

New Submission to Inquiry into Effective Decision Making for the Successful Delivery of Significant Infrastructure Projects

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Inquiry Name: Inquiry into Effective Decision Making for the Successful Delivery of Significant Infrastructure Projects

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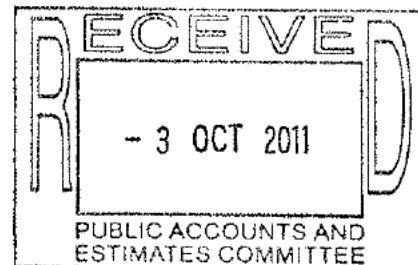
Public Accounts and Estimates Committee

Org Position:

Submission No. 1

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SUBMISSION CONTENT:

Between 1995 and 2005 I worked as environmental consultant and project manager on contracts with both the Queensland Main Roads and NSW Rodas and Traffic Authority on a range of road and bridge projects. This was after having worked in ecological and environmental research and land management bodies, and with engineering consultancies in NSW, Victoria and Queensland.

My comments below relate to my observations as an outsider. Possibly if one sentence can sum up State management of road projects it is that they are more than adequately staffed, given large quantities of funding that are spent to an excess on risk reduction (a myopic culture on this one) and upon over engineering without producing superior roads (say to those in the USA, are overly reliant upon consultants advice (are a lot of five-eighths passing work out that could be done in-house) and greatly under-utilise the technical skills of specialist staff who are tied up with administrative paperwork and repetitive contents in reports.

The inquiry ToR

a) There is a strong culture within these organisation of jobs for the boys and little tolerance towards appointing non-members of the Institute of Engineers. The promotional process should be ensuring that senior managers have the pre-requisite skills before appointment - no doubt there is a failure here if competencies are in questions.

b) The governments objective from PPPs etc should be to reduce the cost of infrastructure delivery to the tax payer and achieve its efficient delivery within viable economic parameters to the partnerships. The question that is raised seems to imply that there are inadequate skills within Vic Roads to effectively manage PPPs. This should not be the case as consultants are frequently used for advice - perhaps the strong reliance on external consultants is starving internal staff of the opportunities to learn new skills and how to manage the risks involved.

Some years ago State Road bodies introduced a provider-seller dichotomy in-house as a means of effecting improved delivery of projects. Perhaps this should be now examined to see if it achieved the goals sought when introduced.

One of the drivers for PPPS is the escalating costs of public infrastructure delivery and the hope that private sector may bear some costs and be more efficient at it. I don't think a lack of skills within Govt authorities is the cause, other than there may have been inadequate or inefficient efforts to control contracting costs over a long period giving rise to the current situation. The committee should look at the extent such costs have escalated and for causes, before focusing on PPPS or other delivery mechanisms.

c) From my experience the road authorities give staff good internal and external opportunities to learn new skills - possible there are insufficient education providers outside the authorities to provide an understanding of the skills needed - and perhaps the decision making processes within Government are not appropriate to the tasks of making good financial decisions about private/govt contracts.

d) There have been a number of failures - independent research may be a useful way of answering this question.

e) no comments

f) Victoria is a small state with good central control and regional communications, so that is not an issue. The State body could benefit from having a pool of skill technical people to farm out to projects as required. I think it is the five-eighths mentality and risk adverse culture of both regional and head office senior staff that is leading to decrease gains in expertise through a heavy reliance upon external consultants. The responsibility for risks and running both the technical and managerial inputs into infrastructure projects must be slated home to the senior staff within government - otherwise the upward cost and static or downward expertise spiral will continue. Delegate more decision making and requirements for delivery within efficient costs levels.

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