AUSTRALIAN PROPERTY INSTITUTE INC., NSW DIVISION

&

AUSTRALIAN SPATIAL INFORMATION BUSINESS ASSOCIATION LIMITED

JOINT SUBMISSION TO

PRODUCTIVITY COMMISSION

ON

DISCUSSION DRAFT

RURAL WATER USE AND THE ENVIRONMENT: THE ROLE OF MARKET MECHANISMS

17 JULY 2006

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ABBREVIATIONS

APINSW	Australian Property Institute, NSW Division
ASIBA	Australian Spatial Information Business Association
ASX	Australian Stock Exchange

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Petroleum Act 1923 (Qld)
Petroleum and Gas (Production and Safety) Act 2004 (Qld)
Water Act 1912 (NSW)
Water Act 2000 (Qld)
Water Management Act 2000 (NSW)

PREFACE

This joint submission to the Productivity Commission has been prepared by the Australian Property Institute, NSW Division (APINSW), and the Australian Spatial Information Business Association (ASIBA) as part of an ongoing joint research collaboration between the NSW and Queensland Divisions of the Institute and the Association.

This collaborative effort commenced in 2001 in response to the unbundling of water from land throughout Australia by State Governments in response to National Competition Policy, which was first advanced by the Commonwealth Government in 1992. Since this collaboration commenced in 2001 the three bodies have overseen and funded the preparation of an Initial Scoping Report which was prepared in 2002 by Dr Garrick Small FAPI, Associate Head (Teaching and Learning), with the Faculty of Design Architecture and Construction, University of Technology Sydney.

As a result, throughout 2003 Land & Water Australia and the Department of Agriculture Fisheries and Forestry, conducted a research project entitled "An Effective System of Defining Water Property Titles" which was prepared by consultants ACIL Tasman in association with Freehills. The Initial Scoping Report prepared by Dr Small formed a resource for this research project, and the Steering Committee for the project was chaired by the then President of the NSW Division of the Institute, John Sheehan.

This close disciplinary collaboration between property valuation and spatial information has been further strengthened through the preparation of this joint submission to the Productivity Commission.

Michael Easton
Chairman
Australian Spatial Information Business Association

Tom Webster
President
NSW Division
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INTRODUCTION

This submission constitutes a response by APINSW and ASIBA to the *Discussion Draft Rural Water Use and the Environment: The Role of Market Mechanisms* released by the Productivity Commission in June 2006, which has been issued for further public consultation and input.

The overall need for an investigation into the role of market mechanisms for rural water use is supported, and in particular it is noted that the National Water Initiative (NWI) states at *clause 58* as follows:

i) facilitate the operation of efficient water markets and the opportunities for trading, within and between States and Territories, where water systems are physically shared or hydrologic connections and water supply consideration will permit water trading;

ii) minimize transaction costs on water trades, including through good information flows in the market and compatible entitlement, registry, regulatory and other arrangements across jurisdictions;

iii) enable the appropriate mix of water products to develop based on access entitlements which can be traded either in whole or in part, and either temporarily or permanently, or through lease arrangements or other trading options that may evolve over time;

iv) recognise and protect the needs of the environment; and

v) provide appropriate protection of third-party interests.

It is noted with approval the many and varied issues addressed in the *Discussion Draft*, and the Productivity Commission is to be commended for its attempt to address these issues from the NWI. It is further noted that in preparing the *Discussion Draft*, the Commission has in respect of its terms of reference, endeavoured to:

- *assess and report on the feasibility of establishing workable market mechanisms:*
  - *to provide practical incentives for investment in rural water-use efficiency and water related farm management strategies; and*
  - *for dealing with rural water-management related environmental externalities;*
- *take into account relevant practical experiences in other areas, such as with establishing tradeable salinity and pollution credits;*
- *recognise that the purpose of the study is to support the parties in achieving the water markets and trading outcomes and actions under the NWI; and*

- *consult with signatories to the NWI (including through the inter-jurisdictional water trading group) and the National Water Commission*.

In analysing the content of the *Discussion Draft,* APINSW and ASIBA have formed the view that there are *inter alia* two distinct elements embedded within the various matters canvassed, namely the need for improvements in "entitlement and allocation regimes", and a range "of impediments to water trade" (p.xviii). With this understanding, this submission has been prepared recognising that both elements have a number of aspects which require careful consideration. These aspects are dealt with in the main body of this Submission following the introductory comments below.

Importantly, it is noted that the Commission in the *Discussion Draft* at p.xxi in the "Overview" observes that:

> *[g]round and surface water management systems are poorly integrated and return flows inadequately managed.*
>
> (Extract from *Table 1 The way forward*)

This point is well received, as it was noted with considerable interest the observation in the *Discussion Draft* (at p.xxii) that:

> *Groundwater and surface water are closely connected in many areas….for example, estimated that on average, for the Murray-Darling Basin, each 100 megalitres of groundwater extracted would reduce surface water by 60 megalitres.*

This connectivity and lack of integration appears to be poorly understood by Government and resource users, and it is with some concern that some State based water management regimes appear to misunderstand or even ignore the relationship between ground water and surface water. For example, amendments to the (then) existing petroleum and gas legislation in Queensland by the *Petroleum and Gas (Production and Safety) Act 2004 (Qld) (PGPSA)* provide that petroleum tenement holders should have ground water rights.

In particular, *s.185 (1)* provides that a petroleum tenure holder may "take or interfere" with underground water in the area of the tenure if required as a result of drilling or production. The tenure holder may also use water for "another authorised activity". The term 'underground water' means either artesian or sub artesian water. It is accepted that water naturally occurs in petroleum and gas deposits, and that the *PGPSA* amendments to the legislation sought to clarify the non-specific right to take water, which miners apparently asserted under *s.35(1) Petroleum Act 1923* (Qld), namely:

> *The permittee shall have the right-*

> *(a) to take and divert water from any natural spring, lake, pool, or watercourse situated on or flowing through any land (including any private land or improved land) covered by the permit and to use such water for any purpose necessary or incidental to the permittee's prospecting and mining operation;*

The *Act* also states at *s.86 (a)* that:

> *…a holder of an authority to prospect, a permittee or a lessee may, with the prior permission in writing of the Minister and subject to such terms and conditions as the Minister deems fit, which terms and conditions shall be set out in such permission, search for, obtain, store and use underground water (including artesian and sub artesian water) within the limits of the land covered or demised by the authority, permit, or lease, for any of the purposes for which such authority, permit, or lease was granted and for any purpose incidental thereto;*

Of concern, is *s.185 (3)PGPSA* which states that there shall be "no limit on the volume of water that may be taken under the underground water rights". Whilst petroleum tenure holders are required to account for the water taken and to make good any water taken, it is noted that. *s.124 Petroleum Act 1923*(Qld) requires that weekly reports are required to be submitted to the senior petroleum technologist giving details amongst other things of "high pressure formation water encountered" (*s.s.(e)*). It is further noted that there is "no limit" on the volume of water that can be taken by a petroleum tenure holder, however the Queensland Department of Natural Resources and Mines is able to request records from the petroleum tenure holder of such monitoring.

It is further noted that *s.186 PGPSA* allows a petroleum tenure holder to authorise an owner or occupier of land in the tenure area, or that adjoins land in the "area of the tenure" to use water obtained under *s.185* for domestic or stock purposes.

In addition, *Part 27 PGPSA* amends the *Water Act 2000* (Qld) which provides for a class of persons called "priority group" (*cl. 985)* who have been unable to gain a water licence under the *Water Act 2000* (Qld) because of the granting of underground water rights to a petroleum tenement holder. The holder is permitted through the amendment of *s.214 Water Act 2000* (Qld) to supply water to this "priority group" at a "stated volume or at a stated rate". The charges for the supply to the "priority group" is an amount limited to the cost of the supply and the cost of treating the water to make it fit for the purpose for which it is supplied.

The predicted impact of underground water taken under the *PGPSA* require that the petroleum tenure holder should prepare a threshold drawdown which is then, if agreed to by the Department of Natural Resources and Mines, taken as the threshold which ought not to be exceeded to protect existing bores. If the threshold drawdown is exceeded, this merely triggers the need for an impact report by the petroleum tenure holder if a

"substantive reduction inflow occurs".[1] This impact report may include a new threshold, and can propose the deepening of existing bores by other water users, or alternatively monetary compensation to be paid to other water users as an alternative.

Research by APINSW in late 2004 revealed that petroleum exploration production caused 20,000 megalitres of water to be drawn annually in Queensland, whilst for coal and methane production approximately 40,000 megalitres of water was drawn annually in that State. Whilst these figures are not excessive, nevertheless in irrigable areas it is our joint view that water drawn as a result of coal and methane mining clearly has the potential to effect rural water availability.

We have previously expressed concern over the apparent duplication of water rights in the *PGPSA* and the effective creation of a parallel regime of water rights. These rights which are alleged by the mining industry to reside in a non- specific manner in the *Petroleum Act 1923* (Qld), were clarified in the *PGPSA* and it is our view that such rights have the potential to disrupt the existing water regime under the *Water Act 2000* (Qld). Anecdotal evidence from rural valuers in the Queensland Division of API suggests that the lowering of artesian and sub artesian water levels in bores utilised by farmers has already occurred in specific instances, with understandable concern expressed by rural users.

We are unaware of whether a similar situation occurs in other State water management regimes, however anecdotal evidence strongly suggests that this lack of connectivity between ground water and surface water management is a wide spread occurrence. It is the strong view of both organisations that this duplication of rights to water is undesirable, creating unnecessary complexity and indeed has the potential to confound the aspirations of the NWI for a transparent market in water.

As regards the other more specific issues raised in the *Discussion Draft*, APINSW and ASIBA convened an *ad hoc* Submission Committee representative of not only the disciplines of valuation and spatial information, but notably and importantly also of property law and theory. We are happy to discuss any of the matters raised in this Submission or to provide any additional information requested. Arrangements can be made by contacting Ms Gail Sanders, APINSW Executive Officer on telephone number 02 9299 1811 or Mr David Hocking, ASIBA CEO on telephone 02 6282 5793.

The following comments adopt the order of contents as detailed in the *Discussion Draft.*

[1] Verbal advice received by APINSW from Department of Natural Resources and Mines, 7 October 2004.

COMMENTS AND RECOMMENDATIONS

The following comments and recommendations have been framed to respond to the sequence of the pages and headings in the *Discussion Draft*.

p. xvii ***Overview: Key Points***

We are aware that the market for water is already reflecting the increasing value of this natural resource. With the unbundling of land and water, there currently exists three significant unresolved issues, namely:

- the mortgageability of water rights
- the need for title indefeasibility
- compensation for compulsory acquisition

It is our view that legislative change needs to occur in each State water management regime to give standing to finance providers similar to that for land. Since the introduction of the Torrens system for land titling in the 1860s in colonial South Australia, security for borrowing against land property has been by way of a registered mortgage which is engrossed on the second schedule of the Certificate of Title.

It is the view that a similar arrangement should be created for borrowing against water rights in each State regime. Concern was expressed however with the issuing of title documents by various States which purport to provide a Certificate of Title similar to a Certificate of Title under the Torrens system. It is our view that such title documents are misleading both borrowers and lenders through their similarity with Torrens system certificates.

The proposal for a modified Torrens based system which will introduce the notion of indefeasibility of title is strongly supported. It is noted that in the body of the *Discussion Draft* (p. 41) that the Commission refers to the earlier submission by ASIBA which argues for the adoption of such a system. Indefeasibility appears to be poorly understood by both Government and resource users and in the second half of this submission this aspect will be discussed more fully, given the importance that our two organisations place on the proposal.

It is also our view that centralized title registers should be created by each State rather than decentralized registers, which have apparently been proposed by some wholesale licence holders in NSW irrigation areas. Decentralisation of registers would result in even more complexity and greater difficulty in ascertaining sales data to ensure transparency in valuation. The existing CHESS system operated by ASX is considered to be worthy of investigation by the Commission as on screen trading of water rights continues to develop. Such an electronic transfer system would be of assistance in the trading of

temporary water transfers in particular, enabling speedier settlement of transactions which by their temporary nature have some degree of urgency.

Furthermore, it is noted that under the *Key Points* the Commission refers to a "number of impediments to water trade" which have the effect of reducing the efficiency of the market for water. We concur with this view. However, it is considered that one of the primary impediments to more efficient trading is the absence of a verifiable sales database. Trading in land property occurs in an almost completely transparent market, which is facilitated through the use of online databases such as *RP Data* and *Residex,* together with *National Sales and Leasing Monitor,* the latter published by CPM Research. These three databases are well respected, and importantly are provided as commercial undertakings by the private sector rather than by any State Government agency.

Given that most land property is purchased using a percentage of loan funds from a bank or financial institution, it is common for the potential mortgagee (funder) to cause a mortgage valuation to be undertaken by a registered property valuer. The three online databases referred to above provide valuers with an understanding of the history and the current dynamics of the land property market place, and hence enable the prospective funder to ascertain any risk associated with the land property offered as security. Importantly, these databases have three common features:

- electronic
- currency
- comprehensive

It is considered that the development of similar sales databases for water are a necessary precondition for the conduct of a transparent market for water. It is our view that developing national databases such as www.waterfind.com.au have the potential to form the genesis of a sales database, and should be provided with research and development funding for this purpose.

It is also noted that a significant impediment is the uncompleted business of unbundling water entitlements from land property, and it is the view of the two organisations that in reality this process has barely commenced. For example, since 2000 existing water licences under the *Water Act 1912* (NSW) have been converted to volumetric access licences under the *Water Management Act 2000* (NSW). In this process, resource users have been presented with licences which provide for a share of a particular catchment in volumetric terms, and yet anecdotal evidence by ASIBA strongly suggests that the total volume of various catchments is often problematic.

Given the increasing and somewhat relentless increase in the value of water per megalitre, it is concerning that there remains significant questions about the veracity of the volumetric data for overall catchments. It is conceded that the metering of individual resource users is now increasingly more sophisticated under the various State water

management regimes, however attention to the overall veracity of the catchment databases is urgently required.

In summary, it is our strong view that accurate measurement of surface and ground water resources should be an overarching priority of the NWI, and it is with considerable disappointment that the recently established National Water Commission appears to have either misunderstood or ignored the urgency of this important task. We prefer the retention of volumetric descriptions of water access entitlements, rather than descriptions based on a percentage of the total catchment volume. The market place always seeks clarity to offset risk, and whilst the overall catchment databases may be inadequate and probably inaccurate, a volumetric description of the private access entitlement still remains a market preference in the view of our two organisations.

Finally, the issue of compulsory acquisition of water access entitlements under legislation such as the *Water Management Act* 2000 (NSW) appears to have been ignored as an important impediment to water trade efficiency. Compensation for water access entitlements appears to founder on the strict legal description of such rights which are now personalty (personal property), and no longer realty (real property) since the unbundling of land and water in the above legislation.

Entitlement to compensation for the cancellation of water access is widely regarded as problematic, and unsurprisingly the *Water Management Amendment (Water Property Rights Compensation) Bill 2006* (NSW) was tabled in the Legislative Assembly on 6 April, 2006, as a private members bill. It proposes the inclusion of access licences as a defined *interest* under *s.4 Land Acquisition (Just Terms Compensation) Act 1991* (NSW).

An earlier somewhat similar proposal amending the *Water Management Act 2000* (NSW) was suggested by APINSW in 2002, on the basis that:

> *…the current Act displays a continuing lack of clarity in relation to the existing, s. 79 Compulsory acquisition of access licences, and[the Institute] proposes that amendments should be made to this part of the Act.*
>
> *It is the Institute's view that the Act is quite limited in how compensation is to be determined, and it is considered that the relevant sections namely s.79 and s.87 should be amended to refer to the provisions of the Land Acquisition (Just Terms Compensation) Act 1991 (NSW). This is a procedure which has been adopted in other legislation, and is regarded by the Institute as an overdue amendment to this Act, and would maintain conformity with other legislation.*
>
> *It was also noted that the Land Acquisition (Just Terms Compensation) Act 1991 does not include access licences as a registered interest in the definitions in s.4. The Institute considers that inclusion of access licence as a registered interest,*

could easily achieve this recognition, given that usefully access licence is already defined pursuant to s.4 in the Water Management Act 2000 (viz. s.56). [2]

The 2002 proposal by the Institute was never adopted by the NSW Government, and it is interesting that the *Water Management Amendment (Water Property Rights Compensation) Bill 2006* (NSW) picks up the flavour of the original proposed amendments. Since 2002, there has been a unwillingness to amend the limited compensation provisions of the *Water Management Act 2000* (NSW), and this currently suggests that the 2006 *Bill* will not be supported either.

However, access to water is not wholly confined to licences under the *Water Management Act 2000* (NSW), and *s.52* states as regards existing riparian rights, described as "domestic and stock rights" that:

> *(1) An owner or occupier of a landholding is entitled, without the need for an access licence, water supply work approval or water use approval:*
> *(a) to take water from any river, estuary or lake to which the land has frontage or from any aquifer underlying the land, and*
> *(b) to construct and use a water supply work for that purpose, and*
> *(c) to use the water so taken for domestic consumption and stock watering, but not for any other purpose.*

Importantly, at *s.52 (3)* "domestic consumption" and "stock watering" are defined as:

> ***Domestic consumption,*** *in relation to land, means consumption for normal household purposes in domestic premises situated on the land.*
>
> ***Stock watering****, in relation to land, means the watering of stock being raised on the land, but does not include the use of water in connection with intensive animal husbandry.*

It can be reasonably argued that the *s.52* riparian rights evidence a clear connection with land which is a compensable interest under the *Land Acquisition (Just Terms Compensation) Act 1991* (NSW). In this Act, an interest in land means not only a legal or equitable estate, but also an interest which is "in connection with the land", and hence capture *s.52* rights to water.

There are other sections of the *Water Management Act 2000* (NSW) which permit the Minister to revoke or cancel the access licence, and it is well recognised that as personal property the State of NSW could decide to acquire such licences without compensation. Whilst *s.79* provides for the compulsory acquisition of access licences however, *s.79(2)* states that a holder is:

[2] Letter from John Sheehan, [then] President, APINSW to Ms Dominique Tubier, Senior Policy Advisor Legislation , Minister for Fair Trading and Land & Water Conservation, 28 November 2002.

> *…entitled to compensation for the market value of the licence as at the time it was compulsorily acquired.*

This is not compensation as envisaged in the *Land Acquisition (Just Terms Compensation) Act 1991* (NSW) which takes into account not just the market value of an interest in land, but a whole raft of heads of compensation. Such matters arguably enable a package of compensation to be calculated which fully compensates the dispossessed owner for the loss arising from the compulsory acquisition.

Notwithstanding the provisions in *s.79(2)*, the State of NSW has no constitutional obligation to pay compensation for the compulsory acquisition of realty or personalty, and it has in the past avoided or reduced its obligation for compensation through specific amending legislation. For example *s.18 City and Suburban Electric Railways Act, 1915 - 1967* (NSW) amended *s.124 Public Works Act 1912* (NSW) to limit the compensation to be paid for land acquired for the route of the Eastern Suburbs Railway to the value of land at 27 February 1967.

In another example, *Clause 36 Schedule 1 Water Management Amendment Act 2005* (NSW), amended the *Water Management Act 2000* (NSW) through the provision of a new section *s.87AB* which provides that compensation is not payable by or on behalf of the Crown in respect to "relevant conduct" in relation to a water management plan arising from the following:

(a) any act or omission, whether unconscionable, misleading, deceptive or otherwise.
(b) a representation of any kind, whether made verbally or in writing and whether negligent, false, misleading or otherwise.

Importantly, the President of the Law Society of NSW wrote to the Minister for Planning and the Attorney General in March 2006 regarding *s.87A*B stating as follows:

> *The effect of this amendment is to remove people's right to seek compensation for any loss they may suffer as a result of the creation of a management plan that reduces their valuable water allocation rights under circumstances where the loss arises from any act or omission in relation to the content of the plan, its effect or government policy in relation to it, even if such act or omission is* inter alia *unconscionable, deceptive, false or misleading. That is, a person is prevented from seeking compensation for a real loss suffered by them even if it results from deliberately false and misleading acts or omissions done in bad faith where are intended to cause the loss actually suffered.*
>
> *This is an unconscionable abrogation to the rights of individuals who suffer loss at the hands of the state or its agencies to recover compensation in circumstances where it is clearly deserved.*

We are of the view that the Law Society of NSW is well justified in the concerns that are expressed above. Clarification of the compensation due to resource users in every State water management regime urgently requires clarification, in order that the market place can be confident that funds invested in water access entitlements are protected from abrogation by the State except on payment of full compensation.

p.41 ***Water title arrangements***

As previously mentioned in this submission, we note with approval the citing by the Commission of the recommendations for a modified Torrens title for water by ACIL Tasman in association with Freehills. It is recognised that there may be views both in favour or against the notion of a Torrens title system (vis p.42), however it is with concern that the *Discussion Draft* appears to be inconclusive about the appropriateness of systems for titling (p.43).

Anecdotal evidence strongly suggests that there is confusion regarding the possible adoption of a modified Torrens title system for water entitlements, foundering on the notion of indefeasibility. We believe that the indefeasibility should merely provide protection against fraud and other misdealings in water entitlements as is the case in land property. It is not intended in the recommendations by ACIL Tasman in association with Freehills that there should be indefeasibility of the volumetric terms of an entitlement, especially when affected by climatic vicissitude or by catchment wide regulatory adjustment.

Indeed any debate over whether or not to adopt a modified Torrens title system for water as discussed in the *Discussion Draft* (p.41-43) should in our view be prefaced with a more fulsome examination of the twin central issues of data accuracy, and how might the "currency" of water be described. There is a need for the fundamental concept of base-line measurement to be addressed prior to any debate on the system of titling. Realistically before allocation of water entitlements and hence trading in those entitlements to occur, the accurate determination of the base-line is fundamental, and yet this has not occurred to date in any State water management regime to a satisfactory level.

It is recognised that currently it is not feasible to measure water with the same accuracy as land, however there are three fundamental actions which can resolve current unreliability and inconsistency, namely:

- Water measurement standards are required that are factual, reliable, consistent and provide a level of adequacy for prospective mortgagees (funders) as a descriptor of the asset offered for security. This is known as a Standards Based Model (SBM);

- Establishment of the data that does exist together with assessments as to quality and contemporaneity, and determination of the appropriate points of truth;

- Testing of the existing data against the SBM to determine what additional data is necessary to meet the required standard.

From a spatial information standpoint, the unbundling of water from land has occurred opposite to that which ought to have occurred. Namely, the allocation and trading in water access entitlements should not have occurred until the adequacy of data was proven, the issue of inconsistent methodologies resolved, and an SBM in place.

Indeed, the debate reported in the *Discussion* Draft regarding the adequacy of one titling system over another, is not only premature in some respects but arguably a distraction at this important juncture. We consider that the notion of indefeasibility which underpins the current Torrens title land system is a mandatory precursor to the adoption of whatever titling system that might ultimately be adopted. However, it is certain in the view of the two organisations that there should be national consistency for both titling and description of the water asset, and in particular that a true property right in water should be adopted as a nationally consistent stereotype, albeit managed at the State level. Realistically nothing less should be acceptable to intending mortgagees (funders) who seek security for loans advanced against water access entitlements.

We are also concerned that in the *Discussion Draft* there appears to be an over emphasis on salinity (p.151-180) which has been well researched in other fora. The issue of salinity is only one part of one of the four bullet points noted in the "Terms of Reference" (p.iv) for the Commission in the preparation of the *Discussion Draft*, and arguably is somewhat of a distraction from the necessary research focus on the establishment of workable market mechanisms and the achieving of a realistic water market and resultant trading activity.

In any event salinity and other pollutants are evaluated as part of the due diligence exercised by mortgagees (funders) when deciding whether to advance funds to a prospective purchaser of water access entitlements. Whilst salinity may have some topicality in the general print and electronic media, it is clearly an issue which is of some concern but somewhat marginal to the broader issue of the creation of a transparent water market.

APPENDIX 1

AUSTRALIAN PROPERTY INSTITUTE INC.

The Australian Property Institute, (formerly known as the Australian Institute of Valuers and Land Economists), has enjoyed a proud and long history.

Originally formed over seventy years ago in 1926, the Institute today represents the interests of more than 7000 property experts throughout Australia. As the nation's peak professional property organisation, the API has been pivotal in providing factual, objective and dispassionate advice on a broad range of property issues addressed by the Commonwealth and State/Territory governments since the Institute was formed.

In addition, the Institute's advice has increasingly been sought by overseas bodies such as the United Nations and the World Bank, evidencing a level of expertise within the API and its membership which is recognised globally.

However, as a professional organisation the primary role of the Australian Property Institute is to set and maintain the highest standards of professional practice, education, ethics and discipline for its members.

Institute members are engaged in all facets of the property industry including valuation, property development and management, property financing and trusts, investment analysis, professional property consultancy, plant and machinery valuation, town planning consultancy, property law, and architecture. Membership of the Australian Property Institute has become synonymous with traits and qualities such as professional integrity and client service, industry experience, specialist expertise, together with tertiary level education and life long continuing professional development.

The Membership of the Australian Property Institute is bound by:

- A Code of Ethics and
- Rules of Conduct

APPENDIX 2

AUSTRALIAN SPATIAL INFORMATION BUSINESS ASSOCIATION

In September 2001, the then Minister for Industry, Science and Resources, Senator Nick Minchin, released the Spatial Industry Action Agenda Report, *Positioning for Growth*.

One of the first things the Action Agenda process created was the Australian Spatial Information Business Association (ASIBA), which now, a mere five years later, represents the business interests of some 400 companies throughout Australia.

Since then, ASIBA has been an important contributor to key government policy imperatives. In 2003 the then Deputy Prime Minister, John Anderson, commissioned ASIBA, together with the NSW Division of the Australian Property Institute (API), to develop a definition for a property right in water. In March 2004, ASIBA presented to the Deputy Prime Minister the final report titled *An Effective System of Defining Water Property Titles*, which was the foundation for the National Water Initiative. Recently, the OECD has referred to this work as "world leading".

Throughout its short life, ASIBA has contributed to policy debate on water, salinity science, bushfires and security. Governments now consider spatial information and technology to be essential infrastructure and management tools. ASIBA has also been a leader in bridging the web services gap with its recently completed and much lauded Spatial Interoperability Demonstration Project (SIDP). This Project produced technical documentation to support spatial interoperability solutions for emergency management and the insurance and utilities sectors.

Much of ASIBA's work in delivering the interoperability Project has already been acclaimed around the world. The international standards body for spatial information, the Open Geospatial Consortium (OGC), has asked permission to use one of our documents as an international White Paper on interoperability. The Project is a tribute to cooperation across the public and private sectors, the states, territories and commonwealth.

As the premier business representative body in the spatial information arena, ASIBA speaks for its member firms in a range of forums including Standards Australia and the AGCC, amongst others. ASIBA also contributes significant public comment through its awareness programs in the Australian popular press.

ASIBA's work on key policy issues will have a significant and positive impact on the Australian community and economy for many years to come.

APPENDIX 3

SUBMISSION COMMITTEE

Professor Spike Boydell, FAPI
Chair of the Built Environment
Faculty of Design Architecture and Construction
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Jeff Brown, (representing ASIBA)
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Chris Egan, FAPI
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David Hocking,
Chief Executive Officer
Australian Spatial Information Business Association
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John Sheehan, LFAPI (Chair of Submission Committee)
Chair Government Liaison,
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