

Service matters

to the role of public
private partnerships

Adrian Kloeden

Chairman, Serco Asia Pacific

imagine



Designing for sustainability and climate
change!

imagine



Making a difference to the health, education and employment prospects of Indigenous Australians!

imagine



black hole

Taking a fresh approach to an infrastructure project that you know could have delivered more and finding the key to a successful outcome

why am I here?

My observation:

In Australia, debate around infrastructure and PPPs is focussed on the assets and \$\$\$\$. We rarely see the service side of the debate.

What do people see?

Most people read the newspapers, they don't look at a balance sheet.
Yet most newspapers reinforce this representation of PPPs.

What if we put service at the centre of the debate?

Better outcomes for everyone – community, government, business

How do I know?

I've been there and done it!

That's why I'm here and motivated to make the case for service.

a new paradigm

We could boldly define the role of
public private partnerships and
government provided infrastructure
as existing solely
to deliver a service
to the public

service needs to be in the lead from the
beginning...

a question of balance,
the paradox is
the 'soft' side is the key...



soft = service + people

today I am going to...

- Challenge **your** imagination
- Define **some** key principles of service led **PPPs**
- Show you **that** anything is possible
- Identify **the** rewards of this approach – for **community, government & business**

we are only limited by our old ways of thinking

anything is possible...



National Physical Laboratories, Teddington, UK

Bushy House (left) and the new NPL complex (right), the outcome of an innovative PPP.

some governing principles

trust
and
respect

deliver
on
promises

enable
people
to
excel

encourage
an
entrepreneurial
spirit

for service led public private partnerships

good people make good service possible

“I have no qualms about delivering a profit to shareholders from a public service. I see no conflict in this, because what I deliver is better value for money for the taxpayer and higher standards for the people who use the service. So it is a win-win situation.”

Good People, Good Systems: Former public servants speak about delivering public services in the private sector. Serco Institute, 2004

transformational thinking produces
profound change...

“While examples of truly transformational outsourcing in governments are still rare, we have found that governments that set out on a transformational trajectory and embrace leading practices in managing the initiative can alter the future of their agencies in profoundly positive ways.”

Accenture: *Outsourcing in Government: Pathways to Value*, 2003

old thinking...

“If you’re making a profit you must over charging us”

Frequently heard comment from public sector manager

“If we can’t make a margin then we’ll drive down costs and renew our effort to find scope changes and variations to the contract”

Frequently heard comment from private sector contract manager

new thinking...

We understand that
your profit means
more innovation,
higher productivity
and
better outcomes for
a lower price

public

We excel at coming
up with
new ideas that
save money
and produce
a better service!

private

partnerships in action



Protecting our borders

Service led project delivered on time, on budget

black hawk rescue



Mission accomplished!

from punitive to responsible



Acacia Prison, WA

Only privately run prison in the state

Rehabilitation focus is turning things around

‘Responsible’ prisoners are motivated to change

Leading to positive social outcomes for everybody!

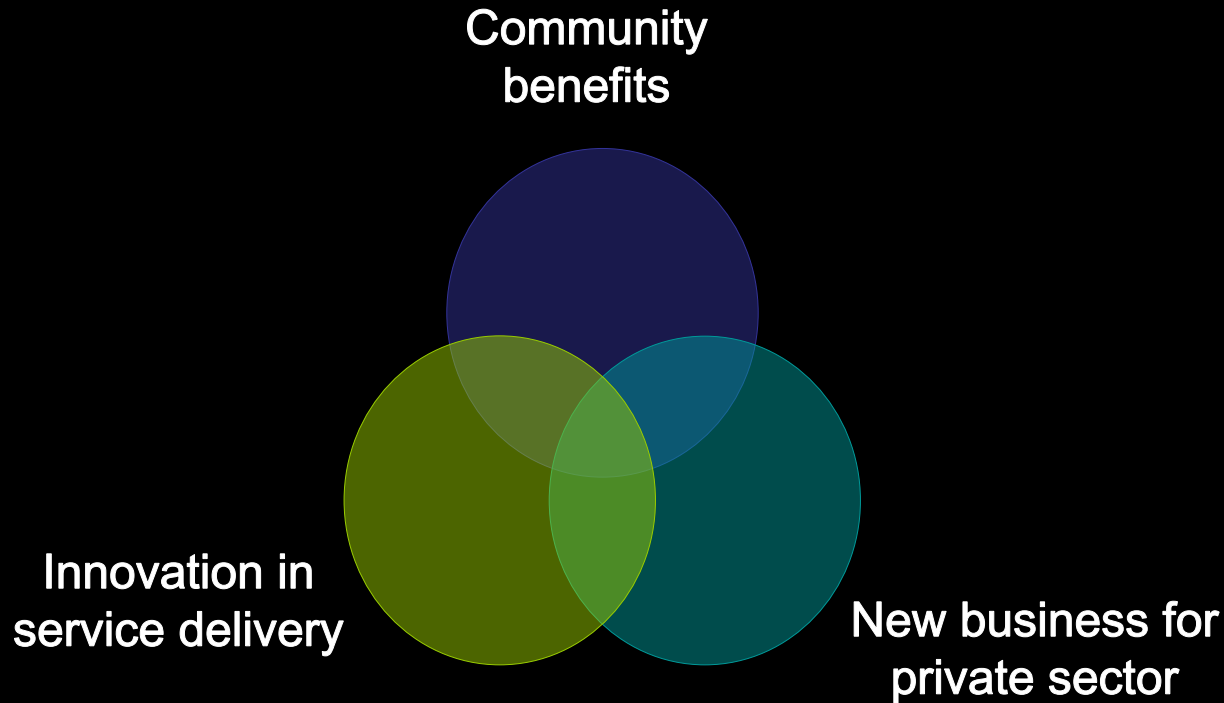
service is about people delivering to other people



Meet Vanessa Davies



a prize worth pursuing



the 'soft' side is the lever to unlocking greater value

summing up

- Not just about altruism
- It's the right thing to do
- The research is consistent
- Service led PPPs produce a positive commercial outcome
- And better public services

new thinking, new opportunities

- I have argued that service not the asset is the end goal of PPPs and government provided infrastructure
- Service is the creative force in delivering new and deeper benefits for all stakeholders
- It creates financial gain through the life of the asset – for both private and public sectors
- And, done well, it creates shared solutions to a range of collective problems & challenges

service matters

bibliography

- Accenture: Outsourcing in Government: Pathways to Value, 2003
- Accenture: Unlocking Public Value, 2007
- Alchimie Pty Ltd & Phillips Fox Lawyers NZ: Project Alliances: An Overview, 2003
- IPPR (Institute for Public Policy Research) UK: Building Better Partnerships, 2002
- Serco Institute: Built to Serve: The Benefits of Service-Led PPPs: Briony Smith, 2007
- Serco Institute: Good People, Good Systems, Emma Reddington, 2004
- Sturges, Gary: PPPs: Creating Winning Conditions: Australian Chief Executive, July 2004
- Sturges, Gary: Serving Two Masters: Public Service Manager, May 2005