

I was formerly State Coordinator of Works in the Victorian Treasury.

I suggest that proposals for changes to administration, as with works proposals, should cover the following three areas -

- 1 Some sort of comparison of benefits and costs.
- 2 Is there appropriate legislative authority?
- 3 What is the source of funding and, if it is loan money, how will it be repaid?

Under (1) above, all benefits and costs should be identified even if they cannot be quantified.

Eg. (a) Introduction of a new payroll tax must increase the number of small business failures but this cannot be quantified because businesses that are in a precarious financial position usually keep this information confidential. This is a cost to be considered.

Eg. (b) Changes in administrative policy are likely to lead to confusion and resentment by people who regard time as valuable, and by those who fail to understand the reasoning behind the changes. Another cost.

Eg. (c) In the case of a change of government in Victoria in the 1980's, deliberate major changes led to the new government losing central control, with disastrous results. A big cost.

If major works such as school buildings are proposed to boost employment or boost the economy, ie - to be carried out quickly, - then the availability of a whole chain of tradespeople is necessary. Engineers/architects, building contractors, carpenters, plumbers, painters, etc, etc will all be required. If there is a shortage of one trade in a particular geographical area the work will not proceed but will just become an addition to the list of future works for the building industry.

With their future more secure, builders will push tenders higher in the short term to the disadvantage of other prospective building owners. Many costs can be identified here.

(In Victoria building trades are rarely unemployed in significant numbers.)

The above may seem obvious. However, people proposing change, in their enthusiasm, often overlook the basics.

Finally, how many people would know what is meant by “ - a multidimensional performance management framework focused on outcomes for the citizen -” (p34 of the discussion paper).