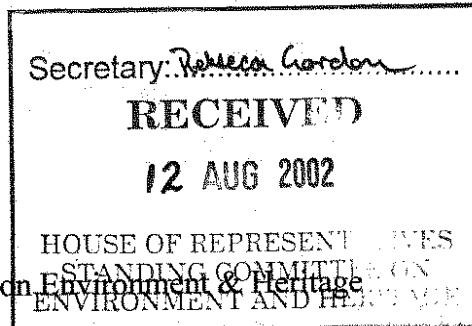


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Mr Bruce Billson MP
 Chairman
 House of Representatives Standing Committee on Environment & Heritage
 Parliament House
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The attached document responds to the Committee's call for public submissions regarding its inquiry into Employment in the Environment Sector. It identifies policy considerations and highlights mechanisms that would foster enhancement of the nation's skills base and competitiveness in global markets.

In summary –

- the US\$520 billion global market for environmental goods and services offers major opportunities for Australian business (and more broadly for Australian research organisations) that employ an estimated 130,000 people in over 3,000 enterprises
- growth of the environmental goods and services sector in Australia has been inhibited by lack of resources at the SME level for building overseas markets through participation in global industry showcases, the exchange of information and consortium building to compete with multinational services conglomerates
- impediments to growth directly impact on employment and on the strengthening of the nation's skills base, including managerial expertise and the commercialisation of public/private sector research (a major international competitive advantage)
- the Environment Technology Information Centre, in conjunction with industry bodies and government agencies, has been facilitating cross-sectoral information sharing through a national program of seminars and workshops that brings together research, government and business entities
- the Centre forms part of the Environment Industry Development Network (EIDN), which provides an online information resource of proven value for SMEs building markets in Australia and overseas
- in partnership with government EIDN has underpinned that resource by assisting environment sector businesses to gain entry to major offshore markets through participation in global industry showcases such as Entsorga.

I would be pleased to appear before the Committee to provide more information.

Please do not hesitate to contact me if you have any queries or I can be of further assistance.

Yours sincerely

Ian Bergman
General Manager
Environment Technology Information Centre

9 August 2002

**House of Representatives Standing Committee
on Environment & Heritage
Inquiry into Employment in the Environment Sector**

—submission by the Environment Technology Information Centre—

August 2002

■ Executive Summary ■

- this submission is made by the Environment Technology Information Centre, a unit of the Environment Industry Development Network (EIDN).
- the Centre's national information service about Australian environmental technologies, goods and services includes a major online resource, technology diffusion workshops and seminars. It works in close association with business, research centres and government agencies.
- the global market for environmental goods and services (est US\$520 billion) offers major opportunities for Australian business and more broadly for the nation's research organisations.
- the Australian environmental goods and services sector employs an estimated 130,000 people in over 3,000 enterprises.
- most of those enterprises are SMEs, providing consulting, instrumentation or specialist equipment rather than infrastructure construction/maintenance or heavy manufacturing. Many are based on scientific, engineering or other skills as part of the 'knowledge economy'.
- independent studies suggest that commercialisation of public/private sector research will continue to underpin Australia's international competitive advantage and thus employment growth in the sector.
- local and international uptake of Australian environmental goods and services has been impeded by –
 - the small size of many enterprises, which inhibits movement into overseas markets (some SMEs for example lack the human resources and capital for independent participation in global industry showcases such as Entsorga)
 - difficulties experienced by potential purchasers in identifying those goods/services and evaluating vendors.
- growth of the overall industry and individual enterprises has also been inhibited by limited opportunities for –
 - exchange of information regarding technology applications,
 - sharing of business experience (particularly about building overseas markets)
 - activity that brings together a range of SMEs in consortia that provide effective competition for multinational environmental services conglomerates.

- the Environment Industry Development Network, in conjunction with industry bodies such as Environment Business Australia (EBA) and government support, has been facilitating networking across the environment goods and services sector.
- it links businesses and other organizations through –
 - a range of technology diffusion workshops and seminars across Australia about innovation developments, business practice and trade opportunities
 - publication of research about commercialisation of environmental technologies
 - provision of information to government studies such as the Environment Industry Action Agenda's *Investing in Sustainability* discussion paper
 - development and maintenance of EnvironmentDirectory.com.au, an international online resource about Australian environment businesses.
- networking initiatives and associated trade promotion measures such as support for participation by SMEs at global industry showcases have proved to be cost effective, with businesses for example reporting significant overseas sales through participation in showcase events in China and Germany.
- networking and promotion underpins employment growth and sustained expansion of Australia's skills base.
- Federal government investment in such activity by industry on a strategic basis will provide greater sectoral and economy-wide benefits than isolated industry support initiatives. Employment is best served by assisting the range of industry participants to access information and equip themselves with tools for doing business in global markets.
- EIDN and the Centre are supporting the Environment Industry Action Agenda, a joint initiative by industry and the Commonwealth government to develop business competitiveness and sustainability. The Action Agenda is being implemented by the Barton Group, an alliance of industry leaders.
- the Centre's EnvironmentDirectory initiative –
 - underpins the Barton Group Task Force on Clusters, Partnerships & Networks to better link suppliers and buyers of environmental goods and services
 - links business with research bodies and government agencies across Australia, in contrast to guides or other resources that have a State-only coverage.



**Inquiry into Employment in the Environment Sector by the House of
Representatives Committee on Environment & Heritage**
—submission by the Environment Technology Information Centre—

■ **This Submission**

The following paragraphs respond to the 3 July 2002 call by the House of Representatives Standing Committee on Environment & Heritage for submissions regarding the inquiry into Employment in the Environment Sector.

The submission has been made by the Environment Technology Information Centre.

It is based on experience in the delivery of environment sector information services.

It is also based on work with Australian business, government agencies and institutions in the successful promotion of environmental services, products and research in global markets.

■ **The Centre**

The Environment Technology Information Centre is based in Canberra. It has a national focus, providing an effective national information system for organisations and individuals seeking Australian environmental technologies, goods and services.

In particular it provides an effective means by which overseas and Australian buyers of environmental technologies, goods and services can identify potential solutions to environmental problems.

The Centre was established following a feasibility study undertaken with financial assistance by AusIndustry through the Innovation Access Program. That Program aims to promote technology diffusion in priority sectors such as environment management.

The Centre is an arm of the Environment Industry Development Network (EIDN), a specialist organisation that –

- provides environment industry information and networking services
- conducts technology diffusion seminars and workshops that bring together business, government agencies and research bodies
- arranges international activities and hosts overseas business delegations
- undertakes technology development and marketing for the environment management sector, and
- works closely with individual businesses, industry bodies, research organizations and government agencies.

Centre staff have extensive experience in environment management, industry development and information services. They are members of major industry bodies and working groups.

■ Information Resources

The Centre's online Environment Directory (www.environmentdirectory.com.au) is an effective national information resource that underpins growth of the industry.

It is used by –

- Federal and State/Territory government departments and other agencies
- overseas government bodies
- utility companies in Asia, Europe, the Americas and Australia
- engineering consultants
- development agencies
- importers and traders
- educational and research institutions
- non-government organisations
- individuals engaged in environment business activities.

It has resulted in significant business for Australian enterprises in local and overseas markets.

■ Growth of Australian goods and services

The global market for environmental goods and services has been estimated as worth more than US\$520 billion, with the most significant growth occurring in emerging economies.

That growth presents opportunities for Australia in the provision of –

- basic infrastructure (in particular drinking water, sewage treatment)
- planning, project assessment and other services
- instrumentation/monitoring equipment and services
- industrial treatment (including hazardous waste management, emission controls for industrial plants and power plants)
- site remediation.

Growth is expected to continue, driven both by local expectations (eg business and consumer demand in China and Thailand for water treatment) and international requirements (eg multilateral/bilateral protocols for hazardous waste management). The rate of growth overseas is expected to be significantly higher than within Australia.

Estimates of the size and composition of the Australian environmental goods and services sector differ.

However, independent research suggests that businesses in the sector have an aggregate annual turnover of more than \$11 billion and that there are around 3,000 enterprises. 80% of those enterprises are probably SMEs, many engaged in the delivery of high-value services or instrumentation rather than large-scale heavy manufacturing or infrastructure construction.

Overall employment for the sector has been estimated at around 130,000.

The sector is a key component of the 'knowledge economy'. Australia's domestic market is smaller than many of its competitors, such as the US, and SMEs face competition from major overseas environmental services businesses, including groups in Europe that have been identified as 'national champions' and thus enjoy preferential funding or other government support.

However, Australia's workforce provides a competitive advantage. In a direct sense the excellence of our tertiary and technical education systems provide a national skills base that should be strengthened through initiatives at the Federal and State/Territory levels (eg support for curriculum development and industry apprenticeship/training schemes).

More broadly, there are opportunities for increased competitiveness through –

- encouragement for commercialisation of environmental research (taking processes and services out of the laboratory or workshop into the market), a particular issue for small enterprises built around the work of specialists
- measures that assist SMEs to identify overseas business opportunities and enter global markets, for example through participation in major industry showcase events that have been demonstrated to produce significant sales for Australian businesses
- mechanisms that enable overseas buyers and agents to readily identify what Australia (and individual businesses) have to offer.

Failure to grasp such opportunities will erode Australia's competitiveness and continue to inhibit SMEs that –

- have not been identified by buyers in overseas and local markets
- lack the expertise or resources for independent participation in global industry showcases
- are not aware of sources of information about government assistance for breaking into overseas markets
- are not part of formal or informal industry networks
- are familiar with opportunities and competitors within their State/Territory but lack information that would allow them to treat Australia as a single market
- possess significant technological expertise but lack experience in the valuation, protection and promotion of that intellectual capital.

■ Policy Measures and Priorities

The economic significance of the environmental goods and services sector as an engine for economic growth in metropolitan areas and regional Australia justifies a range of development measures that partner industry and government.

Experience over the past decade suggests that there are three key needs that must be addressed in policy development on an ongoing basis. A strategic approach, rather than one-off isolated measures, is essential if long-term benefits are to be achieved.

The needs relate to –

- access by overseas markets to aggregated information about Australian environmental goods and services
- access by Australian business (and entities that are moving towards commercialisation of processes, services and products) to information about business issues, potential alliances and market opportunities
- access to expertise and financial or other assistance that allows SMEs to participate in global industry showcases and otherwise break into overseas markets.

Industry case studies demonstrate that such measures have enabled Australian businesses to achieve multimillion dollar sales through –

- participation in events such as the Hannover Messe (Europe's largest industrial machinery trade fair), Technomart (a major event in China) and Entsorga (a global environment industry trade fair)
- sharing experience within Australia and better utilising a range of Federal/State government services or establishing interstate alliances
- identification and assessment by overseas buyers.

The *Investing in Sustainability* discussion paper produced by the Environment Industry Action Agenda team under the auspices of the Department of the Environment & Heritage and the Department of Industry Science & Resources noted that many enterprises do not appear to be active participants in industry networks. That is unsurprising, given the sector's diversity. The paper and other documents however highlight that those enterprises value information and are equipped to leverage trade promotion expertise or financial assistance from government and commercial bodies.

■ Information Systems

The Committee's Terms of Reference refer to

information and reporting systems that would support the uptake of environmental goods and services to enhance overall business performance and development of the sector.

The Centre, as part of the Environment Industry Development Network, has been providing a range of appropriate and cost effective information mechanisms that address the needs of businesses and other organizations within the environment sector.

Over the past year it has conducted a series of technology diffusion workshops across Australia that bring together large and small businesses, government agencies and research institutions. The workshops have covered technologies and business practices. They have also provided participants with an opportunity to develop personal networks, often more effective than reading a report or sitting in front of a screen.

The Centre has provided access to a range of research reports, papers and industry studies by researchers, government agencies, institutions and other bodies.

It has developed and maintained the online *EnvironmentDirectory* site, highlighted earlier in this submission, which provides Australian and overseas users with access to information about environmental products, services and businesses. As a specialist information resource that aggregates content specific to the sector the Directory has attracted a significant audience within Australia and in overseas markets. Centre staff have referred overseas queries to individual businesses and institutions.

It has contributed to major studies and discussion papers such as the *Investing in Sustainability* document noted above.

The Centre works in close association with industry organizations, in particular Environment Business Australia (EBA), and government agencies. It is assisting the national Environment Industry Action Agenda. That Agenda is being implemented by the Barton Group (an alliance of industry leaders). The Centre's *EnvironmentDirectory* initiative in particular supports the Barton Group Task Force on Clusters, Partnerships & Networks through linking suppliers and buyers of environmental goods and services.

Its commitment to building the sector is reflected in support for trade facilitation activity such as assisting SMEs to successfully participate in overseas industry showcases such as EntSORGA or Envitec.

