

From: Ian Rae
Sent: Tuesday, 9 May 2000-05-10
To: isr.reps@aph.gov.au
Subject: Of material value?

I am writing on behalf of the Australian Academy of Technological Sciences and Engineering (ATSE; 197 Royal Parade, Parkville, Vic 3052) to offer some comments on the inquiry by the Standing Committee into increasing the value added to Australian raw materials.

The Academy was pleased to see in the First Report (Of material value?) that views expressed in our submission had been taken into account and that some of our exhibits were recognised in the text. However, we feel that more attention might have been given to the last of these exhibits, #6, our April 1999 report on Water and the Australian Economy. The point is made many times in that report that we Australians need to make better use of our water, and that if we do, this would constitute value-adding to this natural resource.

The report (Exhibit 6, also to be found on our web site www.atse.org.au) should be of use to the Standing Committee in the next phase of its work, when case studies of a number of industry sectors will be undertaken. I note the point made in the Standing Committee's first report, that economic analysis needs to guide the increased effort into areas where value-adding will realise most returns - that is, we should put our effort into marketable products. In addition, the Standing Committee will need to consider the availability of resources for value adding, and where these resources include water our report offers an excellent guide to those sectors which make best use of this resource.

For example, fruit, grape and vegetable production are significantly more efficient users of water than the rice, dairy and sugar industries. Drawing from this list, it is important to note that wine, dairy and grains are the bases of three of the five case studies to be performed. The mining sector, although not a big user of water when compared with agriculture (which consumes some 80% of water used in Australia) is nonetheless reliant on water supplies for processing and domestic use at remote sites. Our report provides information on depletion of resources and on water pollution which should be of assistance in such a case study.

Thank you for the opportunity to comment.

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