

## **TAKE THE MONEYBALL APPROACH: RESPONSE TO THE VICTORIAN COMPETITION AND EFFICIENCY COMMISSION (VCEC) DRAFT REPORT, 'SECURING VICTORIA'S FUTURE PROSPERITY: A REFORM AGENDA'**

### **VCEC should stop supporting gambling and start Moneyball Corporate Planning**

This submission on the draft report of the Victorian Competition and Efficiency Commission (VCEC) called 'Securing Victoria's Future Prosperity: A Reform Agenda' (2011) is written first to **support draft recommendation 4, to seek removal of barriers to competency-based entry to professions at state as well as Commonwealth levels.** It will be hard to pursue any fairer and greener directions VCEC states it seeks, unless this is accepted as a goal and openly acted on in vocational direction and job placement. One does not have to be a career priest or handmaiden for life, God believed in evolution. Go out and corporate plan in the community interest in sport and communications, etc.

One is **opposed** to concepts of excellence being increasingly defined in commercially driven and mutually supporting professional silos, driven by increasingly narrowly specialised professional interests. Thus one **opposes VCEC recommendation 11 'to establish a world-class Institute for innovation and entrepreneurship, attracting and retaining leading early career researchers, development engineers and scientists'**. There is no reason to think this would be more than another instance of more jobs for familiar old boys or their latest nurselings. It is clearly shown later that it would be better to take the general regional management direction shown in the recent film Moneyball, which is the general approach first taken in the 1980s to corporate planning in NSW.

VCEC assumptions about risk are mainly contained in chapter 6, which leads it to draft **recommendation 15**, calling for the Victorian government to improve Victoria's overall business environment 'by developing and implementing **a new regulatory risk policy** to guide policy makers and regulators on the balance between risks individuals should self-manage and those the government should seek to mitigate through regulation' (p. XLii).

From an ideal management perspective, which commonly seeks to serve wider ranges of people and their related regional environments better, the **VCEC view of risk is wrongly driven conceptually, numerically and commercially.** This is discussed later in regard to regressive changes in risk management direction as Australia/New Zealand Standard for Risk Management (AS/NZS 4360:1999) led to (AS/NZS 4360:2004). I addressed legal and related organizational barriers to more common sense and open forms of communication, management and evidence in 'Public Administration Today'. See:

- A healthier approach to justice and environment development in Australian Communities and beyond, (Issue 9, Oct.-Dec. 2006, pp.12-19).
- From the Constitutional past to the new educational ideal (Issue 12, Oct.-Dec. 2007).

More on this ideal global, regional and local direction on [www.Carolodonnell.com.au](http://www.Carolodonnell.com.au)

Victoria should not set up another Institute for innovation and entrepreneurship in the current closed commercial, professional and related academic climates. Instead adopt a Moneyball management strategy as shown in the film of the same name about a US baseball club. This would also be a good thing to do because Australians love sport and VCEC draft **recommendation 26 is to develop and implement a program for delivering the reform agenda.** Here corporate planning has baseball as the example.

The baseball management team, which is addressed again later, is first urged to clarify organizational aims – (winning games) - and then to apply management strategies more broadly and scientifically so as to open club access more widely to more, potentially better players and to garner fans and investment support more broadly across the nations.

The film Moneyball dealt with US baseball management problems like those faced in many Australian jobs and in the education institutions leading to them. The Moneyball management problem was comparatively narrowly connected and subjective old-boys management networks, which also discriminate against many talented players outside their ken and so reduce the potential advantages of the game for all by forfeiting wider potential player and audience interest, but adding huge individual player and management costs. In the name of maintaining standards, better people are often locked out. Look at their competency and accredit it so they can get ahead. Or is that too obvious for you?

I learned Moneyball management approaches in the NSW public service in the late 1980s, in the name of corporate planning. It is the **stakeholder rather than the stockholder** approach to life, where understanding who the **key** stakeholders are in any venture is also vital for directing the management well for other stakeholders, their stockholders, others depending upon them and their related communities. Think of it as smoothing out the market peaks and troughs as a result of working smarter, not harder. Alternatively, think of it as removing racial discrimination from the world of sport while developing its standards more broadly and openly. The aim is sustainable development.

The wealthier we get, the stupider we become by dwelling only on the money when the region and general direction count so much more, especially if seen and discussed on TV. Don't let evil financial and professional forces screw the world up more, call on Google, the Gates Foundation and others openly for help in planning our future. Designing communication and other cultural standards are addressed in this context later. Support recommendation 18(a) of the Book Industry Strategy Group report which is:

*That the Government, in order to stimulate the development of quality higher education teaching and learning materials:*

*Allocate 10% of the \$50 million funding from the Promotion of Excellence in Learning and Teaching in Higher Education program to a grants program that supports the development of quality, innovative teaching and learning resources for the higher education sector*

For reasons discussed later, related to the narrow and wrong professional capture of the concept of education, ignore 18(b) which is to *'develop a reward/recognition system which promotes teaching excellence and authoring of quality educational materials and thereby creates greater balance with the research focus of the Excellence in Research for Australia (ERA) program'* (p. 82). Pay for the necessary education product as appears fair. Forget the ERA. What I taught for eleven years at Sydney Uni is offered freely on [www.Carolodonnell.com.au](http://www.Carolodonnell.com.au) . To be judged, education content must be open, like sport.

## **The Moneyball direction as a sport and service industry strategy**

Although I usually ignore sport and know nothing about it, I loved the current US film Moneyball and also the earlier Australian film The Final Winter which dealt more subjectively with the outcomes of player stress under changing conditions of competition. These are two wonderfully educational films when taken together with Inside Job.

Moneyball tells how a middle-ranked US baseball team turned its financial fortunes around through clarifying its goal and bringing in a more broadly democratic, more scientific and therefore winning management strategy. The argument of the film is that winning is ideally the main goal of baseball and the game makes money because people come to see winning teams. The more winning teams are connected with each other in ways which open up more opportunities for more players, and so bring in fans and related investors, the better everything is expected to be for baseball, the club and its relations.

In Moneyball the opening problem for the club is that its effective financial and social management are undermined by those few comparatively demanding players who are also considered to be in the top drawer by a comparatively ignorant and emotional group of selectors. The club is losing money. Problems in the management appeared to be:

1. Star players being chosen by selectors on comparatively closed and subjective rather than open and objective grounds. This also puts high and unreasonable pressure on the chosen individuals, who may then also succumb to injuries and call for even more support.
2. Particular players calling for too much money on account of their star status. This takes more money out of the game, upsets other players and increases competition rather than cooperation among players in a team.
3. Players are selected from too narrow a range of potential players. The selection structure ignores many other potential players, clubs and related communities chances for earlier and/or more marked contributions to the game and its success. It cuts many out of competition who are not already close to selectors and so detracts from the potential participation, excitement in the game and financial support of players, fans and investors across many regions and clubs with interests which ideally are more closely and effectively related.

One could make many observations about similarly feudal operations in universities and ‘scholarly disciplines’. If one believes journal rankings and related publications are an indication of research merit, one will probably have supported US economic, financial, legal, political, psychological, sociological and related research trajectories which have brought a lot of numerical drivel posing as science along with the global financial crisis. Having seen the light in Marxism, feminism and the NSW public service, I never did. One needs to step beyond the confines of vested interest to make sense more broadly. (Jesus, girls, I hope you’re listening.)

In the Moneyball management solution, management is ideally designed to support more winning more broadly. I support this as I observed similar management problems in Australian academia and the public service. If one is dealing with 500 undergraduate students and 8 postgraduate ones, one is likely to have a far wider range of exciting talent available in the pool of 500 people although in theory the others are so much more gifted. In the public service, for similar reasons, it is usually wiser to advertise for project officers, who have lower salaries than senior project officers. One gets a much wider pool of types to choose from. This is not to undercut wages, but to improve merit selection and organizational sustainability through more broadly planned directions. Once upon a time, before their little privilege silos cranked up, feminists took this line.

In the NSW public service in the 1980s under Wran and Greiner, the process of corporate planning began, which was congenial to my practical Communist Party of Australia background. Performance to solve community problems is ideally broadly collaborative, to use complementary work capacities. Work should be open to being judged and emulated or rejected for better development everywhere. Try a new approach at least until all lawyers and their mates have screwed it up with help from our US Big Brother. The usual approach is to force as many specialised services, fees and charges as possible so any left hand never knows what the right one is doing but those in ‘control’ rub along.

The Moneyball club solution is first to acknowledge and address the key aim of baseball, which ideally is winning games. As bringing in money relies on winning games, the related money-making club management strategy is to consider and rank an ever-widening pool of players by two key criteria. The criteria are chosen because they:

- appear most centrally related to winning games
- appear comparatively objective
- appear to be easily quantifiable broadly

The two key criteria for ranking an ever widening range of players are - ***how many games the player has played and how many runs to first base the player has had*** – in any clubs in any countries. The alternative is for clubs to select players comparatively ignorantly, for comparatively subjective and unaccountable reasons, based on a judgment of a much more limited range of potential players.

The basic assumption of this approach is that populations in Asia are as genetically likely to produce as many good baseball players as occur in the US or anywhere else. In the 1970s Australia began similar theoretical and policy approaches to address the apparent

educational inequality of opportunity for those not white, urban and male. Strategies benefited many women. Now design more broadly, fairly and openly in global markets.

The Moneyball management approach has relevance for many organizations which should be better and more openly related to many communities in their development strategies. Instead they currently operate in management structures which have more in common with castles full of knights around a table. Corporate planning, like the Moneyball management approach, ideally leads to broader, more open and evidence based management, where production outcomes are real but not always thought of in purely financial terms. For example, if legal 'privileges' (court control) over information did not exist, writing about perceived problems could resolve many better and cheaper.

Under the Moneyball management system the player always has more choice and more players have better options available than they had in the past, while the game improves. The alternative direction based on driving commercial and related professional advantage more narrowly is more likely to end in driving infantile disorder and related corruption which may or may not be systemic or an individual's fault. See the movie the Ides of March for more examples of men brought low by driving feudal systems which also wrongly pose as democratic. The open search for truth about what matters requires strengthening in many related regional contexts where feudally blinded and blinding pursuit of commercial and professional advantage is encouraged without other direction.

Moneyball management direction is broadly consistent with UN and Australian health management direction and also with non-profit superannuation fund management direction. The management model is also based on the 20<sup>th</sup> century ideals of universally guaranteed standards of living which also place fair treatment, wellbeing and the guardianship of natural resources for future generations at the centre of all development. Program budgeting, (Wilenski, 1982 1986), is central to this process, as is the project based approach to risk management in AS/NZS 4360:1999 **not in AS/NZS 4360:2004**, which VCEC uses, as explained later and supported in further development direction. I've spent a fair bit of my working life on insurance. What is going on in building and construction? I assume this direction will be critical for many related disability insurances and investment structures which take planned and non-profit directions.

The service and productivity gains for students, staff and many others which could be derived from more effectively coordinated media, education, communication and information technology management could be huge in many service areas discussed later and also in the attached submissions on education, communication and executive remuneration. There is a lot of collegiate and commercial resistance to cooperation. On the other hand it should be easy, with a bit of political will, to buy some talent off and put it on TV or in related formats for skills development and related educational purposes in mining or other areas. How would an Institute for Innovation and Entrepreneurship help?

The Book Industry Strategy Group (2011) Final Report to Government notes Australian book publishers exported an estimated \$225 million in books in 2010. Of this, around two thirds were trade books and the remaining third were educational (p. 1). I am not

surprised. Trade and education books appear the most easily rigged and potentially powerful area of markets which should be better planned. The markets for the export of Australian books, in order of size, were the US, New Zealand, the UK and Canada.

Gee what a surprise - or is it actually an indication of our status as a boring lackey state? I pick the latter. Anybody who thinks that books can be replaced by e-readers for people who seriously seek to analyse and report as distinct from comparatively mindlessly tweet an input to an issue is mistaken. This is the boys' world, where the US leading edge at Telstra and Foxtel want to see all our phones, computers and TVs endlessly shipping rubbish to each other, while we do much the same while waiting to see who wins the war, the leadership or football. From the perspective of the broader public interest, feudal direction often appears wilfully stupid and nasty, like the dominant protection racket. A few who can sit up and beg nicely, like Robert Hughes, may be thrown the odd bone. SBS and ABC TV often appear most set up to tell a wider Australian story and to elicit many vital stories from other regions. I cannot overestimate their importance in my life and I expect that many other Australians feel the same about the TV stations they watch most. TV is the ideal heart of many global cultures, as it is comparatively ubiquitous and reflective of the national culture and its relations. Australian TV had better be good.

## **Remove barriers to competency-based entry to professions**

*VCEC draft recommendation 4 seeks removal of Commonwealth regulatory and licensing barriers to competency-based entry to professions.* This is a key requirement for wider access to more productive jobs, skills development and education, as well as for more innovative development and for carbon pollution reduction. The required way forward is primarily discussed in the attached submission to the Parliament of South Australian Economic and Finance Committee Inquiry into Workforce and Education Participation (file Education 1). Most regulatory and licensing barriers to competency-based entry to professions probably exist at the state level. Follow the great lead of the anatomy teachers whose knowledge was made available for students of British BBC TV, Australian TV and on video. Sir David Attenborough is surely our greatest teacher. Many Australian broadcasters have also taken pride in such British BBC values.

The attached submission argues that for effective national workforce development, the performance of teachers and all related competencies are ideally conducted and assessed openly, in practice, and as research into the comparative quality and cost of performance. This may also be seen as anchoring more truthfully productive communication in more truly open markets, as distinct from pursuing more secretive, adversarial and exclusive professional or commercial action, which often drives all in cost-adding, poor directions, as shown by the global financial crisis. This crisis was driven by growing lies and ignorance about apparently inevitable and disastrous financial product and service outcomes down the investment track. More consistent approaches to competency based training and education are ideally made more widely available through regional industry networks, TV, newspapers, video production and other ways of recording. Show the way forward to meet apparent untruth, to challenge it openly and find better joint resolutions.

For best results most certification of competence is ideally based on the outcomes of practice in the field, not on multiple choice questions or theoretical tests which may do little for students other than take them away from regional workplaces and homes and cost huge amounts of money. Whether we are teachers or not, we increasingly require **‘currency of industry knowledge, adult learning capabilities and integration of technology into learning’** also built on **‘sound language and literacy skills and basic word processing’** (TVET Australia submission). Test these skills and others on the job or risk major increases in social inequality and difficulty in achieving greener futures which protect the heritage of future generations. Higher education is too expensive.

Teachers often forget that life may teach many things to many other people outside the classroom. It is only fair that the latter people are provided with a chance to openly demonstrate any particular job competencies required, and to have them recorded, especially if they have no broader qualifications on paper which are supposedly related to this performance. This performance of competency is especially desirable if any paper credentials the applicant claims to possess may not be trusted as a reasonable guarantee of being able to do specific jobs. Trust neither can nor should be commanded.

Belief and any related capacity are ideally tested and compared in open performance so all the relevant industry stakeholders and many interested bystanders may learn from the evidence and related results of research. Media content ideally helps the learning process and demonstrates competence or lack of it more openly, so all progress better together. We may often disagree about what we enjoy and what we think is good. This is life. If one wants to understand diverse life better, one should see more broadly and reliably informed news and more relevant movies and books about its actual socio-economic, cultural and geographic origins, variations and ideally related development projects.

The poor effects of current commercial and professional development trajectories are addressed in the attached complaint to the ACCC and the Telecommunications Industry Ombudsman (TIO). Telstra treatment of customers currently appears disabling and discriminatory, a problem shared by its key business associations. Knight’s article ‘Telstra’s good news lost in the static’ in the Sydney Morning Herald (SMH 21.11.11 Business Day 7) pointed out Foxtel is 50% owned by Telstra, which fits in with my recent experience of their ‘service’. I’ve seen the future on TV in New York, where no news is good news and communications made it happen. What the US media and its commercial supporters have mainly produced on TV news appears to be blatant and socially dysfunctional lying and confusion to generate the fact or illusion of winning, while experience outside the US is ignored or treated in highly distorted accounts.

The US Public Broadcasting Service (PBS) program Newshour on SBS TV is exempt from this general criticism and we are naturally grateful our government has purchased the service for many years. How else would Australians understand their place in a US world, from comparatively broadly informed and inquiring perspectives? They cannot gain this from universities, which increasingly follow the US in multiplying specialised closed trends and related standards, whatever they are like. These are driven by narrow commercial and professional interests, which increase instability, cost and inequality.

In this context, Australian media content standards are ideally decided by Australian government in the interests of our diverse population and its related communities across the world, starting with those which are poorest. Unfortunately, however, the US present is often the Australian future. The direction the US calls democracy is not, as rich feudal relations buy people and TV time to drive communities to major over-consumption linked to their later destruction, while claiming they did it to themselves. In this international context, it is vital to design Australian media to support more stable, healthier and fairer work and investment directions for current and future generations.

Ideally, information should be available free or nearly free as the reverse approach swamps populations in ignorance, lies and an inability to distinguish between the legitimate, productive or corrupt, to act accordingly. Wikipedia, Google, government and other open websites, and email are an incredibly powerful new combination for learning, planning and developing better. This potential is seldom addressed in contrast to the potential of new technology for pulling crowds and seeing 'the whole world is watching.' Film and TV have been incredibly strong and popular forces for truth, ideally expanding.

Teachers should be helping not hindering the process of rational democratic development by opening themselves up in cooperation with those working in industry in the national, organizational and individual interest, wherever these may appear to lie. In this context, the traditional focus and fight over quantum is less important than consistent or complementary open direction, which attempts development also driven by the regional interest in protecting its heritage. This may be constantly under threat from changes in power. People often fight about money while forgetting how hard it is to spend well. Each year in the public service I watched men fight over money which they could not spend by the end of the financial year because movement was too slow. It came to us, who were mainly trying to prize information from men's heads, so as to write it down.

If the secretive commercial and professionally driven focus drives calls for government support in areas such as mental health, the remedies may easily become worse than the disease. To travel in the US and to watch TV is plainly to see the driving competitive forces may be sugar, fat, sedentary or shopping life and 'medicines' driven by those making or losing more money from communications, financial, medical and legal services, colleges, sport, etc. This is not a healthy direction as long as reality can never live up to the TV promise, which is increasingly often. The price of seeking to be perceived as young, for example, may be the necessity to deny the rich understanding and value of one's real existence. One agrees with Cher that they're her tits and she can wear them on her back if she wants to, but there are too many pushers on losing trends like that.

In health development, as Chris Maher, back pain expert and professor and director of Sydney's George Institute for Global Health points out:

Instead of starting simple we start complex, which is probably why we are now spending \$1 billion on health care for low back pain each year  
(Australian Financial Review (AFR 20.10.11, p. 78)



When I worked in the NSW public service it was fairly clear from WorkCover research there was often little relationship between what was apparently shown in a magnetic resonance imaging (MRI) scan and a person's stated pain. Some people, who looked a lot like Maher on an MRI, as if their spines were deformed, often felt pain free and healthy while others apparently far less deformed had continuing and terrible pain. Maher believes back problems in Australia are over investigated and over-treated. That is also the way professionals and related organizations make money, which is ideally much better understood, whether it applies to bodies, prisoners or rubbish. By the time I started work in the Faculty of Health Sciences at Sydney Uni. in 1996, there appeared to be no concept of 'mind', but only 'brain' left in psychology. God help us.

The professional encouragement of secrecy, by calling it necessary for protection of those who are weak and so preyed upon, often silences the truth while providing expensive control over vulnerable communities by lawyers and other professionals whose interests may be mainly tied to the legal one. The alternative is to assist community empowerment through encouraging greater public knowledge, discussion and debate of all contentious issues. All relevant media should assist this. How to deal with apparent discrimination (apparently unfair treatment) may be most effectively grasped in related regional, historical, cultural, political and economic contexts, also based on study of the unique surroundings of the particular situation. To do this requires more open, broader, clearer, more scientific, empathetic and democratic (*as distinct from more opaque, narrower, dictatorial, adversarial, rule-bound and expensive*), treatment of concerns or disputes.

From this perspective, religion appears mainly as personal moral statement, as an attempt to express love or worship through work and/or caring, creativity, and all that goes with it. If God exists, He appears committed to evolution, which includes the evolution of people. If God wants people to evolve, I question how they can do this well if they also feel they must make an unconditional lifelong choice, either as a proposing marriage partner or a priest. This view seems to set oneself and others up for failure, by denying past personal attachments and related learning and also by denying the potential of future unexpected environmental or personal change, in oneself or in others. If priests did not have to make a commitment to priesthood and celibacy for life there could be more comings and goings for many more circumspect and potentially useful folk, as in the case of Buddhist monks who offer youth more limited periods of service as they also do in the German army.

**Do not set up another Institute for innovation and entrepreneurship:  
Adopt the Moneyball management strategy and open jobs and education instead**

In this international and regional context, VCEC *draft recommendation 11 to establish a world-class Institute for innovation and entrepreneurship, attracting and retaining leading early career researchers, development engineers and scientists* appears predictably ho-hum. As stated elsewhere, one can accept the reality that everything is connected to everything else and try to deal with it openly and reasonably, or favour a version of normal behaviour that requires blinding oneself and others by pretending legitimate life always remains in a growing number of narrow bunches of professional

silos properly divided by ironically named Chinese walls. These problems are growing and the answer is surely not another 'world-class' Institute. Jobs for which boys again?

VCEC follows Krugman (1992, p.9) in defining productivity as – the ratio of output to inputs – and states 'although it isn't everything in the longer term it is a key determinant of living standards'. This view takes little account of the ideally aimed nature and value of production in the historical contexts of many broader and related narrower social and environmental fields with community aims. This was the baseball management problem shown and fixed in Moneyball. Those selecting the baseball team did not define their baseball management goal (winning games) clearly. The club could not take good steps to achieve them, or measure them or make money. One has noted this problem often in population health, education and related studies, as well as in the VCEC draft report.

Wrong approaches to defining and achieving organizational and related individual, family or community goals create unhelpful stress so many more drop out or get sick. The main alternative strategy depends on more rational approaches to land planning and to investing in jobs and skills for more actively communicative, pleasant, fairer and greener futures. We try to understand related issues with difficulty on our block. I am about to seek three lawyers' quotes for a unit sale, a house purchase plus two related sets of parental loans. I wonder which lawyer is prepared to take the work. Who willingly asks for the traditional adversarial contracts, instead of more civilized and open dispute resolution if alliances change or come apart? From this perspective, marriage is seen mainly as a licence to act badly down the track – e.g. neglecting work and washing up. By all means take up the gay marriage - just send me the most reasonable lawyer.

In contradiction to the Public Broadcasting Service American Graduate we definitely should take the approach of the Sydney Morning Herald (SMH) editors who pointed out:

The suggestion that colleges should be funded only for students who complete their courses would be a disastrous mistake, a fallacy born of the (same) unthinking desire for managerial neatness. It would depress standards, as colleges rush students – even the unmotivated – through in pursuit of dollars (SMH 26.10.11, p. 12).

The need for on the job skills training and related education supported well by media, is discussed in the attached. The combination of the Moneyball management strategy and the increasing need for US Vice Chancellors to build universities worthy of football teams has been noted. More practical approaches to job and education placement are required across many boards, with related consideration given to continuing opportunity.

Maximize subject choice across the higher education organization and categorize it as principally related to either Governance or Health or Built and Natural Environments. Allocate staff rationally in terms of their teaching, research or related work contributions to one or more of the above areas so that student and other paymaster choice and administrative efficiencies are maximized. Students and other pay masters are key stakeholders. Attack the National Tertiary Education Union policy of *a fixed ratio* of

insecure to secure academic jobs and all related professional directions hindering more openly planned, cheaper, better and fairer access to jobs and education. Expect managers to grow the business openly and thus cheaply improve the quality of all related education and research. Judge the quality of academic and student product in the open, as with sport and movies, instead of in academic tables and other comparatively meaningless numbers which demand one takes the current collegiate status pecking orders as okay.

Ideally, the goals of competition are also more clearly defined in order to discuss what is fair or unfair. For example, the PC view of its inquiry into allegations of unfair use of market power in telecommunications is summed up in its quote from the Hilmer Report:

The central conundrum in addressing the problem of misuse of market power is that the problem is not well defined or apparently amenable to clear definition.... .Even if particular types of conduct can be named, it does not seem possible to define them, or the circumstances in which they should be treated as objectionable, with any great precision.....Faced with this problem.....the challenge is to provide a system which can distinguish between desirable and undesirable activity while providing an acceptable level of business certainty. (PC, 2001, p. 154)

Openly and clearly planned government, industry and community goals and directions are discussed in the attached direct action approaches to regional planning and better project management which is ideally also targeted to carbon pollution reduction. Work to improve environments ideally also implements Millennium Development Goals.

Hilmer's report to Australian Heads of Government, who accepted his inquiry into a national competition policy, was groundbreaking in defining competition as, 'striving or potential striving of two or more persons or organizations against one another for the same or related objects'(1993, p.2). Unlike the Trade Practices Act (TPA), this assumes competition may be undertaken to achieve social and environmental objects, not merely to make or lose money for shareholders. Stealthily snuffing out the old to bring in the new, as Telstra, Foxtel and others appear intent on doing by the combination of silence about their secret commercial direction, while pretending to provide customer service rather than driving customer direction, is an old feudal approach to development. Feudal development multiplies the costs of increasing services from brotherhoods who want increasingly to supply them. This is the antithesis of what many in Australian or other communities require especially in poor or old environments. Here, reliable and simple products which are easy and cheap to maintain with simple services may be needed most.

Educate all through open and reasonable project management on TV, etc. For example, in my personal experience, the Telecommunications Industry Ombudsman provides a very good email service to aggrieved consumers. It is prompt. It asks the right questions. It seeks genuine feedback from the customer about whether its efforts to get problem resolved through Telstra dispute resolution services have been helpful. It may make recommendations for further action. It demonstrates how practice and policy development might ideally occur more openly and rationally without lawyers. Ideally, this approach should become a strong and countervailing force to those who define risks as purely financial and who encourage the idea that they are best addressed in secret

action and related adversarial dealings, in which risk may also be multiplied and passed off onto others as fraudulent investment opportunity, as is so often the normal approach.

Without some respect for a nanny state, which is ideally open and truth seeking, one finds all may be driven in poor directions by commercial in confidence financial thugs. Yet men who look up to the TPA and related financial and legal creeds naturally abhor monopolies (like the state) interfering in markets and assume there can never be over-crowded markets, just under-consumption. Practical Australian experience of workers' compensation and health insurance development showed clearly why this view is wrong. Too many insurance companies underwriting risk and competing on premium price led to major insolvencies at the same time as courts were making increasing awards for disability driven by lawyers and their related specialist practitioners who pursue their business assisted by 'privileged' information which can only be revealed in court.

It is clearly better for those who pay the premiums and who risk being injured to own the premium funds and to manage competing insurers and others to deliver related supporting services and investment functions in more rationally coordinated ways. If this is not done, the system more often rewards the bloated and corrupt, not the highest risk takers. Avoid lawyers at all costs because most of us can write so much more clearly, quickly, effectively and especially cheaply, to each other. The bigger the project the bigger the all round gain. For a small example, if a body corporate and its builder, tradesmen or anybody else cannot resolve disagreements quickly in discussion with the project or strata manager, or others as necessary, is the preferred action to contact NSW Fair Trading for free dispute resolution assistance? How might such approaches ideally relate to building and construction related directions and insurances? All advice on this is welcome.

### **VCEC view of risk and the approaches to its reduction are wrongly directed, too numerically complex and too unreliable**

The VCEC draft report discusses improving the investment climate by reforming regulation in Chapter 6. VCEC assumptions about risk are primarily contained in this chapter, which leads to Draft Recommendation 15, calling for **the Victorian government to improve Victoria's overall business environment by developing and implementing a new regulatory risk policy to guide policy makers and regulators on the balance between risks individuals should self-manage and those the government should seek to mitigate through regulation (p. XLii).**

If one thinks about any individual life in global context, it often appears foolish from the ideal perspectives of any linked communities of interest, to try to distinguish between risks individuals should self-manage and risks government should seek to mitigate through regulation. For example, obesity is related to immobility and to a great burden of chronic injury and disease ending in early death. Controlling obesity should not be conceptualized as either being a job for the individual or for government any more than controlling safety on the roads should be seen as a job for the car driver or government.

The point of OHS Acts, based on the earlier Robens report in Britain, is that those most often in the best position to control the risks of production are the producers. Government inspectors are comparatively poorly equipped with knowledge and power.

In the 1980s in Australia, OHS acts provided new approaches to risk management, which soon came under attack from lawyers. Moneyball is a revival of many related management issues, in providing an example of how to treat many clubs. In health, the UN Declaration of Alma-Ata provides a related regional planning and development approach in which primary health care ‘involves, in addition to the health sector, all related sectors and aspects of community development, in particular agriculture, animal husbandry, food, industry, education, housing, public works, communications and other sectors; and demands the coordinated efforts of all those sectors’. The UN Declaration is a clear, early document. The approach sees all work and other activity as located in communities and natural environments from which related risks and challenges also arise.

The identification and control of the major risks to health are ideally attempted in related regional contexts and the comparative outcomes of projects to do this are ideally openly monitored and evaluated. Development is conceptualized, like democracy, as a jointly directed effort of the people by the people for the people, made up of diverse regional communities and individuals, with all their linked and varying interests. Feudal views, which try to reduce environments to comparatively aimless numbers and related loyalties, destroy direction because they may load so many professional costs onto restricted environments so irrationally from many broader, longer term management perspectives. This leads to uneven development which is wrongly called ‘under-consumption’.

Unfortunately, comparatively clear UN direction may be quickly reduced to professional drivel. For example, Keleher and Murphy (Oxford Uni. Press 2004) informed the reader:

‘Determinants of health are often divided into distal and proximal determinants. A proximal determinant of health is one that is proximate or near to the change in health status. By ‘near’ one can mean near in either time or distance, but generally it refers to any determinant of health that is readily and directly associated with the change in health status. Proximal determinants are also referred to as downstream factors. In contrast, a distal determinant of health is one that is distant either in time or place from the change in health status. The association between the change in health status and the determinant may be indirect or hard to see because of other intervening events and locations. Distal determinants of health are also referred to as upstream factors.’ (p. 10)

I cannot understand the above so God help the totally uninitiated. In stating their key concept ‘near’ may refer either to time or distance, these authors appear to conflate the historical, cultural and institutional contexts of a problem or activity and so reduce or ignore their importance for gaining understanding and direct action. This is problematic if situations can only be effectively understood as constructs of geographic, historical, cultural and economic circumstances. WHO and UNESCO believe this and I do too. Am I the only one who complains when they see this professional crap? Why am I so rude?

The advent of computer technology has massively increased production of humungous amounts of unbelievably dodgy numbers which pose as scientific when commercially driven, naïvely or not by academics whose views are not challenged. The solutions to social and environment risks of action and inaction cannot often be delivered by US and related marketing interests alone, because over the past twenty years the most powerful sets of US financial, legal, academic, bureaucratic and marketing interests appear to have destroyed potential for US decision making in the public interest. Sydney City Council management is a lesser victim of its feudal history and associations. It is not clear to me how this current situation may be improved other than by open project management to meet goals many traditionally closed commercial and professional relations may resist.

Risk is ideally broadly viewed as being of many kinds in broadly related industry and community contexts, clearly outlined for the purposes of related project management, funding and for supporting stable investments. For example, clear direction for good Australian project management was outlined in 1994 in the National Goals, Targets and Strategies for Better Health Outcomes in the Next Century. This may be a case of be careful what you wish for as it will become increasingly medically driven. If I had a prostate I wouldn't check it for cancer without symptoms. When do prostate cancer victims die? The last thing professionals ever want is to criticize their brothers or sisters.

Perhaps following suit, VCEC draft report Box 6.1 apparently defines risk according to the Australia/New Zealand Standard for Risk Management (AS/NZS 4360:2004) as:

...the possibility of something happening that impacts on your objectives. It is the chance to either make a gain or a loss. It is measured in terms of likelihood and consequence (p. 88).

This raises the question of what 'your objectives' ideally are. Only money, I assume. The 2004 standard appears to pervert the management approach in AS/NZS 4360:1999. So what else is new, the lawyers and the US have screwed us up in their image yet again.

The attached submission to the Productivity Commission (PC) inquiry into the setting of executive pay makes similarly disenchanted points in regard to the Financial Stability Forum (FSF) paper entitled 'FSF Principles for Sound Compensation Practices' (2009) referred to in The Declaration on Strengthening the Financial System, signed by the Leaders of G20 nations, including the Australian Prime Minister (PM), in London on 2.4.09. The leaders' meeting:

'endorsed the principles on pay and compensation in significant financial institutions developed by the FSF to ensure compensation structures are consistent with firms' long-term goals and prudent risk taking' (G20, 2.4.09, p.4).

The paper entitled 'FSF Principles for Sound Compensation Practice', repeatedly states the need to address risk but does not clearly indicate what risks the executive or other investors face or how executive pay setting ideally relates to such risks. The paper does

not clearly indicate how the setting of executive pay can best support the large or small investor, or the investor who hates to risk their capital and who seeks a guaranteed, continuing, modest income, or the investor who is prepared to gamble in the hope of making large investment returns rather than major losses. The paper seems automatically to identify the executive with the investors and to assume the risks taken by the executive and taken by the investor are the same. That is, as usual, the most floridly generous view. I wouldn't trust a lot of the garbage running the financial system as far as I could throw it.

Defining the goals of business and related competition more broadly, to serve the interests of the key and other stakeholders is crucial for meeting development needs and controlling related risks and costs. The alternative risk model, which VCEC superficially appears to support, involves defining all risk as financial, then disguising it to multiply and pass it on to more ignorant others as an investment opportunity. This is a way forward which increases poorly directed production, 'under-consumption' and inequality. Many risks may also become increasingly unknown, as shown by the global financial crisis. Who knew?

VCEC box 6.1 sources the (AS/NZS 4360:2004) 'gain or loss' related definition of risk and objectives to the OECD (2010) and further states that:

In the regulatory context, consequences are most often measured by deaths and injuries associated with particular activities (for example driving a car or working in a particular occupation). Likelihood is measured by the probability of the consequence occurring multiplied by 'exposure' – that is the number of people subject to the risk.

The above approach appears unclearly confusing and different to earlier directions in the requirements for risk identification, prioritization and reduction in state OHS acts and in (AS/NZS 4360:1999). I used the earlier risk management approach to teach students principles of investigation and development in regard to how an organization (e.g. business, government or voluntary organization) might improve its work by taking more effectively coordinated and open approaches to managing and reducing hazards faced by the organization, its workers, customers, communities or to the air, water, land or biodiversity potentially hurt by its operations.

This simple, earlier risk management approach and method was first outlined, to my knowledge, by Jean Cross, then an engineering professor at the University of New South Wales helping NSW WorkCover Authority develop an approach to application of new national standards. It appears now to have been undermined by a combination of shakily supported and/or incomprehensible numerical models posing as scientific. Lawyers will love it. See the related critique attached of the 2004 risk management process as it was outlined in the Australian Greenhouse Office (AGO) booklet entitled 'Climate Change Impacts and Risk Management: Guide for Business and Government', produced by the AGO under the Howard Government. This publication appears to take a similar approach to that of VCEC and AS/NZS 4360:2004, which also appears to be wrongly focused for the large majority of businesses, and possibly for all, as discussed attached.

For example, the AGO booklet aim is to ‘assist Australian businesses and organizations to adapt to climate change’ (p.8). It should instead aim ‘to assist Australian organizations to reduce the risks of climate change by improving their production methods and their investment methods’. Were I in business or government I would not undertake the risk management process recommended in the AGO risk management guide. Its goals and practice appear wrong, too theoretically and numerically driven, and thus likely to become part of many unclear, complex, narrow, highly theoretical and politicized professional debates, rather than a comparatively simple and useful business process, based on practical knowledge of the business operations, which also reduces emissions.

The AGO guide mainly requires a business to apply climate change scenarios to its organization as the basis for assessing risks to the business, to help it adapt. This approach is neither practical nor the main interest of business, which lies in better production. The goal of the Australian community is ideally to prevent or reduce the man made effects of climate change, as well as to adapt to it. Getting one’s goals clear is the first vital thing in any planning for later strategies and related budgets to achieve one’s goals. What do governments and other communities want to do – merely adapt to climate change or to prevent, and/or reduce the bad effects of greenhouse gases – surely both? The ideal risk management approach is to seek broad injury prevention and rehabilitation strategies which are rationally managed – not to define all risk as financial and pass it on.

To support AS/NZS 4360:1999, Jean Cross designed a simple approach to the process of identifying and prioritizing OHS risks for related treatment. The Hazpak worksheet has a table of sixteen boxes which allows any risk to be categorized according to the likelihood of its *severity* and *frequency*. Severe risks (e.g. chemical explosion) are usually ones in which deaths are caused. Frequent risks are more likely to lead to chronic poor health or pollution. A simple approach to understanding risk does not involve great mathematical skill, or extrapolation from highly limited, dodgy data which may be mysteriously and dubiously manipulated numerically, in related highly politicized financial contexts.

The AGO risk management approach was wrong, very confusing and likely to tie the organization’s designated experts in numerical knots, while neglecting others in the organization who may have greater interest and knowledge about how the business might face climate change most effectively, either through reducing its production and/or environment related risks or by purchasing offset activities in broader communities of interest. If one operates openly in a real and democratic environment, how wrong can direction be before it is corrected? People with differing skills often work best together. Some have great environment and technical knowledge but less conceptual and writing capacity. Others face the reverse problem. Work is likely to be most productive when people are placed in positions to complement each others’ capacities to contribute to expected results, including by questioning, debate and correction over issues arising.

Neither should one reduce ‘acceptable risk’ to insufficiently explained numbers, as VCEC apparently wishes to do (HSE 2001, p. 92). What an individual thinks is an acceptable risk is defined by the social and related environmental context in which he or she was born and raised and the nature of its related ignorance, whatever that is. This is



why high quality news media and reliable information and education access are vital for us all. Risk should not be ignored or overwhelmingly faced with professional approaches focused on examining and treating units or bodies numerically, in the absence of more broadly common sense understanding of the environments which produced them. From this perspective, for example, it may be good for Europeans and Japanese to close down nuclear power while India starts nuclear power stations up with operations ideally managed openly in the interests of poorer people globally. This is certainly no plea for Indian government or related self-management, which we definitely do not trust. The result of such blind trust may be catastrophic for many people in many regions. Open up.

In spite of the thirst for primary approaches to governance which are numerically driven, in supporting Americans' right to buy guns to keep families free and safe, neither US government nor others revise this when families use guns mainly to murder each other in record numbers, compared with other countries in the OECD. Irrationality does not appear to worry US interests as long as they are making money. Approaching 'acceptable risk' numerically is stupid in the absence of more open and practical management to reduce many risks together in openly coordinated ways.

Purely numerical concepts of risk invite extrapolation from limited data, often ignorantly and uncertainly gathered and removed for practical understanding of the surroundings which produced it. The alternative regional planning approach defines and treats risk as simply, clearly and openly as possible. In this context, the Research Symposium 2011 entitled Resilience: Can our Environment keep bouncing back?, organized by the Faculty of Agriculture, Food and Natural Resources at Sydney University showed these two approaches to identifying and treating risk at work – one type of analysis was broadly environmental and institutional while the other was an overwhelmingly numerical approach. If the latter appears wrong or incomprehensible it is open to waste or fraud.

For example, I could not understand the Professor of Economics at the Australian National University who is ANU-UNESCO Chair holder in Water Economics and Transboundary Water Governance and Director for the Centre for Water Economics, Environment and Policy. Should what cannot be clearly presented and understood be funded? Clear aims and definitions are vital if confusion, cost, lies, corruption, waste, loss and lawyers are to be avoided before they lead to the next global financial crash. These days, academics appear rarely to challenge each other. It may also make students jumpy. However, having perused his website, and being retired, I hope it is safe enough for me to say that the ANU-UNESCO Chair holder does not use a Moneyball approach and is less inviting than Crumb and Rockefeller. I can't tell you what they do either.

On the other hand, when Harris discussed the INFFER system he preferred to use the regional framework to identify and address benefits and threats to private activity, as well as public benefits and threats to the natural environment. He also pointed out that the resilience of an environment ideally is judged in the context of prior directions to achieve the broader ideal aims for that environment, which one assumes may ideally be related to public and private partnerships to achieving common environmental, social and economic goals. Harris supported the earlier view of Dr Jane Belnap, a scientist with the US

Department of Interior in Utah, that the management goals for any natural environment need to be clearly understood before ‘resilience’, which she defined as ‘how easily the system bounces back’, can be studied or achieved. This is related to rehabilitation policy.

MP Bob Katter said on the ‘Insiders’ program on ABC TV that he fears plans for systems that are supposed to reduce carbon pollution would involve ‘complex rubbish that is going to distress everybody in Australia’. The memory and effects of the global financial crisis and Americans who mainly brought it, has not dimmed for him and me. It is crucial to open operations and clarify risks in the pursuit of clear directions which take better account of the variety of global and regional conditions in which they are produced. The Australian Bureau of Statistics, Census, and related products present a wealth of information about environments and communities comparatively clearly to help environment analysis, goal setting and related project action and evaluation of outcomes.

Decisions driven by an ignorant strife of feudally conflicting financial and related interests principally defined and driven by the rich who secretly buy politicians and promote them to the voting masses on TV is unlikely to be the best direction for Australia to follow. Get out from under the US or be driven by their dysfunctional market values posing as democratic. In Australia, broader and more open service planning and delivery should drive more manufacturing, rather than the reverse which is normally thought the ideal direction, with its traditionally related, feudally closed assumptions and practices.

### **Forward direction for the corrections to the follies**

The Moneyball management strategy may be generally applied in sport, entertainment, education and many related services to increase jobs. Logically, this also requires improving regional communications to assist delivery of jobs and services better. This primarily also requires delivering services and products more openly, honestly, broadly and in a manner also more open to debate and the related production of better evidence. Australia should be at the forefront of more broadly scientific approaches to sustainable development which ideally are guaranteed by legal aims conceptualized very broadly. In this context apparent corruption is ideally judged openly, because corruption is often the struggle for its own feudal life and culture in some comparatively subjugated group.

News and education ideally go together as the necessary core of democratic development which is evidence based. Development trajectories which favour closed and privileged commercial and professional interests ignorantly discriminate against all unknown but excellent players, risk more stress related player injuries and forfeit many broader audiences and money. Similar points are made in the attached complaint against Telstra, Foxtel, Brother and related operations to the Telecommunications Industry Ombudsman. From this perspective, the current anti-siphoning regulations for particular sporting event broadcasting also appears to make little sense, because there appears no good reason for government to want to restrict access to information about games of special interest.

Many want to get up off the tools into the office. What can and can’t they do? Let people openly demonstrate the competencies they claim for the job. Otherwise

employment choices increasingly appear likely to be made on the basis of credentials which may test competence mainly in dealing with theoretical expectations. Today in Australia, doctors, psychologists and many others are supported by government for communications made to them by patients or clients, even if the expert's remedial input does not fix the health service consumer's problem. On the other hand, builders, electricians, plumbers, electronics retail workers and many others may be expected to provide substantial free advice to the customer on her particular problems, and also to have to bid low to get the contract. Their work is then expected to fix her problem. Good service management needs to be understood in a range of different industry and community environments for fair, reliable and cost-effective treatment to occur.

The attached submission on the Productivity Commission (PC) paper on Regulation of Director and Executive Remuneration in Australia and the Financial Stability Fund Principles for Sound Compensation Practices made related points. Openly design better work contracts, including on the job training and advertise them more widely than through the normal channels, which are choked. For example, the contract ideally has clear key aims with steps clearly completed for quality management purposes. Work quality generates periodic work payments. Accreditation of skills developed on the job may be openly recorded and signed-off clearly. Do it from top to bottom together.

The Moneyball management problem and solutions are akin to those to aid greener, fairer development. The attached files discuss development of related regional communications, education and risk management strategies to support more jobs and greener futures for all, starting with the poorest regions and related organizations. These have logically become our main interest, rather than those of our earlier feudal relations. See the movies Inside Job, Moneyball, The Final Winter, and pursue corporate planning. One speaks as an old woman who has led an exciting, safe life. This unusual combination I naturally put down to the collective cultural wisdom and pass it on at [www.Carolodonnell.com.au](http://www.Carolodonnell.com.au) Assessments are practical forms of action research.

Short film making (7 mins.) should always be available for people who hate writing. Even when support is supposedly available it never is in my experience of teaching at Sydney University. The refusal to mix specialisations is a major problem in educational institutions. It leads to many increasingly specialised existences, which also turn up later as more specialised bureaucratic and financial costs, just for going through some motions. Remedies should address better fits between sport, jobs and education rather than follow common feudal models which typically increase stress as well as inequality. However, the impact of intellect and film is often very powerful and I think best recognized in the US. In the US, if you want to hear the truth you probably should go to the movies – but which? Try Norwegian Wood to see another cultural approach to a secret big back story.

Thank you for the opportunity to make this submission. Yours truly,  
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