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P.W. DAVIS NOTES FOR:

**M.H.R. WATER RESOURCES COMMITTEE MEETING, PT. LINCOLN 29/4/2003**

1/ WHILST EYRE PENINSULA IS NOT PART OF THE MURRAY DARLING SYSTEM THE SOUTH AUSTRALIAN STATE PRICING POLICY MEANS WE PAY SIMILAR COSTS TO THE REST OF S.A. APPROX 94Cents per kilolitre.... WHICH IS LUDICROUSLY CHEAP FOR 1000 LITRES OF WATER WHEN PEOPLE PAY IN EXCESS OF \$1-00 PER LITRE FROM COLES AND WOOLIES ET CETERA.

YET I AM AWARE THAT WATER AT DENILQUIN IS SELLING FOR 5 CENTS PER KILOLITRE AND 25 CENTS PER KILOLITRE IN VICTORIA.

**RECOMMENDATION ONE: "THAT THE COMMITTEE DETERMINE THE CURRENT COST CHARGED TO ALL CONSUMERS PER KILOLITRE OF WATER THROUGHOUT AUSTRALIA."**

**RECOMMENDATION TWO: "THE PRICE OF A KILOLITRE OF MURRAY DARLING WATER SHOULD BE UNIFORM ALONG ITS LENGTH AND IRRESPECTIVE OF USEAGE...INDUSTRIAL, COMMERCIAL AGRICULTURAL OR DOMESTIC."**

THE CURRENT PRICING SYSTEM DOES NOT RECOGNIZE ANY COST FOR THE ACTUAL COST OF WATER, SIMPLY PUMPING, STORAGE, PURIFICATION ET CETERA. THE REAL PRICE OF WATER IS SOMETHING OF THE ORDER OF \$2-50 TO \$3-00 PER KILOLITRE.

EXAMPLE: DESALINATION COSTS SOMETHING LIKE \$1-50 PER KILOLITRE BEFORE DELIVERY. SIMILARLY, THE COST OF CREATING ARTIFICIAL CATCHMENT IS OF THE ORDER OF \$2-00 PER KILOLITRE. [I have recently installed a catchment system that has revolutionized Boston Island and over its 30 year life the cost is about \$3-00.]

*IT IS CRITICAL THAT PEOPLE COMPREHEND THAT WATER ITSELF IS A VALUABLE COMMODITY. WE WILL NEVER LEARN UNTIL WE PAY A PRICE THAT ENCOURAGES CONSERVATION OF A PRECIOUS COMMODITY.*

OBVIOUSLY PEOPLE WILL OBJECT LOUDLY: they have three alternatives:

1. Pay the going price.
2. Turn off their supply and pay nothing.
3. Install their own, independent system.

**RECOMMENDATION THREE: "THAT HAVING ESTABLISHED THE TRUE COST OF WATER THAT COST SHOULD BE REFLECTED IN THE PRICE CHARGED."**

*OUR NATION SHOULD BE ENCOURAGED TO DEVELOP INDEPENDENT, SELF RELIANT WATER SYSTEMS FOR ALL USERS; RURAL, INDUSTRIAL, COMMERCIAL AND DOMESTIC, SEPARATE FROM MAJOR PUBLIC SUPPLIES.*

WHEN ONE CONSIDERS CURRENT STRESSES UPON CURRENT SUPPLIES AND THE DETERIORATING NATURAL ENVIRONMENT IT IS CLEAR THAT MAJOR INCENTIVES ARE URGENTLY NEEDED TO DEVELOP INDEPENDANT, SELF RELIANT ALTERNATIVES WHILST REDUCING CONSUMPTION OF CURRENT SUPPLIES. IT IS LUDICROUS THAT FOOD IS G.S.T. FREE BUT THAT WATER STORAGE IS G.S.T. LIABLE.

**RECOMEMENDATION FOUR: "THAT G.S.T. BE IMMEDIATELY ABOLISHED FROM ALL ITEMS ASSOCIATED WITH WATER STORAGE AND SERVICE DELIVERY FOR DOMESTIC USERS....I.E., tanks, pumps, plumbing and fire fighting facilities."**

UNTIL SOME 20 OR SO YEARS AGO, 100% TAXATION DEDUCTIONS WERE AVAILABLE FOR **PRIMARY PRODUCERS ONLY** TO INSTAL WATER RETICULATION/STORAGE SYSTEMS.

TODAY **PRIMARY PRODUCERS** HAVE AN UPFRONT 33% DEDUCTION TOGETHER WITH 10% DEPRECIATION... see attached 20 page taxation advice... [which says something about the simplified taxation system itself.]

*It is ludicrous that identical taxation incentives do not apply to industrial and secondary industry and domestic individuals particularly when our Nation is experiencing one of it's worst droughts on record.*

**RECOMMENDATION FIVE: "IN THE INTERESTS OF DEVELOPING A NATIONAL VISION OF WATER STORAGE AND DELIVERY WHILST STIMULATING REDUCED DEMAND UPON THE PUBLIC WATER SUPPLY, ALL AUSTRALIAN BUSINESSES AND INDIVIDUALS SHOULD HAVE ACCESS TO THE SAME TAXATION DEDUCTIONS AS ARE AVAILABLE TO PRIMARY PRODUCERS FOR WATER CATCHMENT, STORAGE AND DELIVERY ..."**

1. **Namely, a one third capital cost, up front, write off of the project upon installation.**



**AND THAT THE WRITEOFF ALLOWANCE BE INCREASED TO 100% IMMEDIATELY."**

SIMILARLY, OUR NATION SHOULD REQUIRE ALL NEW DEVELOPMENT APPLICATIONS TO DEMONSTRATE WATER CATCHMENT, DELIVERY, STORAGE AND DRAWOFF FACILITIES.

**RECOMMENDATION FIVE; THAT ALL DEVELOPMENT APPLICATIONS PROCESSED BY ALL LEVELS OF GOVERNMENT IN AUSTRALIA FORTHWITH REQUIRE RAINFALL CATCHMENT, DELIVERY, STORAGE AND DRAWOFF FACILITIES AND THAT OCCUPATION BE APPROVED SUBJECT TO INSPECTION OF FACILITES.**

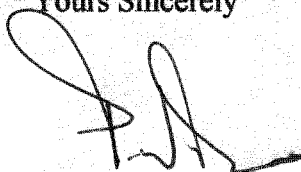
It is inevitable that opponents of any or all of the above will draw attention to the loss of taxation revenue coupled with the necessary financing of private projects...Committee Members should be aware of the enormous beneficial impact that the original **COMMONWEALTH BANK OF AUSTRALIA** had when launched in 1912 by the **ANDREW FISHER** Government and led by **KING O'MALLEY, M.H.R.** for Denison, Tasmania.

Members should be aware that the C.B.A. started out with some 12,000 pounds capital in 1912. By utilizing the credit creation potential of the people of Australia the Bank financed W.W.1, to something like 400,000,000 Pounds, financed various farmer commodity pools during the 1914 drought, financed the Pt. Augusta/Kalgoorlie rail line and tens of thousands of loans for homeowners, small business and farmers on terms ranging out to 25 years at fixed rates of interest of 5% or thereabouts. All this was done with little impact on the National Debt. Similarly, the Bank paid significant annual dividends to the Commonwealth Government. There is a mass of history to verify these facts. A good starting point being the Royal Commission into Banking under Mr. Justice Napier in about 1933.

**THE THREE CORE ISSUES THAT FORM THE BASIS OF THIS SUBMISSION ARE:**

1. **PUBLIC WATER IS FAR TOO CHEAP AND THUS NOT APPRECIATED.**
2. **IT IS EASY TO PROVIDE ALTERNATIVE WATER SUPPLIES GIVEN FINANCIAL INCENTIVES FOR ALL LEVELS OF OUR NATION.**
3. **IT IS EASY TO FINANCE ALTERNATIVE NATIONAL WATER SUPPLIES BY CREATING A NEW NATIONAL BANK WITH SIMILAR POLICIES TO THE ORIGINAL C.B.A., THUS PROTECTING COMMONWEALTH TAXATION REVENUES.**

Yours Sincerely

A handwritten signature in black ink, appearing to be the initials 'J.A.' or similar, written in a cursive style.