

# **SUBMISSION TO PRODUCTIVITY COMMISSION REVIEW OF REGULATORY BURDEN ON THE UPSTREAM PETROLEUM (OIL AND GAS) SECTOR**

## **OVERVIEW**

This submission argues that the Review of Regulatory Burden on the Upstream Petroleum (Oil and Gas) Sector is badly named and not designed to achieve sustainable development. This should be revised. As oil and gas extraction and petroleum production appear to be major sources of automotive and related transport innovation, I assume that the oil, gas and petroleum sector should logically seek a *safer, greener, planned transport innovation and related funding approach* in which all production and consumption are driven by incentives for more sustainable development. A regional industry and community stakeholder management framework, rather than a petroleum production chain management approach is necessary for consolidating current regulation to achieve sustainable development across the national industry and community board. Plain laws, openly available risk management education, better directed research and clear dispute resolution systems could save billions for industry and communities but these necessary opportunities to redirect professions are either not understood or are ignored. Hilmer's competition requirements have never been properly applied. Perfect competition depends on perfect information and so does perfect accountability and risk control. However, freedom of information legislation applies only to the public sector and assumes a world where organizational secrecy is the desired norm. This is an inevitably ignorant, expensive approach to production which is far from a free market. Coordinated industry and community management for sustainable development is vital.

## **THE REVIEW APPEARS BADLY NAMED AND NOT DESIGNED TO ACHIEVE SUSTAINABLE DEVELOPMENT, SO SHOULD BE REVISED.**

According to the terms of reference for the Review of Regulatory Burden on the Upstream Petroleum (Oil and Gas) Sector, the Productivity Commission (PC) is requested to undertake a study on the regulation of crude oil and natural gas projects that involve more than one jurisdiction. The first thing the Commission must do is to assess the impact of the current regulatory framework on the international competitiveness and economic performance of Australia's petroleum sector and on the performance of the economy as a whole. The Commission must also report on regulatory impediments to improved performance of Australia's petroleum sector and on the performance of the economy as a whole. It must also consider the options for a national regulatory authority (for example, along the lines of the National Offshore Petroleum Safety Authority model) to manage all regulatory approvals for the upstream petroleum industry as a means of addressing issues of regulatory duplication and inconsistencies.

I know nothing about the National Offshore Petroleum Safety Authority model. However, after addressing the discussion of mining, oil and gas in the PC 'Annual Review of Regulatory Burdens of Business Primary Sector', the current submission argues that in any society like Australia, which is committed to sustainable development,

any chain of production, such as that primarily related to petroleum, must always be conceptualised within an overall geographic arena of striving producers, consumers and communities, who are all competing or cooperating stakeholders in all their related activities and outcomes. This is also necessary for protecting the natural environment.

The concept of the regional community and related production and consumption arena, as well as any organization's, product or service development chain, is necessary to obtain the most direct and effective research and related management of all communities and their natural resources, to meet the national and organizational aims of triple bottom line accounting, which are economic, environmental and social. The inconsistent inadequacy of academic terms like 'upstream and downstream' is discussed later. In the newly expected international regulatory context, regional management models are ideally designed for sustainable development. Jobs will be more productive when production is organized for competition to achieve sustainable development across the board. Then economies of scale to support diverse local developments to meet sustainable development and related indigenous or historical preservation goals are captured better.

The current submission is made after having responded to a question posed by the Department of Innovation, Industry, Science and Research issues paper on the Australian Automotive Industry, which was: Should automotive-specific assistance continue? I answered in the negative. Based on analysis of the Department's supporting discussion paper entitled 'The Australian Automotive Industry' the attached submission argued that all existing Australian auto industry support mechanisms, such as the Automotive Competitiveness and Investment Scheme (ACIS) and other auto-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 and renamed: ***The safer, greener, planned transport innovation fund.*** Since oil, gas, and petroleum extraction, production and distribution appear to be major potential sources of car and related transport innovation, I assume that the oil, gas and petroleum sector should logically join the above funding approach in which all production and consumption is ideally directed towards more sustainable development.

Management designed to achieve sustainable development necessarily begins with open education. The alternative appears to be to perpetuate many Australian bureaucratic, academic or related professional silos delivering small amounts of product, services or funds at great expense. Many discourses about 'upstream, midstream or downstream' production are the inconsistent products of such narrowly academic, professional and related political and commercial interests. This undermines communities outside the professional silos, which may often pose as expert through their use of foreign language. Open presentation and competition in relation to all education curricula and other information will increase the likelihood of questions and reduce mistakes. Please consider the attached discussions of sociology, health and risk management in this light.

## **AN ARENA BASED RESEARCH AND MANAGEMENT FRAMEWORK IS NECESSARY FOR CONSOLIDATING REGULATION TO ACHIEVE SUSTAINABLE DEVELOPMENT ACROSS THE BOARD**

In its discussion of mining, oil and gas in the PC Annual Review of Regulatory Burdens of Business Primary Sector (2007), the PC recommended, ‘a broad review of the whole Australian onshore and offshore petroleum regulation framework’. It is noted that the word ‘upstream’ replaces ‘onshore and offshore’ in the current PC Review. Offshore and onshore both appear as upstream. Yet offshore and onshore are very different production environments, with very different stakeholders, risks and costs, which need to be treated differently. A regional (arena) approach to industry management therefore seems best.

Table 4.1 in the discussion of mining, oil and gas in the PC Annual Review of Regulatory Burdens is entitled ‘Mineral sector value chain and the impact of regulations’ (p. 160). Six pages outlining key government regulatory areas follow which are also related to the requirements placed on key stages of the petroleum cycle and also to key state or territory government involvement in regulation of onshore and coastal waters. Surely all would agree that the key aims and requirements of this plethora of regulation require rational and clear consolidation and implementation to gain sustainable development and related goals of Australian industry, government and communities. Why not do this openly?

The PC discussion of the role of the Australian government interventions in mining, oil and gas activities states that government regulation has the following objectives (p. 168):

- Managing the natural resource – providing an appropriate return to the community from the granting of exploitation rights
- Ensuring the safety of workers
- Protecting the environment

One wonders how the PC, the government and industry define the community and how broad the related environment is conceptualized as being.

In its discussion of community based rehabilitation, the United Nations (UN) definition of a community is:

- a group of people with common interests who interact with each other on a regular basis and/or
- a geographical social or government administrative unit

The PC should adopt the UN definitions of community, which includes workers, to achieve the goals of sustainable development and more effective competition.

The current PC inquiry appears to be working with an outdated model of development which is inconsistent with the PC draft report of the Review of Australia’s Consumer Policy Framework (2008). In recommendation 5.1 this calls for the Council of Australian Governments (COAG) to instigate and oversee a review and reform program for industry-specific consumer regulation. Recommendation 5.3 calls for a single consumer protection regime for energy services to be developed and implemented under the auspices of the Ministerial Council on Energy.

The ideal relationship between energy, transport and all related production need clear consideration, to provide incentives for more sustainable production across the board. Rationally consistent duty of care approaches are ideally taken to workers, to consumers, their related communities and natural environments. Australian and New Zealand Industry and Occupation Classifications and other key environment related knowledge classification systems require consideration to assist this. (Also consider the discussion of sociology as open curriculum and a related risk management approach which is attached.)

In papers of the Annual Bank Conference on Development Economics (Stiglitz and Muet, 2001) reflect a new high level understanding that more planned investment approaches are necessary to assist markets to meet the economic, social and environmental aims of triple bottom line accounting. Hilmer's independent committee of inquiry into an Australian national competition policy in 1993 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 as a result of dysfunctional additions to older legislation such as the Trade Practices Act. Understanding what Hilmer's analysis required but did not get the chance to achieve is necessary for sustainable development. The sustainable development 'value chains' must be developed not only from linear concepts like 'upstream' and 'downstream' production, but also from production conceptualized and based in an arena.

Rational consolidation of current legislation to achieve sustainable development and related triple bottom line accounting is ideally based on the UN definitions of community, and the view of Martin Ferguson, the Minister for Resources, Energy and Tourism, in an interview with Barry Cassidy on ABC television on Sunday 27.4.08. The Minister repeated that 'the market and the national interest will prevail'. A great deal of current regulation about mining, oil and gas relates to Aboriginal land rights. I guess the private sector normally employs a stockholder, rather than a stakeholder model of its community. However, the government regulatory aim is to protect the interests of all in the relevant mining arena, including indigenous people. The PC Annual Review of Regulatory Burdens states that 'more than 90% of Australia's oil and gas resources are found in Commonwealth (offshore) waters. Accordingly, Australian Government regulation on the petroleum sector has a major impact on business operations'. It also has a major impact on the natural environment. All these stakeholder interests must be recognized and dealt with together to protect biodiversity and its related lifestyle.

In a society which seeks sustainable development, many outdated government, industry and community management requirements need to be better aimed and coordinated to achieve economic, social and environmental aims. This requires reorienting many academic and professional development chains. In addition, the concerns of individuals and organizations such as 85 Councils from across NSW whose members rallied to oppose proposed changes to the NSW Planning System must also be considered and treated better than is currently possible. Councils call for efficient land and related

development and approval processes, which are not undertaken at the expense of heritage, sustainability and the democratic right for input into the future of the neighbourhood. These claims must be implemented from more broadly open and scientific regional perspectives to be effectively met and corruption free. The alternative is more professional confusion, division, cost and conflict, driven largely by the twin desires for market and political advancement. Councils are concerned that any NSW plans to limit monetary contributions to councils from developers will prevent the latter from providing local facilities and services. They say these development contributions provide only a fraction of the cost of infrastructure needs. All future funding or in-kind contributions for land purchase, infrastructure development and housing must be clearly and broadly justified, in order to prevent corruption and nepotism at any level. Developments in mining, oil, gas and petroleum can help resolve such issues early. It makes sense to do so quickly to promote more sustainable development everywhere.

### **PLAIN LAWS AND RELATED MANAGEMENT, EDUCATION AND DISPUTE RESOLUTION SYSTEMS ARE VITAL AND COULD SAVE BILLIONS**

In the current context the Queensland Resources Council (QRC) submission to the Productivity Commission is misleading and unhelpful. If this is typical of the industry response, one wonders why. The QRC stated:

Poorly administered or under-resourced regulation imposes substantial costs on the Queensland resources and energy sectors – which causes uncertainty, delays and cost increases. While legislative regulatory regimes may provide an excellent framework this good work is effectively lost if the implementation and operational aspects are not afforded the appropriate level of resourcing or bureaucratic priority. QRC remains concerned that this is a key issue in many jurisdictions, including Queensland. (PC p. 170).

A lot of legislation is incomprehensible and useless for most purposes, let alone those of the recent convert to recognition of the need for sustainable development. Does the QRC not read its legislation, or is Queensland resource legislation a model of enlightenment? The problem is not under-resourced regulation, as the QRC claims, but over-resourced regulation. This regulatory cost has been freely generated by the mounting rules of the pre-scientific, adversarial, monopoly practices of the legal brethren. Governments come and go with very few challenges to the lawyers' monopoly powers. The latter provide for a fight with narrowly selected, adversarially driven evidence, not a broadly scientific inquiry into evidence which has been more objectively obtained and used. In the service of the court the feudal monopoly serves itself first through words which are often incomprehensible. For example, try reading the NSW Environmental Planning and Assessment Amendment Bill (2008) and the NSW Building Professional Amendment Bill (2008). I wonder how those now pontificating about this legislation understand what it contains. A law is ideally like a short pamphlet with clear aims and definitions, supported by freely available scientific standards and codes of practices. Sack lawyers and save.

I note from the PC report that the Petroleum (Submerged Lands) Act 1967 apparently provides for orderly exploration and development of petroleum resources and sets out a basic framework of rights, entitlements and responsibilities of governments and industry. Under the legislation, all titleholders must carry out operations according to good oilfield practice, including doing so safely and preventing the escape of petroleum into the environment (PC p.179). However, petroleum located on land or in coastal waters is the responsibility of the relevant state or territory government. These major areas of regulation involve:

- Managing access to land for exploration and issue exploration licenses
- Allocating petroleum property rights
- Having primary responsibility for land administration
- Regulating operations (including environmental and OHS)
- Collecting royalties

Options for a national regulatory authority (eg the National Offshore Petroleum Safety Authority?) to manage all regulatory approvals for the upstream petroleum industry as a means of addressing issues of regulatory duplication and inconsistencies, must be considered in national and regional community and related stakeholder management contexts, not just from the perspective of the industry chain. As the Standing Committee on Environment and Heritage report on sustainable cities (2005, p.20) pointed out, coordinated governance structures are essential to translate the vision of sustainability into targets, and to plan, implement and review the programs that will achieve them.

Australian acceptance of a new, sustainable development governance paradigm was clear in 1990 when the Council of Australian Governments (COAG) agreed to implement a single, national regulatory environment. This was immediately after the states had begun examination of all legislation to update it and make requirements plainer. The COAG passed legislation requiring mutual recognition of all Commonwealth and State laws and continuing review of legislation, in order to develop national standards for health and environment protection, including related occupations and training, disability services, social security benefits and labour market programs (Premiers and Chief Ministers, 1991). Competition was to be designed upon this national platform of standards, with the aim of equal treatment for private and public sector goods and services providers, unless another course of action appears to be in the public interest.

Against the above logic of sustainable development, freedom of information principles have so far been applied badly and only in the public sector. Even the Treasurer, Wayne Swann, appeared to think, when speaking on a recent ABC 'Insiders' program, that it would be inappropriate for him to visit his own department. Why does he choose ignorance about his management responsibilities? This feudal legal system is crazy. Hilmer's competition requirements have never been applied. Perfect information appears vital for perfect competition, as it does for perfect accountability, democracy and risk control, but it remains widely resisted. I fear the title and terms of reference of the Productivity Commission Review of Regulatory Burdens on the Upstream Petroleum (Oil

and Gas) Sector reflect this costly and hence anti-competitive approach to business. Would you rather be part of the global solution or the problem? Choose the former.

**‘UPSTREAM, DOWNSTREAM AND MIDSTREAM’ APPROACHES MUST LOGICALLY SURRENDER TO HOLISTIC, INTERNATIONAL AND REGIONAL DEVELOPMENT ANALYSES AND RELATED RESEARCH, EDUCATION, APPROVAL AND FUND MANAGEMENT PROCESSES**

In 2004, Oxford University Press sent the book ‘Understanding Health, A Determinants Approach’ edited by Keleher and Murphy, to me for review, but ignored my response. However, the reviewing exercise clearly brought home to me that key terms may mean different things to different people and may often be used inconsistently. Terms must be clearly defined if any ideally common objectives, such as improved health and natural environment protection, are to be achieved for humans and other living species. Let me start with definitions of upstream produced by a Google search to demonstrate their variability, which is confusing for research. (There’s always method in their madness.)

Websters online dictionary helpfully points out that in GEOGRAPHY, ‘upstream’ is the direction opposite to the current in a stream or river. The source of this definition is the European Union (EU). In BUILDING AND CIVIL ENGINEERING, upstream means the opposite direction of streamflow; upper part of a basin. This is also an EU definition. *(It is noteworthy but logical in this context that the same word, ‘upstream’ may be applied to a geographically linear concept (a stream) and a related arena framework (a basin).*

In ELECTRICAL ENGINEERING, the word ‘upstream’ pertains ‘to locations on the tape which are longitudinally displaced from a given reference point in the opposite direction to the tape motion’ (EU). *(This meaning of ‘upstream’ appears different from those above, in that ‘upstream’ relates mainly to the organizational point, rather than a geographical context. I guess that what is ‘upstream’ may become even less clear as time goes on.)*

In ENERGY, ‘upstream’ is ‘a term used in the petroleum industry referring to the exploration and production side of the business. This includes pipelines but production before reaching the refinery’. Like the earlier ones, this definition is given by Websters online dictionary. Its references are not EU. In MINING, Websters gives an Italian source from the EU. I do not speak Italian but guess it is similar to the above, on petroleum exploration and production. *(I discussed the limitations of this linear approach to production for the achievement of sustainable development earlier in this submission.)*

In TRANSPORTATION, ‘upstream’ is ‘the direction along the roadway from which the vehicle flow under construction has come’ according to the EU. *(This seems to relate to an organizational spot which is also constantly moving its geographic location.)*

In COMPUTING, according to Webster and its source, Jargon file, ‘upstream’ means ‘towards the original author(s) or maintainer(s) of a project. It is used in its original

source form and in derived, adapted versions through a distribution (like the Debian version of Linux or one of the BSD ports) that has component maintainers for each of their parts. When a component maintainer receives a bug report or patch he may choose to retain the patch as a porting tweak to the distribution's derivative of the project, or pass it upstream to the project's maintainer. The antonym 'downstream' is rare.' *(Here the concept of upstream is related either to the original creation or management of intellectual property. This seems a new approach.)*

Another Google entry, which I assume relates to COMPUTING is titled 'Understanding MPLS: MPLS Terminology'. It does not explain what the MPLS abbreviation is. Under the heading 'Upstream and Downstream' it states that 'This concept is absolutely critical for understanding the operation of MPLS networks. This pertains mainly to the operation of label distribution (a control plane function) and data forwarding (a data plane function). Upstream and Downstream are defined in respect to the destination network (prefix or FEC). Data intended for a particular destination network always flows downstream. Keep DAD in your head (destination address downstream) it helps keep perspective. Updates from routing protocols or tag/label distribution protocols always flow upstream. Makes sense eh? Devices need to know how to get to a destination from the source right? If you understand routing protocols, they advertise the networks on their router to the world, thus 'pushing them out' in other words 'upstream'. Hope this helps with the concept.' *(Their words are clear as mud to me. If this is supposed to be a good example of New Age Information advice or management, it needs redirecting, in my view.)*

Google turned up an ECONOMICS AND BUSINESS article entitled, 'The meaning of 'upstream' and 'downstream' and the implications of modeling vertical mergers' by Michael Salinger, from the Graduate School of Business at Columbia. It was in the Journal of Industrial Economics for June 1989. Unfortunately I could not access the paper without purchasing the journal. Nevertheless, the abstract states: 'This paper discusses alternative definitions of the terms 'upstream' and 'downstream' and shows how each can be represented within a single model of complementary oligopoly. The different definitions have strikingly different implications for the effect of vertical mergers. While the correct definition is not obvious, the model implies an observable condition that determines the competitive effect of a vertical merger. This condition can be a guide to empirical studies of vertical mergers and integration'. *(Seeing is believing. Are the concepts of horizontal and vertical development helpfully meaningful? I wonder.)*

In a Wikipedia discussion of Asymmetric Price Transmission (APT) in ECONOMICS AND BUSINESS one learns APT refers to pricing phenomenon occurring when downstream prices react in a different manner to upstream price changes' depending on the characteristics of upstream prices or changes in those prices. The discussion apparently begins from the assumption of economic equilibrium in the perfect market – 'a state of the world where economic forces are balanced and in the absence of external influences the (equilibrium) values of economic variables will not change'. *(It is not rational to start economic analysis from the perfect market when the enormous disparities between the rich and poor globally and within nations, coupled with the economic cycles of boom and bust, suggest the world is a long way from effective competition and all*

*related market clearing. The provision of cheaper and better health services as a result of government payer control also provides evidence that high levels of insurer competition are not always ideal. The issues related to how markets are rigged to prevent clearing are political. Economists who ignore this are ideologues for rich riggers, in my view.)*

One is told that in business terms, ‘price transmission’ means the process in which upstream prices affect downstream prices. Upstream prices should be thought of in terms of main input prices (for processing/manufacturing, etc.) or prices quoted on higher market levels (e.g. wholesale markets). Accordingly downstream prices should be thought of in terms of output prices (for processing/manufacturing, etc.) or prices quoted on lower market levels (e.g. retail markets). In ‘Background Theory’ we are told that because upstream and downstream prices (by definition) are related:

- In absence of external shocks, some kind of economic equilibrium relationship between those two should exist;
- External shocks to the system (i.e. shocks to downstream or upstream prices) should trigger short and long-run adjustments towards the long-run equilibrium, as:  
Rational economic agents price their goods so as to maximize their constant utility function. In the long run prices of goods should reflect their scarcity

*(One hopes these are not the kind of economic assumptions on which the PC inquiry will be based. One wonders what kind of external shocks to upstream and downstream prices are referred to, whose prices the researchers will be quoting in their research and why. How will such prices be arrived at and how is a fair price to be determined? Such issues are also relevant in regard to carbon pricing, as discussed in the attached article. Design of Medicare Casemix pricing systems may prove more broadly instructive in this context.)*

The PC’s attitude to its own inquiry into allegations of unfair use of market power in telecommunications is summed up in its quote from the Hilmer Report:

The central conundrum in addressing the problem of misuse of market power is that the problem is not well defined or apparently amenable to clear definition.... Even if particular types of conduct can be named, it does not seem possible to define them, or the circumstances in which they should be treated as objectionable, with any great precision.....Faced with this problem.....the challenge is to provide a system which can distinguish between desirable and undesirable activity while providing an acceptable level of business certainty. (PC, 2001, p. 154)

This is justification for the planned, government, industry and community approach to competition proposed in this article. The PC should not go back to outdated assumptions but should join with health and related practitioners who seek sustainable development.

## **PROMOTE SUSTAINABLE DEVELOPMENT IN MINING ENVIRONMENTS THROUGH BETTER LINKED APPROACHES TO EDUCATION AND HEALTH**

The World Health Organization (WHO) has widely promoted broadly coordinated, scientific, approaches to managing all social administration since 1986 when the Ottawa Charter stated that necessary health supports include peace, shelter, food, income, a stable economic system, sustainable resources, social justice and equity. The Charter called for development of public policy, reorientation of health services, and community action to support health goals. The WHO program aims to increase the span of healthy life so that the disparities between social groups are reduced. In 1992, the first principle of the Rio Declaration on Environment agreed to by UN members was that humans are at the centre of concern for sustainable development and are entitled to a healthy and productive life in harmony with nature. At the 1994 Asia Pacific Economic Cooperation (APEC) summit, national leaders agreed to create an Asia-Pacific free trade zone by 2020, and to protect health and the natural environment. Ideally, regional environments are examined to identify and manage key risks to community and environment wellbeing. In this context, the industry and community approach to management and related education ideally starts with teaching key skills and management principles for the identification, prioritization and control of community and environment problems, in order to devise effective injury prevention and rehabilitation solutions for the future. This is partly expected already in Australian industry as a result of state occupational health and safety acts which provide employers and workers with a duty of care and require the identification and control of work related risks. Open and broader educational support is needed for this approach.

The book 'Understanding Health, A Determinants Approach' edited by Keleher and Murphy is very disappointing in this context. Under the heading Understanding Health: An Introduction, the editors, who are also contributing authors, demonstrate no awareness of key theoretical inconsistencies in various contributions to their book. The definition and discussion of upstream, midstream and downstream factors are central to this problem. (To my knowledge this is the first time 'midstream' has been used by an academic or health practitioner. According to Keleher and Murphy (2004, p. 5)

- Downstream factors are those at micro level including treatment systems, disease management and investment in clinical research
- Midstream factors are those at the intermediate level including lifestyle, behavioural and individual prevention programs
- Upstream factors are at the macro level including government policies, global trade agreements and investment in population health research

I fail to see what makes investment in clinical research a downstream factor and investment in population health research an upstream factor. This is not explained. The patient or client also seems absent from the analysis. Their 'health status' appears to stand for them instead. On p.10 one is told:

'Determinants of health are often divided into distal and proximal determinants. A proximal determinant of health is one that is proximate or near to the change in health status. By 'near' one can mean near in either time or distance, but generally it refers to any determinant of health that is readily and directly associated with the change in health status. Proximal determinants are also referred to as downstream

factors. In contrast, a distal determinant of health is one that is distant either in time or place from the change in health status. The association between the change in health status and the determinant may be indirect or hard to see because of other intervening events and locations. Distal determinants of health are also referred to as upstream factors.’

I have little idea what this means or why it is useful. The associated Table 2.1 entitled ‘The (possible) determinants of Ama’s death’ also makes little sense to me. I guess this wordy schema is designed to preserve and extend the current health professionals’ patch.

In the chapter entitled ‘Public and Population Health: Strategic Responses’, Keleher seems to equate downstream factors with the micro level, but says these include the effects of upstream and midstream factors on physical and biological functioning (I presume of the patient or client.) She states that intermediate factors include psychosocial factors, health related behaviours and the role of the health system in health. (In this case the patients and the system appear to be enmeshed in the same definition.) She then says ‘there are upstream or macro-level factors that comprise organizational change and health development as well as global and structural influences on health and health systems, government policies designed to affect the social, physical, economic and environmental factors that determine health’. (This is not the WHO approach.)

One later finds that, unlike some other contributors to the book, the research and service context envisaged by Keleher and Murphy is not designed to support the WHO definition of health – which is that it is a state of physical, social and environmental wellbeing. On page 99, the reader is told that this WHO and Australian government approved definition:

‘confuses the actual state of health with what it is that determines health. It is a definition that masks the determinants by making the state of health itself the object of measurement, rather than focusing on the determinants as an object of measurement.’

From a UN and WHO sustainable development perspective this seems a thick, rich, self-interested practitioners’ view which can only confuse students very unhelpfully. On page 110 one is told that governments are typically more concerned with downstream and midstream approaches than with upstream approaches and that genuinely collaborative, multidisciplinary downstream, midstream and upstream actions are necessary. I have no idea what these look like, but I bet health professionals ideally see themselves as driving.

Later, Berni Murphy provides a chapter entitled the ‘Fourth Dimension of Health Promotion: Guiding Principles for action’ in which she discusses three main approaches for health promotion action, viz:

- The downstream (primary care approach)
- The midstream (lifestyle, behavioural approach)
- The upstream (socioecological approach)

She says primary care approach start downstream and move upstream but I cannot understand the three categories, the fourth dimension, or why and how they are used.

When teaching health promotion at Sydney University, I also tried to read Nutbeam and Harris's book 'Theory in a Nutshell' a number of times but it made little structural or cumulative sense to me, in spite of some headings and linking passages which suggested it should. I found myself asking why any particular methodology was being described, rather than any other, in any particular section. I also wondered about the difference between a theory and a methodology. To me this book mainly seemed to be describing methodologies, some of which were also related to behaviour prediction. What exactly is the point of these from any broader community perspectives? Do we ideally want to predict behaviour or to change it? I assume that a theory may also be defined as a hypothesis, and that one can have a hypothesis about anything and devise a related methodology. Nutbeam and Harris, on the other hand, say that a theory is:

'Systematically organized knowledge applicable in a relatively wide variety of circumstances devised to analyse, predict or otherwise explain the nature of behaviour of a specified set of phenomena that could be used as the basis for action'.

I believe that this primarily defines a methodology which aims to be repeated, not a theory. From my perspective, their definition of theory is an example of the ideological reification of various possible approaches to understanding and tackling health or social issues in order to address them better. This reification often occurs when groups of academics with vested status and economic interests establish empires of influence which information technology systems may then cement and multiply. The power of such people has grown massively, expensively, and often wrongly, from my perspective in recent years. At Sydney University, for example, people delivering long questionnaires may commonly think of themselves as scientists, not social scientists. This may easily become a very authoritarian, dominating, professional perspective, especially when turning ticked boxes into numbers provides quasi-scientific authenticity.

A theory, from my social sciences perspective as a sociologist, may be a hypothesis about what particular action will provide the answer to a particular social problem. As a materialist, postmodernism is just a market driven, academic ideology to me. However, I think Nutbeam and Harris's book is perhaps a perfect example of its product. Ideology, after all, is always supported and driven by a material base. On the other hand, I attach a recent submission to the National Health and Hospitals Reform Commission (NHHRC) inquiry into the design of Australia's future health system which relies substantially on the UN guided work of Nutbeam and Blakey in their article 'The concept of health promotion and AIDS prevention: A comprehensive and integrated basis for action in the 1990s', published in Health Promotion International, 1990. This UN guided direction is recommended for mining and contract work environments and their related communities. (Please see all attached discussion on risk management education, health and sociology.)

Thank you for the opportunity to make this submission.  
Yours truly

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