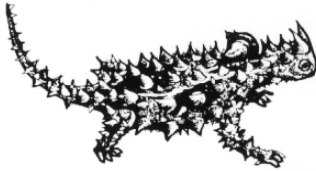


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Healthy Futures for Arid Lands and People

Arid Lands Environment Centre Submission to the Senate Standing Committee on Economics Privatisation of state and territory assets and new infrastructure

Thank you for the opportunity to write a submission to this inquiry. The Arid Lands Environment Centre (ALEC) is the peak regional environmental organisation servicing Central Australia. ALEC's vision for 'healthy futures for arid lands and people' is supported through its work on community education, strategic policy advocacy and developing local initiatives to support local sustainability and biodiversity conservation. ALEC has been operating from Alice Springs since the late 1970s and continues to be a trusted voice for the protection of the environment and sustainable development.

ALEC is writing a submission to this inquiry to raise awareness of the potential environmental impacts of asset sales in the Northern Territory and the negative impacts on our capacity to adapt to predicted climate impacts in the NT.

The current NT Government does not have a climate change policy. This means that there is no long-term vision for investments that build the resilience of Territorians to climate change. Asset sales to fund infrastructure are driven by short-term political agendas rather than long-term social and economic needs of Territorians. A trust deficit between the NT Government and the general community is growing daily. Given there was no mention of asset sales in the lead up to the 2012 election, the sale of TIO and the continued push to privatise parts of the Port of Darwin and Power Water Corporation – the Federal parliament would do well not to encourage this sort of behaviour by providing incentives and kick-backs for asset sales.

ALEC has significant concerns about the break up and potential sale of Power Water Corporation. While ALEC supports a robust and competitive energy market, the sale of the monopoly utility without any competing interests lends itself to higher consumer prices, risk to investors in rooftop solar and reduced focus on demand management strategies including energy and water efficiency. Given that the separation of Power Water Corporation into Territory Generation, Networks and Jacana (retail) has some benefits through clarifying profits and losses across the vertically integrated company, there is strong community concern that it is being prepared for a sell-off. The NT Government has no mandate for this and ALEC is concerned that this would have significant impacts for remote service delivery and investment in renewables across the Territory.

Another concern that ALEC has is the sell off of the Northern Territory's natural assets. The 'open for business' mantra being peddled daily by the NT Government under the guise of 'Developing the North' is a fire-sale of natural and cultural capital without any consideration of the short or long-term ecological, social or economic impacts. The drive to sell off rights to extract water, minerals or shale gas is causing long-term damage. The recycling of assets and reinvestment into infrastructure is likely to include roads, rail, pipelines, ports and other forms of infrastructure that will largely benefit companies over communities. There is no indication that the heavy users of this infrastructure will contribute to the costs of on-going maintenance of this infrastructure or rehabilitate the country they plan on destroying for largely overseas profits.

The Northern Territory is closer to Indonesia than Canberra. Indonesia has strong rules for foreign investment; Australia has a relatively open door policy. ALEC is not opposed to foreign investment but there are significant concerns around the potential for conflict in the Northern Territory in relation to continued and equitable access to natural resources and essential services. I urge the committee to reconsider the incentives being proposed for encouraging asset sales and to also remind the committee that the NT Government has no electoral mandate for selling off public assets and that growing community concern about asset sales is further eroding trust in both the Northern Territory and Federal Governments.

Thank you.

Jimmy Cocking
Director