

TO: Productivity Commission's Australian 'Urban Water Sector Inquiry'.
FROM: Laurence Jones
DATE: 27th Oct 2010

WITHOUT PREJUDICE:

SUBJECT: Covering letter and Opening statement for my submission which includes this covering letter email, a separate email summary consisting of 170 pages and documented evidence covering more specifically each of the subjects outlined in my submission sent in two emails. The extensive evidence covering each of the subjects will be posted to the Productivity Commission as arranged on Monday 1st Nov 2010.

What follows is my opinion only:

Dear Commissioners,

As you would be aware in 2010 the United Nations declared for the first time that access to clean water and sanitation is a fundamental human right.

The WHO, Australian and US authorities have always stated that the best quality water sources should always be used for drinking purposes. Australian authorities have since ignored that policy in order to promote the forced introduction of water recycling sourced from hospitals, industry, homes and abattoirs, directly into the public's drinking water supply mains.

The Australian Federal Government's drive to force the privatisation of Australia's publicly owned water and sewerage infrastructure which commenced in 1990 was corrupt, not transparent, lacked effective public interest criteria, lacked any un-conflicted and independent oversight or cost benefit analysis, community consultation and has been inept, deceitful, poorly handled and a dismal and costly failure.

Since 1990 the Australian Federal Government's Water Policy targeting forced privatisation has targeted ALL publicly owned and operated infrastructure that the private sector had shown an interest in. In other words, the government was shown a shopping list by the multi nationals.

The Australian Federal Government originally initiated and then structured the National Competition Policy to achieve the specific outcome of forcing the privatisation of Australia's publicly owned and operated infrastructure, including our \$80 billion of water and wastewater, without public input. The NCP mentioned public interest but never really considered it in any decision making processes.

Furthermore, the NCC failed to implement or abide by there own Policies in their decision making. ***"The review and where appropriate reform of all laws that restrict competition unless the benefits of the restriction to the community as a whole outweighs the costs and the objectives of the law can be achieved only by restricting***

competition, and a requirement that all legislation that restricts competition meet this test.”

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“specific ‘related reforms’ to increase competition in key infrastructure services of the economy on which business rely—“.

AUTHOR’S QUESTION:

How and by whom were National Competition Council members chosen? Has any investigation been carried out into how many council members have or had conflicts of interest on these issues?

Does having been awarded a Federal Government commendation such as OA result in that person having a conflict of interest in that if they are given a position in implementing government policy by the Federal Government, should they feel indebted to support that policy? I mention that because a number of persons holding positions implementing government policy have OA’s or similar.

ARTICLE ‘OUR SAY IN COMMUNITY ASSETS IGNORED ON FAST TRACK TO PRIVATISATION’, Courier Mail, Oct 27th 2010, by Robert MacDonald.

Part Extracts:

“The next time the Qld Government decides it wants to sell something, here’s a simple question it should ask itself: Does it have a process for comprehensive public input.”

“Clearly, it didn’t have one last year when, out of the blue, Premier Anna Bligh and Treasurer Andrew Fraser announced their plans to privatise QR’s rail freight business, the Port of Brisbane and various other assets in a frantic bid to raise \$15 billion or so.”

“Otherwise, we perhaps might have heard something of the plan during the 2009 election campaign held only months before the announcement.

“Does it have a clear public strategy for choosing which assets are candidates for privatisation? And another. Is every step in the process of privatisation fully transparent?”

“These are some of the logical questions a US think tank, the Chicago Council on Global Affairs, believes governments need to consider when thinking about selling off public assets.”

“It found that none of the jurisdictions it examined “had an explicit strategy in place for determining which assets should be owned by the state and which should be privately operated.” In addition, none “has a standing process for promoting public disclosure on the issue” or a transparent policy for determining how privatisation revenue should be used.”

“In other words, the municipalities doing these deals.....have no consistent framework for making governance decisions that can involve billions of dollars and affect multiple generations, “ the Report says.

Reforms commenced in 1990 aimed at improving efficiency in the urban water sector have failed to achieve positive social, environmental and economic outcomes, confirmed by the need for this Inquiry. Many reasons for that failure are mentioned in the above article.

The above report also states: *”A lack of public input –real or perceived – at any point in the privatisation process can compromise the outcome and leave citizens deeply disaffected,” the report warns.*

How does one feel when infrastructure previously owned by the residents and efficiently managed by local government, infrastructure that has provided wealth for that community for generations are virtually stolen from them without consultation and a referendum by politicians. The social impact of private companies, increasing prices of those goods and services to residents in order to increase profits for their shareholders, without concern that those residents are now left struggling to pay the increased prices. How does one feel when that company is based overseas, is a monopoly with no competition.

No greater example can be found of social upheaval than in Queensland. Around 2007 the Qld State Government decided to force the local councils under NCP, NWC and COAG initiatives to hand the management of their water and wastewater over to the State Government. That decision has resulted in extensive price increases for the supply of water to homes and business.

ARTICLE, 'BLOATED COUNCILS –STAFF SOARS AFTER UNION', SUNDAY MAIL, DATED OCT 3RD 2010, BY KELMENY FRASER. PART EXTRACTS:

“Local government bureaucracy has ballooned more than two years after controversial mergers to make councils leaner and less costly.”

“Staff levels for Qld councils grew twice as fast this year compared with 2007-the year before the State Government forced amalgamations transformed the local government landscape, slashing the number of councils from 157 to 73.”

“The rise in staff is estimated to have added more than \$119 million to council wage costs.”

“Merger critics, such as former Aramac Shire Council ----- “A lot of what was said by councils and mayors has probably come to fruition, in that there is not going to be increased efficiencies, but there is probably going to be a loss in services”, he said.

The forced mergers were necessary so that the Qld State Government could force councils to hand over the management of their water and wastewater infrastructure in readiness for privatisation.

ARTICLE ‘PRICES WILL RISE’ ONCE ASSETS ARE SOLD”, THE SUN HERALD, MARCH 21ST 2010, BY KATE DENNEHY: PART EXTRACTS:

“Unionists and academics last week claimed a competition watchdog report criticising Sydney Airport’s monopoly could have implications for the planned sell-off.”

“The Australian Competition and Consumer Commission’s report on airport performance criticised Sydney’s privately owned airport for abusing its monopoly power.”

“The report accused the airport of price gouging –taking advantage of a lack of competition and charging especially high prices-with regard to its car parking rates.”

“There were “indications” that the airport had increased profits at the expense of service and that it might be earning “monopoly” rents from aeronautical services.”

“Maritime Union of Australia assistant national secretary Warren Smith said privatisation of the Port of Brisbane would lead to increased prices for consumers.”

ARTICLE ‘RICH HARVEST FOR FRENCH’, COURIER MAIL DATED JAN 30TH 2007, BY GREG STOLZ: PART EXTRACTS:

“A GIANT French company will reap hundreds of millions of dollars from SE Qld ‘s water crisis, with consumers set to pay the price.”

“In a little publicised deal, Paris based Veolia Water has been awarded lucrative contract by the State Government to run the \$1-7 billion western corridor recycled water pipeline and the \$1-3 billion Gold Coast desalination plant.”

AUTHOR’S COMMENTS:

The fact is that Veolia was also a member of the consortium that built the Gold Coast Desalination Plant. The Qld State Government also passed legislation giving the company protection if their management caused any impacts on human health. They also gave themselves the same protection.

Impacts of corruption in the micro-economic reform processes involving Australian Government business and consumers are well known. Supply and demand planning and decision making in medium and long term has either been diminished or as has happened in most cases, totally extinguished through the NCP, COAG and NWC initiatives.

A number of Multi national companies involved in privatisation in Australia, including Suez and Veolia have a very extensive record of environmental damage and in some cases criminal convictions involving water supply contracts. Those are explained further on in my summary.

Environment Australia’s Intergovernmental Unit and ANZECC Secretariat using the 1992 United Nations Rio ‘Earth’ Summit {agenda 21 Chapter 8} initially ran the Federal

Government's strategy to force the privatisation until it was taken over in 1993 by COAG.

On a number of occasions the Federal Government through the NCP, Council and COAG has replaced publicly owned and operated infrastructure monopolies such as ports, airports etc with another privately owned and operated monopoly. In 2004 the NCC supported Services Sydney's application to gain access to Sydney Water's water and sewerage mains despite their application stating that they intended building infrastructure to treat ALL of Sydney's sewage. In what manner are the above decisions in the 'public's best interest'?

The government has directed the Productivity Commission to carry out this Inquiry with a predetermined outcome in mind. Multi nationals, environment movement and those with pro privatisation motives and with self interest and conflicts of interest will use their submissions to drive the privatisation agenda much faster and get it back on track.

The necessity for this submission has been driven by thirteen years of extensive research and investigations and only after numerous attempts were made to have this corruption investigated and exposed.

The failure of all three levels of government, State and Federal Attorney Generals, crime fighting organisations including the Australian Crime Commission, the involvement of politicians from all political parties, the direct involvement of two previous Prime Ministers Kevin Rudd and John Howard, not only in covering up this corruption and their failure to have it independently investigated but also several successful Attempts to Pervert The Course of Justice on this issue has prompted me into this action.

I also have more extensive documented evidence that I will present when and if a Royal Commission of Inquiry is initiated.

I thank the commission for this opportunity and for their time.

Laurence Jones.

**SUBMISSION TO THE PRODUCTIVITY COMMISSION'S AUSTRALIAN
URBAN WATER SECTOR INQUIRY.**

FROM

LAURENCE JONES

SUBMISSION INDEX:

- A. PRESENTATION TO THE COMMISSION.
- B. SUMMARY OF 180 PAGES OUTLINING MY SUBMISSION PRESENTED TO THE COMMISSION OF INQUIRY ON TUESDAY 9TH NOV 2010.
- C. LARGE SUPPLY OF DOCUMENTS EXPLAINING IN MORE DETAIL AND SUPPORTING EACH SUBJECT MENTIONED IN MY 180 PAGE SUMMARY.

THOSE SUBJECTS ARE:

- 1] UNITED NATIONS RIO 'EARTH' SUMMIT 1992.
- 2] CENTRE FOR INTEGRATED RESOURCE MANAGEMENT [CIRM]-1992-3.
- 3] SUEZ/ LEND LEASE PROPERTY'S SYDNEY PROSPECT WATER TREATMENT PLANT – 1992-3.
- 4] NOOSA DIRECT POTABLE REUSE – 1993- 4.
- 5] CABOOLTURE WASTEWATER REUSE STRATEGY 1996.
- 6] CALOUNDRA/ MAROOCHY STRATEGIC WASTEWATER MANAGEMENT STUDY INITIATED IN 1995, CARRIED OUT IN 1996, AND ADOPTED FOR PLANNING PURPOSES FOR THE NEXT 50 YEARS IN AUG 1997.
- 7] QUEENSLAND WATER RECYCLING STRATEGY [QWRS] -1996-ONWARDS
COMMENCED IN 1997.

8] CALOUNDRA / MAROOCHY STRATEGIC WASTEWATER MANAGEMENT STRATEGY 1997-8.

9] WATER EDUCATION PROJECT 1997 - AWA'S 'WE ALL USE WATER' EDUCATION PROGRAM, BY JENIFER SIMPSON 1998 , CALOUNDRA CITY COUNCIL'S WATER EDUCATION, PROGRAM 2000 AND QLD DNR WATERWISE PROGRAM 2002 ONWARDS.

10] INDIRECT POTABLE REUSE -HORMONE DISRUPTING CHEMICALS SUPPLEMENT TO THE C/MSWMS-1998.

11] SCEC AND AWA QLD BRANCH'S 'URBAN WATER MANAGEMENT WORKSHOP'- 1999.

12] ADVANCED MOBILE WATER RECYCLING DEMONSTRATION PLANT-1999

13] SERVICES SYDNEY 2004 APPLICATION TO THE NCC.

14] TOOWOOMBA WATER FUTURES -2006

15] QUEENSLAND WATER COMMISSION -2006.

16] NATIONAL WATER COMMISSION-NWI.

17] AUSTRALIAN WATER ASSOCIATION

18] GOVERNMENT DECEIT, LIES AND MISINFORMATION

19] CSIRO

20] ALL AUSTRALIAN GOVERNMENTS WERE AWARE OF THE CORRUPTION

21] GOVERNMENT HAS ALWAYS INTENDED TO FORCE THE INTRODUCTION OF DIRECT POTABLE REUSE, NOT INDIRECT AS STATED.

22] TRAVESTON CROSSING DAM

MORE EXTENSIVE INFORMATION IS ALSO AVAILABLE ON THE
ABOVE SUBJECTS IF REQUIRED.