

## **SUBMISSION ON PRODUCTIVITY COMMISSION (PC) INQUIRY INTO DROUGHT SUPPORT AND PC REVIEWS OF BURDENS ON BUSINESS**

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### **OVERVIEW AND RECOMMENDATIONS**

This submission makes recommendations primarily in response to three Productivity Commission (PC) terms of reference and reports of investigation:

1. Inquiry into Government Drought Support (2008)
2. Draft Research Report, Annual Review of Regulatory Burdens on Business (Manufacturing and Distributive Trades) (2008)
3. Research Report, Annual Review of Regulatory Burdens on Business (Primary Sector) (2007)

All life and production are sourced from primary production, which harnesses the bounty of the land, water and air. The earliest of the above PC reports is therefore vital in providing guidance for recommendations relating to the others and is also vital reading for anybody concerned about sustainable development. The three inquiries above must now be logically addressed together, in the light of Australian agreement under the Kyoto Treaty to reduce greenhouse gases harmful to the environment. This is ideally done in accordance with pre-existing regulatory mechanisms to conserve biodiversity, such as the Environment Protection and Biodiversity Conservation Act (1999), International Biogeographical Regions of Australia (IBRA), etc. Wrong and costly isolation in policy and programs between production and its impact on the environment needs to end. As Tony Abbott has said clearly, in today's Sydney Morning Herald (SMH):

The electorate wants problems solved and they don't want a treatise on why the relevant level of government can't solve a problem because it lacks the power. (SMH 10.10.08, p4):

Who would – unless they were a lawyer or a politician? Unless more broadly coordinated and openly competitive project management approaches are taken to establish and achieve environmental, social and economic development goals, the international goals of sustainable development and any reduction in carbon emissions through trading schemes will be hard to achieve and expensive. Australia can gain, even if taking steps alone.

Government consideration and response to diverse reports and recommendations in coordinated and openly consultative industry and regional contexts ideally provide a vital collective education prior to regionally based, holistic planning and action for greenhouse gas reduction and carbon trading. In this context, one may consider, besides the three reports out lined above: the PC Report on Impacts of Native Vegetation and Biodiversity Regulations (2003), the PC report on Australia's Consumer Policy Framework (2007), the current Review of Export Policies and Programs conducted by the Department of Foreign Affairs and Trade, the PC Review of Regulatory Burden on the Upstream Petroleum (Oil and Gas) Sector, the Australian Automotive Review, or many other relevant inquiries. Coordinated consideration of these reports may seem confusing. It actually makes all intelligent life easier, because clearer regional connections can be made to meet broader goals, on the basis of better knowledge, to adapt to triple bottom line accounting, which is economic, social and environmental. Old fashioned management operations in multiple, secretive silos, force all to pretend or to become more stupid than ideally is the case. Ideal relationships between production chains and operating arenas now require investigation.

Academics are allowed to read anything. Whether they will or not is another matter.

The following recommendations are made and discussed as a result of the above position:

1. Identify and treat marginal producers. To provide drought support, focus on the reasons for the marginally effective farm and introduce incentives to encourage more sustainable land and water use.
2. Tackle burdens on the manufacturer and distributive trades in the earlier light of the more substantial review of regulatory burdens on primary sector business.
3. Find and target funding effectively for sustainable development by ending old fashioned funding practices related to legislation, industry protection, programs picking winners, etc. To get the money for carbon emissions pools, trading and related offset investments, take it from as many areas as possible of government, industry and related institutional spending, where operations currently hinder the aims and management principles of sustainable development. When first set, the ideal carbon price is cost neutral for producers and broader regional communities.

4. Ask the Minerals Council of Australia to communicate with and assist primary and other companion producers and communities to meet their social and environmental obligations to future generations through their leadership.
5. Lead improved approaches to the development and mobility of skills and certification through first supporting the open education proposal attached, to cover all trades experiencing severe shortages in the primary sector. Discuss the proposed educational future with the Open University, Google and the Bill and Melinda Gates Foundation. Australian educators talked more than long enough.
6. Discuss investment in greenhouse gas offset development strategies and the establishment of related funding pools openly in all relevant industry and community contexts, including with superannuation funds.

Ideally, in a new international context of requirements for more sustainable development, the current generations are expected to care about broader collective futures, rather than just about their immediate family or tribe. This is also the ideal expression of nationalism which also seeks to avoid war through expanding all communication and trade relations. In Australia, this requires that totally new perspectives on conservation, protection, rehabilitation and compensation are taken, in opposition to those on trade protection and compensation which ruled us in the past. Governments, industries and communities which seek sustainable development must now cut out many dysfunctional costs to liberate more skilled performance in all areas and to reduce inflation. We must stop driving Australia with the hand brake and the accelerator both on. It just kills the motor. Even if no other country follows suit, this will still be a good idea. This is not the sustainable development based on Utopian altruism Garnaut talks about, it is economic self defence. Say good-bye to the Fat Controller. There's a new kid in town. (The One the Eagles always sang about.)

### **RECOMMENDATION 1: IDENTIFY AND TREAT MARGINAL PRODUCERS**

In regard to the PC Inquiry into Government Drought Support, this submission responds to the following inquiry term of reference by addressing:

The most appropriate, effective and efficient Commonwealth, state and territory government response to build self-reliance and preparedness to manage drought.

To provide drought support, focus on the reasons for the marginally effective farm. Provide incentives to encourage more sustainable land and water use, as discussed later.

For the purposes of argument, I assume that drought is caused by high levels of carbon emissions and that the control of greenhouse gases and the development of a related greenhouse gas trading system are vital parts of the solution. The industry management recommendations that I make have the aim of gaining sustainable development through the related pursuit of more openly competitive markets. If my assumption that the drought is caused by carbon emissions is wrong, it does not matter.

The recommendations create greater incentives for self-reliance than those created in any alternative management structure, because they aim at lessening community risk by increasing community knowledge and competition. They also follow the basic principle of Casemix health service funding, as used by Medicare, the backbone of Australian health service provision. Casemix principles assume that it is important to cost the production of various classes of services clearly and rationally, in order to identify and use all the potential benefits of competition effectively. Ideally, the benefits of competition are improved service access, quality, equity and affordability. These goals are delivered much better in taxpayer funded Australian and European health service models than in the US. More scientific management is necessary for sustainable development and more open markets are also vital. Only open education can deliver effective understanding. Otherwise all more narrowly privileged interests defined by the feudal legal past will keep on winning.

This submission therefore first focuses on the marginal farmer, farm business and farm dependent rural small business in order to ask the questions:

***From a sustainable development perspective, why is this particular operation marginal? Is it because the operation ideally should not exist in its location? Is it perhaps because it is a potentially vital infant operation, struggling against a dominating and dysfunctional industrial past, which now deserves to be nurtured and sensibly encouraged in the interests of sustainable development? What is to be done?***

The answer to these questions ideally determines the type of drought support which is discussed and offered to a failing business. Call this rehabilitation, land sale, lease or purchase, compensation, redeployment, retraining or what you will, depending on the individual farmer and government decisions made and recorded on the basis of the aims of sustainable development and the surrounding circumstances. This is ideally a big step along the road to better joined-up government. From a sustainable development and related risk management perspective, one should try to get production incentives effectively directed to supporting operational aims across all industry and community boards. Greenhouse offset operations for a sustainable future, such as tree planting, land purchase, aquaculture, native animal management or better green waste management may be undertaken in related contexts. I made a related research proposal to the Australian Automotive Industry Review, which is attached. The approach is critical of all earlier Australian regulatory structures supposedly designed to protect a block of 'trade exposed industries', or which seek to pick business winners, or which are focused on providing only compensation following injury or loss, rather than environment conservation, injury prevention and rehabilitation strategies which ideally benefit broadly linked communities.

Dealing openly and fairly with the marginal business operator, with the aim of achieving more sustainable development, will assist sustainable development globally as well as locally. This global and national research strategy will also assist government and industry to identify and reduce many unnecessary costs on all production to benefit all consumers, producers and communities. This is ideally part of an open educational process, guided by goals of a sustainable development fair for all. For example, I assume the main goal of stakeholders in the Australian automotive industry should be to participate effectively in global search and production of the

safer, greener, more affordable car. This need is ideally supported by related industry funding and offset development approaches commencing with programs related to introduction of the greenhouse gas emissions trading scheme in 2010, or thereabouts. From the perspective of the argument attached, Australian auto industry support mechanisms, such as the Automotive Competitiveness and Investment Scheme (ACIS) and related research and development incentives, should be folded into the new Green Car Innovation Fund announced by the Australian Government and this fund should be appropriately broadened in coordination with other safer, greener, planned transport innovation funds.

Greenhouse offset programs need to be well justified, coordinated, prioritized and carried out. Mining and other primary production chains are addressed later in this context. The recent performance audit on the recycling and reuse of waste by the NSW public sector requires consideration in related regional arenas. Its goals are to minimise waste generation and reduce the amounts of waste going to landfill. It is time to review the policy. One may wonder how urban and rural wastes and pests are ideally defined, related and developed in agriculture and related industries. Whither biofuels? What is the attitude of farmers, meat producers and other stakeholders to the kangaroo? Is it the best meat to eat, which need marketing widely? Is the attempt to find food for fish fingerlings in aquaculture likely to cause problems for other environments? (Thanks to Google, one can find answers to almost anything.) Once an environment has been roughly understood and its goals prioritized, in a reasonably flexible way, openness will protect the process of sustainable development and all citizens can learn to participate in open regional inquiry, according to their fashion and related institutional requirements.

Farmers are not alone, Narelle, in their financial problems. These may or may not have been exacerbated by drought which perhaps was in part caused by global warming. Does one do better in being obsessed by cutting costs rather than projecting numbers? I think so. For example, I assume the role of government in housing is ideally to make it easier for all Australians to find affordable homes. However, housing has become increasingly expensive since 1960, and rising household income has not kept pace with rising housing prices, especially in the past two decades, according to Milligan (Australian Housing and Urban Research Institute (AHURI, 2007). Yet the ranks of those now going into bankruptcy are dominated by small builders, with most of those who failed having less than \$100,000 in assets. Over the last three years, between 82 and 84 percent of insolvencies were for companies with less than 20 employees and between 43 and 44 percent were supposedly due to poor management of the business, according to the Australian Financial Review (AFR 27.7.08, p. 17). As the recent history of poor government housing policy, HIH insurance failure, and the sub-prime mortgage crisis all show clearly, the problems of bad management start much higher up the national food chains than small builders and are the cause of many unnecessary costs on businesses, consumers and communities. Construction is a vital Australian industry full of highly skilled men who are often forced to work very hard under very high risk conditions. From a sustainable development perspective this national resource has been managed very poorly and many other consumers suffer related financial costs and business problems.

The attached discussion of inflation, housing, borrowing and investment issues was provided in response to the PC report of the Review of Australia's Consumer Policy

Framework and addresses some key management problems regarding construction, finance, insurance and property and business services. Among other things, it called for clearer definitions and related operational descriptions of how business is done under the Australian Bureau of Statistics (ABS) service categories of the Australian and New Zealand Standard Industry Classification (ANZSIC), headed: Construction, Finance and insurance, Property and business service. At its last meeting, the Council of Australian Governments (COAG) allocated \$243 million over 4 years for the development of standard business reporting (Rudd's New Deal, AFR, 4.7.08, p.21). This is necessary to cut costs caused by vast quantities of inconsistent legislation, bureaucratic isolation and major inefficiency. The problem also needs to be solved to meet the requirements of the National Greenhouse and Energy Reporting System (NGERS) and effective carbon pricing by 2010. (See related and attached discussion on the NGERS and carbon pricing.)

Reform to achieve sustainable development is logically led by the primary sector because land, water and air are the foundation of all future life. Take a historical and related production chain and surrounding environment approach in which the goals of fairer and more sustainable development are ideally achieved by attempted reduction of greenhouse gas emissions in a manner which enhances competition. This cannot be done without new and more open management approaches to skills development, education, information, consultation, work practice, risk management, dispute resolution, data gathering, evaluation and other research or innovation (call it what you will). These services ideally replace or radically reform all dysfunctional industry protection and bureaucratic practices which now hold back more rational, open approaches to gaining sustainable development. Start with support for open education, as in the letter attached. Cut costs and save money.

Without an effective management framework for sustainable development, trading to improve performance is likely to remain highly speculative, with all the associated high risks and costs. In the wake of investment losses in the sub-prime mortgage crisis, I assume the combination of continuing high levels of Asian industrial development and the increasing price of oil, coal and iron are likely to drive even more rapid investment in traditional mining of fossil fuels rather than leading to more planned approaches to development to reduce greenhouse gas emissions. I also understand the European experience of carbon trading schemes has been that the long-term price of tradable emissions permits is too uncertain to be a driver of systematic technological change in industries where generating capacity investments are ideally planned over thirty year periods. In this global context, whether prices for petrol and other energy products rise or fall for the consumer in the street is mainly a political decision, like any other. The structure and performance of industry superannuation funds suggests many would be able to assist sustainable and more open approaches to development. They have already got rid of some unnecessary fees and performed better than many other funds, as discussed later.

The World Wide Fund Climate Solutions Vision for 2050 (WWF 2007) and other key scientific and regional studies, appear ideally implemented in related investment contexts. The WWF recommends breaking the link between energy services and primary energy production, strategies to stop forest loss and concurrent growth of low-emissions technologies, development of more flexible fuels, energy storage and new infrastructure and the displacement of high carbon coal with low carbon gas. Carbon

capture and storage potential must also be addressed. The national framework for the management and monitoring of native vegetation, the national strategy for the conservation of biological diversity and the national action plan for salinity and water quality also appear to be most logically considered for implementation as greenhouse gas offset investments in related regional industry and community management frameworks.

## **RECOMMENDATION 2: TACKLE BURDENS ON THE MANUFACTURING AND DISTRIBUTIVE TRADES IN THE EARLIER LIGHT OF THE REVIEW OF REGULATORY BURDENS ON PRIMARY SECTOR BUSINESS**

The PC currently seeks comment on the Annual Review of Regulatory Burdens on Business in the Manufacturing and Distributive Trades (2008). The Commission has been asked to identify specific areas of Australian Government regulation that are unnecessarily burdensome, complex or redundant; or which duplicate regulations or the role of regulatory bodies, including in other jurisdictions. It has also been asked to develop a short list of priority areas for removing or reducing regulatory burdens which impact mainly on the sector under review and have the potential to deliver the greatest productivity gains to the community. The approach and rationale of the review immediately refers the reader back to the Annual Review of Regulatory Burdens on Business in the Primary Sector (PC 2007). Without this prior reading, which provides a wealth of information, the current review is a comparatively meaningless list of concerns.

The Productivity Commission's report of its review of Australia's national consumer policy framework (2008) recommended the Council of Australian Governments (COAG) instigate and oversee a review and reform program for industry-specific consumer regulation. It is logical to have a coordinated industry based approach to sustainable development as well, if one assumes that the production related management of risks to workers, consumers, communities and natural environments appear most easily carried out together, through the related industry and community management contexts in which they arise as problems. The report of the Standing Committee on Economics, Finance and Public Administration inquiry into the current and future directions of Australia's service industries (2006) stated that the nature of many services limits the scope for productivity improvements. However the reverse is true. Many services, such as finance and insurance, property and business services, electricity, gas and water or transport also represent unavoidable costs for manufacturing and many other businesses which need to be competitive in overseas markets in the interests of all Australians. Such problems can be addressed better from regional industry and community perspectives which are broadly scientific, as distinct from being driven by many more narrowly defined but ruling legal, financial, bureaucratic, professional or related academic interests. In this holistic context, primary production is most logically dealt with first, as Garnaut recognized, but he ignored mining. Tourism, parks, zoos and all related developments and community concerns also require broadly connected expression to help decision makers improve the quality of life.

## **RECOMMENDATION 3: FIND AND TARGET FUNDING EFFECTIVELY FOR SUSTAINABLE DEVELOPMENT BY ENDING OLD FASHIONED**

## **FUNDING PRACTICES IN RELATION TO LEGISLATION, INDUSTRY PROTECTION, 'PICKING WINNERS', ETC.**

To get the money for carbon emissions pools, trading and related offset investments, take it from as many areas as possible of government, industry and related institutional spending, where these operations currently hinder the aims and management principles of sustainable development. Doing otherwise is like driving a car with the accelerator and hand brake both operating. It is foolish and ruinous. When first set, the ideal carbon price is cost neutral for producers and communities. Its broadly scientific estimation and related form of fund management ideally increases business stability, the potential for continuing scientific management and for more effective competition to achieve all government, industry and related community goals. The initial source of funds for the emissions trading scheme should therefore be taken out of old government or industry funds and directed into new funding pools for more sustainable development. This is ideally the same process as for the deregulation of earlier, dysfunctional legislation and funding, in order to gain more sustainable development across the national or international board. The speed of the transfer will influence the new fund quantum. Support it with open education.

Submission makers to the PC review of regulatory burdens in the primary sector questioned why they should carry a disproportionate share of the costs of pursuing national objectives such as meeting climate change objectives, preserving native vegetation or improving the efficiency of water markets which are for the benefit of the community as a whole. They also argued that where compensation is provided, it is often much less than the loss imposed. This is a major reason that it is important to focus on conservation, injury prevention and rehabilitation in the context of the organisational production chain in relation to its surrounding community. A holistic risk management approach is necessary which is consistent with the requirements of triple bottom line accounting. Lawyers drive compensation, which is often costly, without giving anybody else much voice or opportunity. The National Greenhouse and Energy Reporting Bill (2007) is now a key chance to replace dysfunctional regulation and to assist attainment of more informed markets and better skills development in future. The Senate inquiry into the bill noted there are fifteen separate programs with greenhouse and energy reporting requirements. The bill presents a chance for an investigative baseline audit of major polluters to establish better scientific foundations for carbon measurement, pricing and permit trading and for better industry and community based innovation and regional development in future.

On ABC television (6.7.08) Garnaut expressed particular concern about the plight of the trade exposed, carbon intensive industries, if they have to bear the cost effects of Australia introducing a carbon emissions price and a related carbon emissions trading scheme. In my view, a trade exposed, carbon intensive, wealthy primary industry, such as mining, is in the best possible position to lead Australia into more entrepreneurial, safer, cleaner, cheaper activities, with clearer and better environmental results. This ideally would also present Australia with many opportunities for closer cooperation with China, a major global polluter which, because of mining, is Australia's largest trading partner. For example, in previous submissions I described Chinese and Australian developments and related health and welfare experiences in order to promote research cooperation in mutually agreed forms of social insurance design and related education, development and research. Of particular interest is the appropriate role of the



private sector insurance company and the potential for providing mutually agreed forms of governance education to improve management and health in many work and community settings. The approach also has potential for meeting many skills shortages better.

Positive incentives for sustainable improvement across all regional industry and community boards are necessary, rather than a funding emphasis on helping trade exposed industries. In addition, many bureaucratic or academic silos trying to pick winners to deliver small amounts of funds to, at comparatively great expense, should now be cut. The report of the Australian House of Representatives Standing Committee on Economics, Finance and Public Administration inquiry entitled 'Australian Manufacturing: Today and Tomorrow' (July 07), referred to the general business abhorrence of government financial strategies which attempt to 'pick winners', but these are often used by government. The report discussed the Export Marketing Development Grants (EMDGs), research and development tax concessions, and the case of venture capitalists. It appears that many of those in manufacturing, no doubt like many academics, feel that hopelessly competing for comparatively small amounts of money is a waste of organizational and related government time and money. The Business Council of Australia wants inefficient taxes and charges on production cut. The ACTU submission stressed that Australian industry should progress 'up the value chain'. Bluescope Steel pointed out that one of its major priorities is 'ensuring greenhouse gas regulations do not make Australia's steel industry uncompetitive' and that China is the world's largest producer and consumer of steel and is naturally a major polluter. Such views suggest many wider opportunities exist for the proposed design of more direct routes towards sustainable development, as now suggested.

**RECOMMENDATION 4: ASK THE MINERALS COUNCIL OF AUSTRALIA TO COMMUNICATE WITH AND ASSIST PRIMARY AND OTHER COMPANION PRODUCERS AND COMMUNITIES TO MEET THEIR SOCIAL AND ENVIRONMENTAL OBLIGATIONS TO FUTURE GENERATIONS THROUGH THEIR LEADERSHIP**

In an article entitled, 'Don't punish success with more taxes' (AFR 1.1.08, p. 67) the Chief Executive of the Minerals Council of Australia (MCA) complained that current high commodity prices appear to present an opportunity for super or windfall taxes on Australia's minerals sector. He stated the Queensland government has decided to levy an additional 'super royalty' on coal and that minerals companies already pay company tax and royalties 'both of which are progressive and therefore increase with company revenue'. The article argued that a tax policy should not be sector specific and that it should be based on a set of coherent, consistent principles that promote economic activity, certainty, neutrality and equity. The last sentence seems a good idea to me. However, one also assumes that those working in mining want more environmentally friendly production at least as much as any other global citizens and hopefully more than most. Their high productivity levels and elite global relationships appear to mean they certainly have more power to achieve their goals than anybody else. They should do so by working more logically with governments and communities to gain the goals of sustainable development.

The MCA argues the mining industry pays for many facilities and services in remote areas which would normally be paid for by the public sector and that in 2007 the industry spent three times the all-industry average on training its workforce and is the

largest private sector employer of indigenous Australians. I know little about how industry taxation practices operate or their effects. However, I assume all spending on industry, communities and all related taxation should now be better coordinated in the light of new international goals to achieve reduction of greenhouse gases, rather than risk fuelling rapid inequality and inflation by continuing in the financial footsteps of the past. In this broader context of concern which all citizens should normally share about having well planned economic, social and natural environments, I think calls for super or windfall taxes deserve more thorough examination by the MCA. Superficially, the introduction of such practices appears to give industry and government a solid opportunity to work better together to plan economic stability and competition to achieve the evolving community goals for sustainable development that Keynes would always have wanted. Combinations of the usual idiots with narrower interests meant the world was plunged in war yet again instead.

Many terms now require clearer definition. The primary sector community expressed its concern to the PC review (2007) that there is insufficient progress in establishing property rights and trading regimes, and there were too many uncertainties regarding water allocation, ownership and trade. The PC replied that all relevant agencies should apply best practice policy design in developing the national framework for property rights and trading in water in order to avoid unnecessary burdens. This issue is currently being dealt with by governments. However, the PC also wrote that in particular, the new national framework for water should facilitate market transactions so that scarce resources go to their highest value uses and any exceptions from the framework should be fully justified (2007, p. xxxvi). One wonders how highest value use is ideally defined. The article entitled 'Balance hard to find in water trade', by Hung Chu and Wayne Lonergan of Edwards and Associates (AFR, 8.7.08, p. 63) discusses this in a way I don't understand. Why should irrigators exiting the water delivery infrastructure have to pay exit fees at all? Aren't they doing everybody else who remains a favour by leaving them with more water? (I digress slightly, but clear understanding of 'highest value uses' in this area seems vital.)

The PC also stated that 'the development of the Australian greenhouse gas emissions trading scheme has the capacity to address red tape and reduce unnecessary burdens provided that best practice policy design is applied (2007, p.217). It argued that 'in particular the new scheme should establish ways to facilitate market transactions so that abatement occurs at the lowest overall cost and any exemptions for the scheme are fully justified'. It noted that, 'ongoing monitoring and evaluation of progress is important'. These are views I share, however, they again raise the question of how value should be defined for triple bottom line accounting. This is a vital issue for global eco-tourism and, for example, for the comparatively few remaining mammals and dipterocarp forests of Asia. These are cut down for wood, followed by palm oil or other plantations worked by immigrants. This is achieved by natives leasing their plots of land and going to town. On the other hand, Brunei has oil, 85% of forests intact, free health care and free education.

Could the Australian Competition and Consumer Commission, presiding over the Trade Practices Act (TPA) help Australia achieve sustainable development? I very much doubt it. It remains a hybrid creature of its feudal and 19<sup>th</sup> century economic past. In 1993, Hilmer's report to Australian Heads of Government on his independent

committee of inquiry into a national competition policy should have led naturally to a highly competitive approach to sustainable development and triple bottom line accounting. He defined 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). However, this late twentieth century idea, that competition need not only be for money, has since been overlooked, in spite of many apparently foolish additions to the TPA, which is based on older, highly dysfunctional legislation. In a recent discussion of the shortcomings of the TPA, Warren Pengilley, foundation commissioner of the former Trade Practices Commission, stated that the first problem of the legislation is that 'we have no basis for agreement as to what competition really means'(AFR, 20.6.08, p.9). Lawyers have conveniently ignored the common dictionary for centuries. Complexity is so satisfying?

The TPA does not create freer markets. Instead it reifies in feudal, pre-scientific form, a lot of demonstrably wrong or unverifiable 19<sup>th</sup> century economic suppositions about the way markets ideally work and then requires this set of rules to be administered by an occupational monopoly which is bound by feudal practices. TPA provisions about major new concepts, such as consumers, (a new class of traders); have recently been added to the same old mix. In talking about TPA problems and the apparent need for redrafting, Pengilley states his fear that it 'will result in the TPA assuming a life of its own in which no one except the expert trade practices lawyer will be able to share'. (Gee, that would be different - free market, my foot!) A few journalists or other sensible people could revise a lot of stupid legislation quickly. They could work out for themselves that it needs aims, clear definitions and should be in plain English. This will be more than lawyers have been capable of in centuries. Related informative pamphlets on the net could save billions.

For example, it would be wonderful to see the PC Table 4.1 entitled 'Minerals sector value chain and the impact of regulations' developed in a short narrative form, along with other industry tables in the PC report. This would allow people to begin to understand and contemplate the logic of production chains in the context of their environments, rather than in total ignorance of relevant legislation, or as the response to much disorganized, apparently self-generating, comparatively meaningless legalese, as is perhaps the norm.

Apparently the MCA has already recommended to the PC that 'codes of practice and guidelines should be developed and applied on a national basis and provide consistent parameters for mining operators (sub.37, p.16, PC 2007, p.238). On page 240, however, the PC states that mine safety regulation is taking too long. As a former WorkCover employee that does not surprise me. Mining has a lot to clean up but also power to do it.

**RECOMMENDATION 5: LEAD IMPROVED APPROACHES TO THE DEVELOPMENT AND MOBILITY OF SKILLS AND CERTIFICATION THROUGH FIRST SUPPORTING THE OPEN EDUCATION PROPOSAL ATTACHED, TO COVER ALL TRADES EXPERIENCING SEVERE SKILLS SHORTAGES IN THE PRIMARY SECTOR. DISCUSS THE PROPOSED EDUCATIONAL FUTURE WITH THE OPEN UNIVERSITY, GOOGLE AND THE BILL AND MELINDA GATES FOUNDATION. AUSTRALIAN EDUCATORS HAVE TALKED FOR MORE THAN LONG ENOUGH.**

The PC report on its review of the primary sector stated that recent COAG initiatives to facilitate mutual recognition of skills had made slow progress towards fully implementing the objectives of the mutual recognition arrangements and that COAG programs should be broadened to cover all trades experiencing severe skills shortages, including those specifically affecting the primary sector (2007, p. 224). How hard can it be to amass open curriculum materials for trades and assist dissemination? If tertiary teachers and their representatives are left to their own devices they will never do it, in my opinion. Earlier the PC wrote:

'With regard to some existing regulatory frameworks such as those affecting vocational education and training and on transport infrastructure (especially for exports), regulatory reform can play some role in removing bottlenecks along the delivery chain and in achieving consistency across jurisdictions. However, funding and pricing are also very important'. (PC p.xvii).

Skills development and labour mobility issues require urgent consideration and action in this context. TV and other media can play a great supporting role. On page 217 the PC notes that currently there are shortages for trades (especially for competencies associated with mechanical and electrical trades), semi skilled employees (such as miners and plant operators) and for professionals (mining engineers, metallurgists and geoscientists). There are also severe shortages in related areas such as transport and logistics, for example, heavy vehicle and train drivers and port and at-sea pilots. According to the MCA, 'based on protected future expansion', the minerals sector will require 75% (or 70000) more employees by 2015 than in 2005. The worst shortages are likely to be for semi-skilled workers and trades (PC, 2007, p.217). Open education and certification are vital in this context. National curriculum should be put together now. It does not have to be the Bible. What does the MCA think it is getting in universities and technical and further education? Who really has a clue what curricula contain? Support much more open education, as described in the attached letter written after a visit to the Open University in England.

The concept of excellence in research training and all earlier educational aims outlined above must be understood in a new international market and related communications, research and education context. Google has just announced plans to build multi-billion dollar data centres in the Pacific North-West. The Google mission statement is to 'organize the world's information and make it universally accessible and useful' (Sydney Morning Herald (SMH) 16.6.06, p.11). Bill Gates, the Chairman of Microsoft and the world's richest person, has now stepped down from his former work to focus his attention on improving global health and access to technology through the Bill and Melinda Gates charitable foundation, which holds \$US 29 billion. Gates started this organization with his wife, a former Microsoft employee, who now manages the foundation assisted by members of the family and many others. It has contributed \$US159 million, or half of worldwide funding for research that could result in ten new drugs to help the poorest people fight diseases such as malaria and tuberculosis (SMH, 17.6.06, p. 17). Patents do not deliver drugs to such people. They serve the rich first and the poor, perhaps never.

Health and related policy to manage environment and business risk must be joined up. Australian governments should therefore support the above directions towards education accessibility and related sustainable development for all through more

openly available information. To do otherwise is to risk being taken for a comparatively closed and privileged community with its roots in an English feudal past, which continues to make the country the primary career tool and plaything of its professionally related national and international elites. They in turn are encouraged to blunder along in the casinos of international markets which are often controlled by narrow but powerful US interests, inured by their trading habits to losing other people's money. To prevent this, Australians should first stop supporting comparatively narrow and closed educational approaches. Better attitudes to government and competition are required for sustainable development and to fill the computer, the PM's designated tool box of the future properly.

**RECOMMENDATION 6: DISCUSS INVESTMENT IN GREENHOUSE GAS OFFSET DEVELOPMENT STRATEGIES AND THE ESTABLISHMENT OF RELATED FUNDING POOLS OPENLY IN ALL RELEVANT INDUSTRY AND COMMUNITY CONTEXTS, INCLUDING WITH SUPERANNUATION FUNDS**

The managers of greenhouse gas related funds derived by the methods discussed earlier are ideally charged with managing money amassed from devising a carbon price, as discussed in related attachments. The fund managers may also invest additional monies derived by clear and lawfully related means. They ideally invest all funds in well managed businesses which may also provide investors with well planned offset opportunities to reduce the level of greenhouse gases and to achieve more sustainable development. It therefore seems logical to discuss the proposed fund establishment methodology and related future investment strategies for sustainable development with those superannuation funds which performed best for members. According to the AFR (25.6.08, p. 61) these are MTAA Super, Cbus, AustralianSuper, Westscheme, Buss(Q), HOSTPLUS, Intrust Core Super, Catholic Super, Telstra Super Corp Plus and AGEST.

Thank you for the opportunity to make this submission.

Yours truly, Carol O'Donnell