



Press Release

9 August 2009

Public-Private Partnerships in the Health Sector – a thoroughly bad idea

Today the WA Policy Forum releases a paper by Professor Allyson Pollock and Moritz Liebe at the University of Edinburgh, on the results of utilizing Public-Private Partnerships (PPP) in the health service in the United Kingdom. In essence the PPP approach involves using private finance, usually from banks, to construct and maintain public infrastructure, including hospitals, keeping the resultant debt artificially off the public accounts but creating obligations to the private sector stretching out for decades ahead. The UK has now used this sleight-of-hand mechanism in the health sector many times and over a long enough period to make a considered analysis – and it has been found seriously wanting.

Professor Pollock and her colleagues have now dissected the economic results of PPP in the UK health sector and present some conclusive evidence on its failure. It is not just that banks fail to lend when most needed. The whole approach means that costs end up higher, service levels lower, value for money is virtually non-existent and the only organizations who profit are the expensive consultants who are engaged by the public sector along the way. “Western Australia should look at the sobering lessons from the UK before going down the PFI route” said public health physician Professor Pollock

Julian Roche, WAPF Director, said: “WA should learn from the dismal UK experience that mortgaging our childrens’ future through PPP is not a solution for Government funding problems. The Barnett Government should declare now that it will learn these lessons and keep private sector involvement in hospital projects where it belongs, in tightly controlled and properly supervised construction and maintenance contracts, not in PPP arrangements”.

WAPF will now turn its attention to the lessons learned from PPP in the health and other sectors elsewhere in Australia.

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