

Australia Dossier by Robert Barwick

Privatization contaminates Sydney water

The culture of privatization has given Australia's largest city a Third World reputation, and a bellyache.

On the morning of July 30, the 4 million residents of Sydney woke to the news that their water supply was undrinkable, and would have to be boiled for two minutes before being consumed. At first limited to the southern half of the city, by the next day the drinking bans were city-wide, and were maintained for several days. School faucets were taped over, hotels spent up to \$2,000 per day on bottled water for toiletry needs for their guests, and tourists arriving at Sydney Airport were met with warning signs ordinarily more suited to Calcutta—all this in the host city of the Year 2000 Olympic Games, now only two years away.

Sydney's water system was found to have been contaminated by two parasites, giardia and cryptosporidium, both dangerous stomach bugs; although giardia is treatable with antibiotics, cryptosporidium is not. Their debilitating effects, which include chronic diarrhea, nausea, abdominal cramps, and weakness, are known variously as the Pharaoh's Curse in Egypt, Montezuma's Revenge in South America, and "tourist tummy" in Asia. The contamination posed a serious threat to Sydney's HIV-infected community, whose weakened immune systems make them especially susceptible to cryptosporidium.

A more insidious parasite, however, is Australia's privatization "culture," which, through its contamination of Sydney's infrastructure policy, has yet again proved itself a threat to human life.

In 1996, four privately owned water treatment plants were connected

up to the water supply system of the Sydney Water Corp., a wholly government-owned, but "corporatized" (ready to be privatized) company worth \$13 billion. At that time, the New South Wales (NSW) state government minister responsible for Sydney's water, Urban Affairs Minister Craig Knowles, answered concerns raised in Parliament about the safety standards of the new plants, by saying that Sydney residents would be drinking the "best quality of water anywhere in the world," and that discussion of a possible cryptosporidium outbreak was "little more than scaremongery."

However, it has now been revealed that routine testing for cryptosporidium was not being done. In July, Health Minister Dr. Andrew Refshauge justified this to the NSW Parliament, telling the state opposition health spokesperson, "The 1996 Australian Drinking Water Guidelines state that routine monitoring for cryptosporidium is not appropriate." Following the outbreak, Australian Water Services, the private company which operates the Prospect water treatment plant, one of the four private plants and to which the outbreak was traced, admitted that it did not test for giardia and cryptosporidium, but a spokesman claimed the company had been "following all the requirements" stipulated in their contract with the Sydney Water Corp.

The Prospect plant is one of the largest and most modern in the world. Experts maintain that the plant, equipped with a state-of-the-art, multimillion-dollar sand filtration system, should have been able to filter out

the parasites, even despite the two dead foxes discovered in an intake canal connecting the plant to a reservoir (the probable source of the contamination). This structural failure has raised questions about infrastructure maintenance. In the last fiscal year, the Carr Labor government siphoned \$250 million from Sydney Water Corp., to balance its own budget, five times more than was taken in 1991-92, despite a five-year low in capital expenditure on water and sewerage projects. Some \$280 million more is earmarked to be taken away this year.

The July 31 *Sydney Morning Herald* editorial demanded answers. "Is the government milking Sydney water as a cash cow to the detriment of the quality of its operations?" it asked. In 1994, Australian Water Services warned that the entire 20,000 kilometer water reticulation system needed to be flushed and scoured before the new treatment plants came online. Despite the warning, Sydney Water had canned the idea, undoubtedly because of its cost. Jeff Angel, a clean water campaigner, stated: "The government should investigate if the corporate culture of Sydney Water has become too focussed on the business of producing dividends and cutting corners to make efficiencies."

This "corporate culture" has contaminated the highest levels of the N.S.W. government. Premier Bob Carr is a proud member of the Centre for Independent Studies, a front for the British Crown's Mont Pelerin Society which has directed ruthless privatization programs in Australia and New Zealand. Earlier this year, New Zealand's largest city, Auckland, was blacked out for weeks following infrastructure cuts made by the privatized power company. To date, the most notable achievement of privatization, has been its ability to reduce modern cities to Third World conditions.