



## Q&A for Dr Geoff Bertram

	Question	Answer
1	What was the peak number of houses the Ministry of Works Housing Division/Housing Corporation built per year in the past?	Between 1937 and 1939 the Government got 5,000 state houses completed ( <a href="http://nzetc.victoria.ac.nz/tm/scholarly/tei-GovCour-t1-body-d5-d8.html">http://nzetc.victoria.ac.nz/tm/scholarly/tei-GovCour-t1-body-d5-d8.html</a> ) . By 1949 there were 30,000 ( <a href="https://en.wikipedia.org/wiki/State_housing">https://en.wikipedia.org/wiki/State_housing</a> ). It then took till 1978 to get to 100,000 (including ones that had been sold off in the interim). So it doesn't look as though it ever got over 3,000 in a single year.
2	Do we really think big these days? - seems to me our main problem over the past 30+ years is we think too small (due to neoliberalism, 'public choice' theory, etc.)	Quality of thinking matters more than "big" or "small". Neoliberalism is a quality problem more than a size one! Public choice theory also. The first turns markets into slaughterhouses; the second destroys the confidence and capacity of government.
3	Hi Geoff, during a webinar on post-COVID strategies to address unemployment, you mentioned economist Stephanie Kelton's Harcourt lecture at the University of Adelaide.  Can you please discuss the feasibility of MMT as a means of funding social programs and how we conceptualise debt?	In a deep recession (as now) the MMT theorists are absolutely right that money creation is a sound way to fund expansionary fiscal programmes. At full employment they are also right to say that taxation has to be sufficient to clear fiscal space for ongoing government programmes including social welfare. Horses for courses... Regarding debt, best just to refer people back to that webinar at <a href="https://youtu.be/TQ24nnwb_8I">https://youtu.be/TQ24nnwb_8I</a> ..
4	Is NZ a large enough economy to have a truly competitive private sector contracting/delivery system? (my understanding of the history of NZ is that the private sector continually failed, which is the reason why historically the NZ Government had to establish the public works department, and own insurance and banking providers, etc.)	Depends what you mean by "failure". Economies of scale do matter, but public works are inherently unprofitable and so tend to be a government responsibility. The "make or buy" decision then has to be made. Banking and insurance were areas where foreign-owned operators were considered to be exploiting the local market and the Government stepped in to provide a benchmarking competitor – scale wasn't the issue.
5	What's the difference between Firms, Corporations, and Companies?	No necessary difference. Seems a semantic issue.
6	Has there been any discussion around inefficiencies as a public good?	Not clear what you mean. Inefficiencies are to be avoided if possible, but beware defining "efficiency" too narrowly.
7	Geoff, do you ever get an opportunity to talk to Jacindas team? You need to, they need to change their thinking...	No. I'm an outsider.
8	I agree to a point that a Ministry of Works would be a good idea. After working for the NZ Forest Service in the early '80s in Kaingaroa where there was enormous inefficiencies I think it would only work if you qualified by saying we need a good quality MOW. The same could	Agree about the quality issue for MoW. With contractors, the basic issue is the quality of contracts as much as quality of contractors. A race to the bottom to cut costs produces poor results on both fronts.



	be said about contractors. They are fine if we have good quality contractors.	
9	Can Geoff offer any comment on why many of the Ministry of Works buildings in Christchurch survived the 2010/2011 earthquakes, whereas ones built by the private sector, despite being built many years after the Ministry of Works buildings were constructed, seem to have either collapsed or became uninhabitable?	Not familiar with the detail in Christchurch, but the pattern is clear enough in Wellington.
10	Could a new MOW be essentially a deep training and emergency works resource?	Yes
11	Isn't contracting out projects more expensive than doing it ourselves by virtue of all the middlemen involved?	Often, yes. The decision to contract-out such a lot of government functions was more ideological than rational. Ironically, a more consistent application of public choice ideas would have spotted the middleman problem.
12	Have you been engaged in any discussion with the present government on the issues that you raise?	No.
13	Most PPPs have turned into a rort. Can't condemn the method enough. Gamemanship is fundamental.	Just don't do them is my default suggestion. But do keep an eye open for <u>genuine</u> opportunities to benefit from private sector resources and skills – the original state housing programme rested on James Fletcher's organising ability.
14	How would or could a MOW support SMEs involved in building and construction?	Lots of possibilities but would depend on how a new MoW was set up. Previously it provided quality assurance, training, infrastructure backup for housing and other developments. Not sure exactly what "support" you were looking for though.
15	Has there been any discussion around inefficiencies as a public good?	See earlier response to the same question.