

**Government of South Australia**  
**Office for Water Security Submission**  
**"Water for No Good Privatisation"**

**EXECUTIVE SUMMARY**

The Office of Water Security (OWS) Water for Good: Water Industry Act Discussion Paper is breath taking for its single minded focus on creating a water industry at the expense of South Australia's environment, society and economy. Also evident is its lack of honesty about what the OWS supports i.e. the privatisation of not only water services but of water itself. Such a position calls into question its independence and whether it is acting in the interest of financial markets or in the public interest.

There is a complete lack of analysis in its proposals whether from an environmental, social or economic perspective. The Discussion Paper ignores and as such takes no responsibility for the current state of the disasters of the River Murray below Lock 1 and Adelaide Coastal Waters. Accordingly the Discussion Paper lacks any credibility that the OWS and the South Australian Government care about the unique environmental heritage of South Australia, its communities and the economic impact of its decisions and plans to privatise public water infrastructure and of water itself.

The changes being proposed are a radical pro-market intervention into what is, and should remain as, public infrastructure with water held in public trust for the common good. All candidates for the forthcoming state election need to declare where they stand on water privatisation of water services and of water itself.

Any decision to proceed needs to be predicated by a rigorous environmental, economic and social analysis of the kind that can only be determined by an independent Public Commission of Inquiry, as has been advocated by the [Water Action Coalition](#) and a referendum to determine whether South Australians support the privatisation of water and water services.

A summary of the key findings are drawn from the review documented in Appendix A and are as follows:

- a. Water Industry Act is intended to justify the OWS continued existence.
- b. Water for Good Plan contains actions that are not supported by current legislation and when the Crown's Disclaimer it taken into account raises questions about the robustness of OWS documents as documents of the South Australian Government.
- c. The submission closing date of the last day of the year for 2009 does not engender public confidence in the public consultation process being followed by the OWS.
- d. No sound reasons are provided to support the idea of reducing the State's reliance on the River Murray given that South Australia's share of diversions for water use is significantly less than the Murray-Darling Basin (MDB) states of New South Wales and Victoria. The only conclusion this reviewer can think of is that such an idea is required to justify new additional sources of water such as the Adelaide Desalination Plant as foundation industry suppliers to support the new privatised water infrastructure envisaged by the proposed Water Industry Act.

- e. How can the public or government for that matter have any confidence in the documents prepared by the OWS when they carry a disclaimer underwritten by the Crown which absolves the OWS from any responsibility to be open and honest with the public of South Australia about the true intentions of Water for Good.
- f. The concept of the Water Industry Act providing "broad direction on many matters and enable details to be established through other measures" is unacceptable. All requirements need to be part of legislation to ensure public scrutiny by Parliament.
- g. Proposals to establish OWS water plans are ludicrous when there are already a number of plans in place. Plans are by definition intentions to meet requirements and as such they should not contain any requirements that need to be part of legislation to avoid public scrutiny by Parliament.
- h. Proposals to establish a number of independent bodies to further fragment management processes underscores just how complex and expensive the proposed Water Industry Act would be and need to be rejected. Critically such arrangements are designed to limit the power of government and limit the public interest in favour of market interest.
- i. The discussion paper fails to understand the difference between public infrastructure established and operated for the common good vs. the interests of the proposed third party private operators whose primary motivation is to make profit for their shareholders. Allowing third party access to the public's infrastructure represents a conflict of interest.

The Discussion Paper is based upon a water reform process that was initiated well before the Global Financial Crisis (GFC). To continue the water reform process is foolhardy to the extreme as the post-GFC environment will require all public infrastructure to be owned and operated by the Government to minimise costs on society and the economy to ensure competitiveness.

Also glaring obvious is the non-interest in the Murray River, Lower Lakes and Coorong or any recommendations as to what the Government should be doing. Many in the community (Appendix C) support the call for a National State of Emergency Commission to take over the management of the MDB and a complementary National Public Commission of Inquiry to determine the required long term corrective action for the MDB. The Government, the OWS and NRM Boards are strangely quiet about such proposals.

The Government and Opposition parties are well advised to reject the proposal by the OWS for a Water Industry Act and conduct wide ranging inquiries into the problems facing South Australia not only from the national water reform agenda but caused by mismanagement and poor decision making. The Terms of Reference proposed by the Water Action Coalition to support the motion moved by the Hon Mark Parnell MLC in South Australia's Legislative Council on 3<sup>rd</sup> December 2009 needs to be taken seriously by the major parties if they are to be credible future governments.

On the 21<sup>st</sup> December 2009 The Hon. Michael Kirby AC CMG launched in The Mortlock Library of the State Library SA a book by Shaun Berg "Coming to Terms – Aboriginal Title in South Australia". This is a book about the consequences of the South Australian Parliament ignoring the rights of South Australia's original aboriginal inhabitants. Water Reform has the potential of dispossessing all South Australians of their common water title held in trust for the common good in favour of private ownership, an issue that will affect all South Australians. For the South Australian Parliament to repeat the mistakes of the past over water reform for the benefit of a few would be extremely foolish.