



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

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MEDIA RELEASE

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Business Council's water 'fixit' blueprint "backdoor privatisation"

Independent member for New England, Tony Windsor has described the Business Council of Australia's urban and rural water document '*Water Under Pressure: Australia's man-made water scarcity and how to fix It*' as 'back door privatisation' of water provision and setting up a transfer market for rural water to go to the city.

Mr Windsor said that while there were many comments pertinent to the ongoing water debate particularly in relation to the failure of the 1994 COAG Competition Policy arrangements for water reform and the more recent National Water initiative, the underlying thread of the document was to deregulate the water market and where possible, privatise it.

Mr Windsor believes that the most concerning points from a rural perspective are:

- 1 the proposition that rural water be available for trading to higher value uses such as urban consumers.
- 2 The Business Council of Australia (BCA) completely ignores the property rights issue for rural water entitlement holders even though it was one of the major principles of the 1994 COAG Agreement on water reform. (The BCA's only reference was that property rights as an issue was "missed in the 1998 COAG deadline").
- 3 The BCA concentrates on the other principle of 1994 reform ie a market for trading water without recognising the impact of government policy on existing entitlement holders.
- 4 The BCA brushes off the "significant regional impacts" on country communities of trading rural water to urban uses by appealing to the greed of some entitlement holders without any consideration of the implications of such loss of water to the regional economy.
- 5 Although the document examines the possibility of desalination of sea water as an urban solution, the major preoccupation is to deregulate the water market and privatise the provision of urban water.

Mr Windsor said that if the BCA and Malcolm Turnbull, Parliamentary Secretary on Water were so concerned about the scarcity of water placing "artificial limits on the growth of our cities", why wasn't the document purely based on desalination rather than rural water as a solution?

"Our major cities have ready access to sea water and even using the BCA's own figures, the document shows that desalination could price water at \$1 - \$1.50/kl (urban use) as against rural water trades (urban use) of \$2.84/kl.

One must ask that given these figures, what is the real agenda in terms of rural water supplies and ownership?" Mr Windsor said.

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Mr Windsor said issues such as evaporation of freestanding shallow water storages such as Menindee Lakes provided enormous opportunity for water savings as does piping water in high leakage soils in some irrigations areas.

“I am particularly disappointed that the BCA’s document did not address the property rights issue in terms of compensating those who have lost legitimate entitlements due to environmental policy.

If the document had taken that route, I believe the BCA would have established a greater rapport with current rural water holders rather than emphasising future owners through water trading of the entitlements that are left.

The document also fails to recognise that in most State Water Acts, water entitlements can still be reduced for environmental or other purposes,” Mr Windsor said.

Whilst Mr Windsor is critical of some parts of the document, he believes that it adds to the important debate on water.

“The BCA document adds to the very important debate that we must have on water in Australia.

It does however highlight the different priorities that different sectors of the community have in relation to achieving the best outcome for all concerned, not just the private investment sector.

The BCA document looks at water as a commodity in isolation from the communities that benefit from its use when it really needs to be looked at holistically.

We need to look at water in the context of its contribution to regional communities, their environmental, economic and social needs and how our current policies are impacting on our water, where it is and where we want it to be.

Perhaps our policies should be encouraging people to come where the water is rather than the other way around,” Mr Windsor said.