are different instruments of motivation. What was the approach used by a local government in the UK to encourage recycling?

10. How can public praise and shaming - one of the strongest motivators – be used in the criminal justice system?

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Part 4. Company Compliance

11. Sanctions can be used to enforce compliance. What are the three reasons that make people comply?

[a] _____

[b] _____

[c] _____

12. What should regulators do to encourage greater compliance?

13. What does the story of the Moscow Mayor and the weather bureau exemplify?

Part 5: Obstacles faced by government and private organisations

14. Which is the first obstacle mentioned and how does John suggest to overcome it?

15. 'A week is a long time in politics'. What problem does this present in terms of building PPP? (please note, while John answers this in 2 or 3 sentences, Janine elaborates much longer and provides further examples)

16. What is meant by 'hollowing out of the state' and what do some of local councils in England do to rectify the situation?

17. If a public service organisation decides to externalise their services, which process should they follow, as described in Janine and John's book?
