

Salinity Inquiry
Submission No. ...4.....

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SUBMISSION

Scope of this submission

This submission considers how adequate is the technical and scientific support in applying salinity management options. The framework of this support involves significant amounts of Federal taxpayers funds being supplied by two major programmes; the National Action Plan for Salinity and Water Quality and the National Heritage Trust ("NHT").

Through the National Action Plan, the Commonwealth Government has committed \$700 million over 7 years to be matched by the States and Territories. This is in addition to \$1 billion over 5 years available for natural resource management through the extension to the NHT with the States and Territories matching these contributions.

These funds flow through and to the vast number of people in the public sector who are responsible for the distribution of these funds. Distribution is not random because each State pursues its own strategy, however the starting point of the analysis of salinity management options has to be an evaluation of the respective State strategies and whether on a dollar for dollar basis the value is the outcome.

For example, the NSW Government has a platform to its Salinity Strategy called the Salinity Business Development Program which is designed to encourage and stimulate "new business initiatives in defined areas of salinity." What has been the outcome?

Current salinity strategies do not produce results and we need to ask why

A highly credible Salinity Strategy exists, but it is not producing results. We believe one reason is because the public sector system does not provide infrastructures or corridors that encourage and develop business opportunities. No structures are readily available to:

- address business opportunities
- address and support technology
- collect all science and technology already in the public domain relevant to salinity.

Without a coordinated and national infrastructure to support salinity strategies, government funding is a complete waste. Some government initiatives are, however, beginning to impact. For example, through State and Regional Development, the NSW Government, has announced an initiative designed to assist collaboration between government and corporate sector purchasing organisations to demonstrate new and proven technologies and this is starting to impact.

Also, the Technology Showcase initiative is an undoubted success, but what needs to be recognised is that whilst the public sector may develop the longer-term vision and policy, the public sector is neither trained, nor in fact mandated, to turn these opportunities to account. What it does best is facilitate.

We believe that another reason for the Salinity Strategy not producing results is that it is dominated by public sector people who:-

- are part of an established and respected culture of processing data;
- are not mandated to embrace new ideas and foster the energy needed to succeed; and
- have minimal funds and authority to support innovation and experiment.

What is needed is a private sector attitude that applies business and entrepreneurial skills to develop new opportunities. What we have is a public sector engaged to ensure none of these government funds are applied 'at risk'. The public sector wants risk free market based solutions, whatever that means. Yet, even against that background, funding of projects is undertaken with no apparent outcome in mind.

No profitable businesses in Australia are based on the salinity industry

So far as the author is aware, there is, in Australia, no profitable businesses based on any aspect of the salinity industry, except perhaps Sunsalt (www.sunsalt.com.au). This miserable outcome is a sad reflection on the current thrust of government to find, develop and grow in Australia the entrepreneurial gene to create new business, new industry and new employment opportunities.

The Committee needs to examine why this happens. It is submitted that a review of the corporate history of all the businesses engaged in salinity would produce some of the answers to the question why the private sector languishes. As currently structured, the salinity industry does not offer the private sector opportunities that can be turned to account for profit.

To create new business and new industry, innovation must be coupled with commercialisation and that link is yet to be made in Australia. The government talks about innovation and commercialisation and the Commercialisation Forum of 27 March 2003 was an excellent initiative, but the big question is, what place does the private sector have in the development of salinity strategies and actions?

Problems influencing the effectiveness of government's salinity strategy **No overall view as to what science and technology should achieve**

In the recent April-June 2003 edition of *Ecos* 115, at page 36, there is an article 'Reform lost in red tape'. This article I attach as Annexure 'A' to this submission because it gives a context to my submission and aspects of it are particularly relevant. For example, the WWF environmental specialist, Peter Cosser says:

"At present too much money is spent on peripheral reports that don't address the key issues..."

Annexure 'B' is an extract from a joint Media Release issued by the Federal Ministers for Environment and Heritage and for Agriculture and by the Victorian Ministers for Agriculture and for Environment dated 9 July 2003.

The Media Release announces that 'The Commonwealth and Victorian Governments will invest \$725 million from the National Action Plan in innovative projects that address salinity and water quality in Victoria.

Annexure 'B' under the heading Multi Regional Projects, identifies the projects to which the funds have been allocated and how much. The total of funds identified under the heading Multi-Regional Projects amounts to \$5,522,940. Is there a common purpose? The application of funds appears diverse to say the least. What is, or was, the outcome sought to be achieved>

There needs to be an overall objective of what science and technology should achieve and guidelines or benchmarks which create a framework within which funds may be distributed to appropriate useful purposes.

The amount and the type of projects to which grant monies are made available

It is an absolute waste of money to apply funds to technology development if the funds are insufficient to leverage commercialisation. The total of the attached list of Multi-Regional Projects that received funds is \$5,522,940. It would be interesting to know what are the criteria of success for these funding applications. How will the Australian community benefit from this project funding?

Without measurable outcomes neither the government or the taxpayers can evaluate the success or otherwise of the billions being invested in the Salinity issue in Australia.

Our recommendations are that:

- 1. The Committee should recommend that technical and scientific support only be made against a background of measurable benefit.**

Much has been written about triple bottom line theory. It is recommended this be used to in relation to the funding of salinity projects to guide and focus expenditure of taxpayer's money. Objective criteria for successfully gaining funding could be set using criteria that reflect a triple bottom line approach. That is, will this project contribute to the:

- economy;
- the knowledge base of the salinity issues; and
- environment and quality of life for individuals or communities.

2. Those that judge must know the current state of the art and the current research projects being undertaken by the many and various institutions in Australia.

As a priority therefore, the Committee should recommend that an organisation assemble this data and have it stored where available for the benefit of all. This body should be an independent community based organisation such as the Australian Salinity Action Network ('ASAN') and funds to support such an organisation should be made available. The body needs to be independent to be beyond politics.

Dated: 16th September 2003

Signed: Bill Henty

W J Henty Profile

Bill Henty is a senior lawyer, with a background of project commercialisation, business law, intellectual property law and assisting small and medium sized business.

Over the past 30 years, his practice has covered commercial law, technology commercialisation, international technology transfer, syndication and joint ventures, lease finance, leverage leasing, capital raising and contract law.

Bill has published articles and been invited to speak on the process of commercialisation of ideas and technology, nationally and overseas. Amongst other things, he is a spokesperson for Australian technology, Secretary of Australian Business In Europe and co-founder of ASAN (Australian Salinity Action Network).