



To wake the sleeping giant: Commercialising Australia's public services

Sydney, Australia
5 September 2008

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Public services as a market?



- Queues for essential services
- Walls to prevent to flow of services
- Provision through a public monopoly

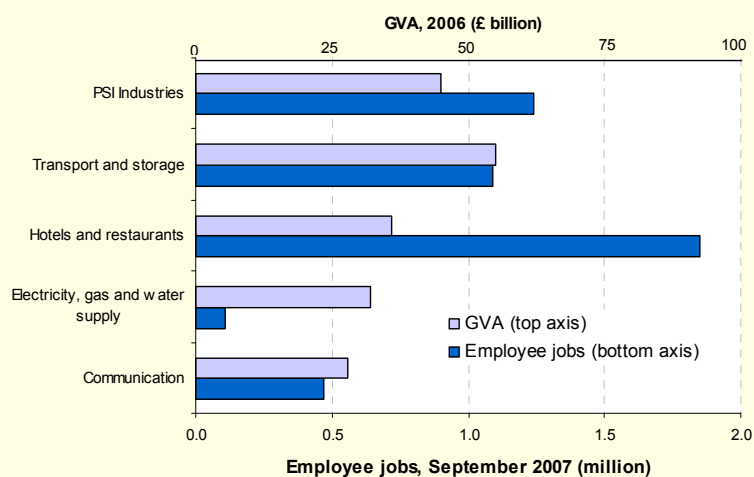
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Scale of the UK PSI

- £79 bn in sales
- £45 bn in value added
- 5.7% of UK GDP
- 1.2 million jobs

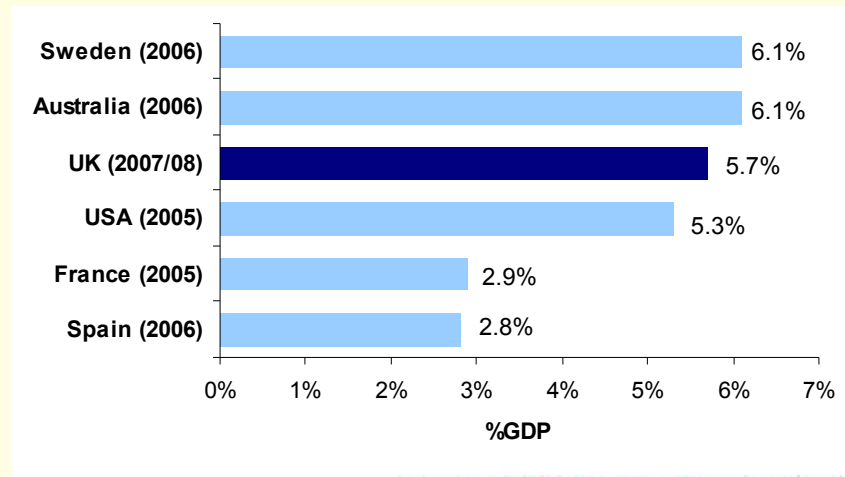
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Scale of the PSI vs other UK industries



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Scale of the PSI vs other countries



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Growth of the UK PSI

- Growth of 130% over twelve years
- From 4.2% of GDP to 5.7% of GDP
- Average annual growth of 7% (real) from 1995-2003

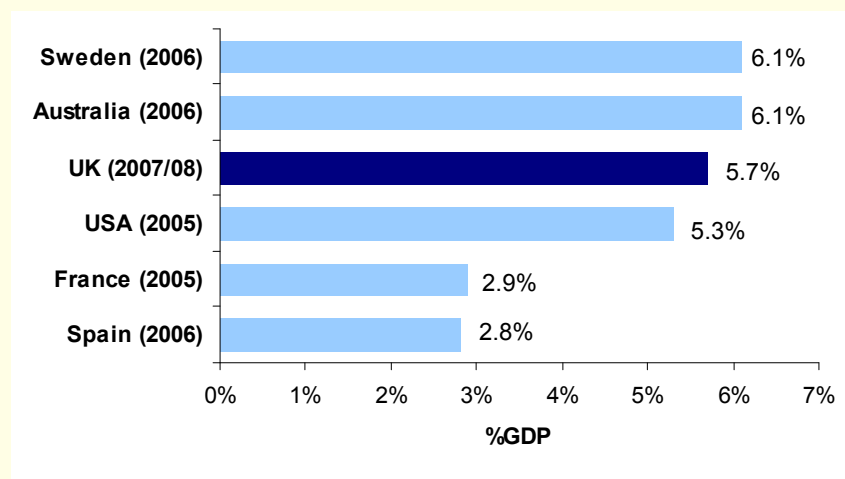
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The supply side of the PSI

- *Managed services (prison management; employment services)*
- *ICT services*
- *Business process outsourcing*
- *Construction services (civil engineering; project management)*
- *Facilities management*
- *Professional services (legal and consulting)*

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Australia's PSI (share of total GDP)



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Australia's PSI (share of total public services)

Country	%
Australia	40
US	34
UK	33
Sweden	29
Spain	22
France	18

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Why do this?

Domestic considerations

- *Productivity improvements*
- *Service innovation*

International considerations

- *Export income*
- *Technology transfer*
- *Deeper markets*

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Why not do this?

- *Equity*
- *Ethos*
- *Quality*
- *Capability*
- *Scale*

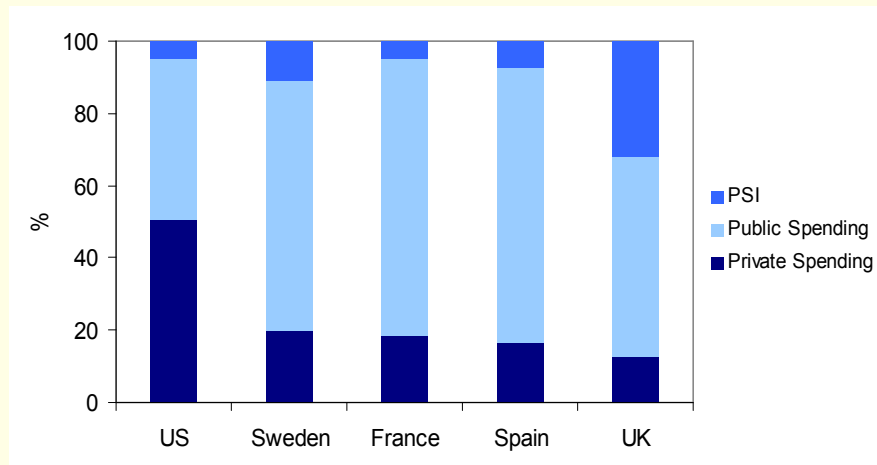
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To wake the sleeping giant. . .



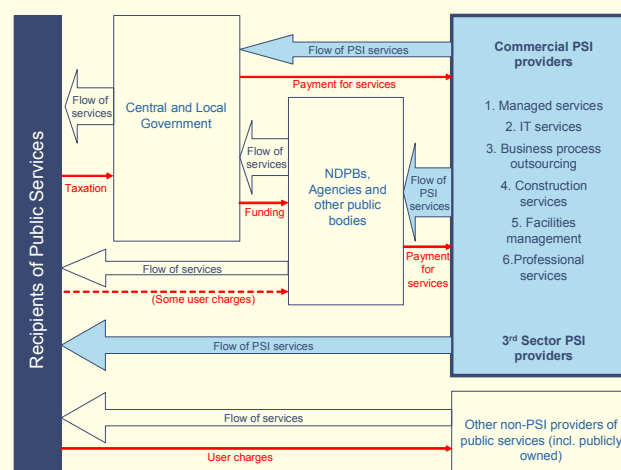
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Market differences – health spending



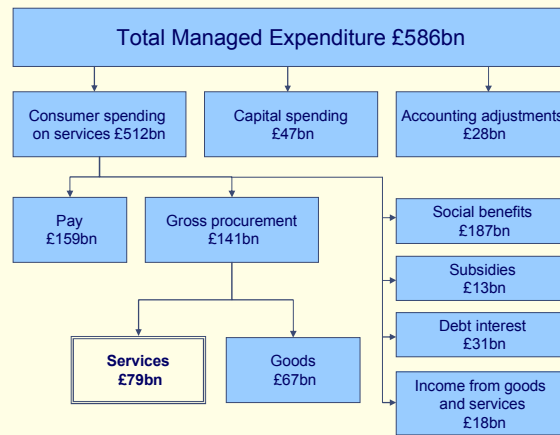
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Structure of the PSI



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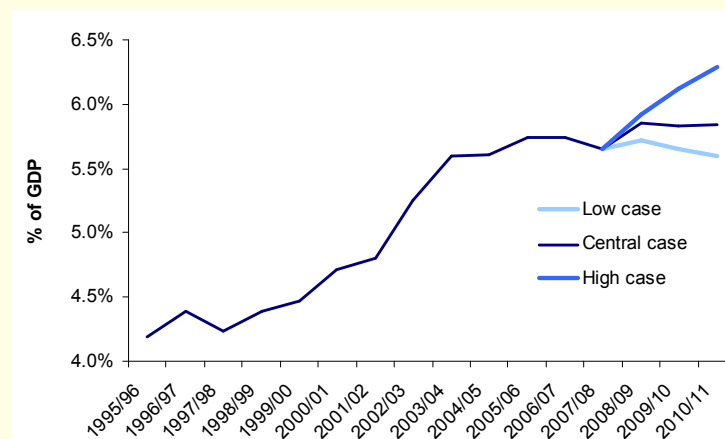
The PSI in relation to public spending



Source: Oxford Economics

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Projections for PSI as per cent of GDP



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