



New opportunities flowing . . . Michael Markowitz, left, and Philip Gleed.

Photo: JESSICA SHAPIRO

# Early birds drink deep

Alex Boxsell

The opportunity to advise existing clients on two innovative irrigation projects became the opening for law firm Rigby Cooke to branch out.

It became one of the first law firms to identify the increasingly lucrative water-law market and realise the commercial possibilities that lay in water-related work.

According to managing partner Philip Gleed, the decision to expand into water from the firm's traditional commercial and property law and litigation was in some respects dictated by clients.

It was while acting for Australian Water Engineering on an irrigation project near the NSW town of Berrigan in 2003, soon after a Barossa Valley project in 2002, that Rigby Cooke awoke to the possibilities in water-related work, lead water partner Michael Markowitz said.

As a new report by Beaton Consulting obtained by *The Australian Financial Review* reveals, Australian firms like Rigby Cooke are racing to be involved in the water industry, spurred on by proposed desalination, water treatment and irrigation projects.

These include a \$3 billion desalination plant in Gippsland planned by the Victorian government, a \$1.1 billion Gold Coast desalination plant and the \$1.7 billion Traveston Dam in Queensland.

## KEY POINTS

- Law firms are racing to be involved in the water industry.
- No single firm has emerged as the dominant player.
- Water law isn't a stand-alone skill.

Overshadowing all of these is the commonwealth government's \$10 billion bid for control of the Murray-Darling basin, of which those at Rigby Cooke, as members of the Victorian government's legal services panel, are keenly aware.

While the interest in water from the larger firms is not new, the report reveals that no single firm has emerged as the dominant player.

"There are a couple firms that are active in it, but nobody has really claimed the space," Grant Scott-Hayward of Beaton Consulting said.

Mr Markowitz said: "It's not a stand-alone skill. You need to be skilled in other areas of your practice — in the commercial provision of development and infrastructure — to be able to take advantage of the opportunities water will provide."

At Allens Arthur Robinson, partner Andrew Mansour said it was his background in electricity, gas and utilities that qualified him to head the firm's water group. The firm identified water law as a specific growth area in 2001.

Mr Mansour anticipated that water market growth would manifest itself in two ways: in water infrastructure, such as recycling and desalination plants and dams, and regulatory work, which involved compliance with new water laws and water trading.

The Beaton Consulting report rates firms on the satisfaction of users of water-related legal services, both government and private sector. It revealed that clients wanted stronger relationships and more targeted water advice.

And according to Mr Scott-Hayward, it was clear that the rise in investment projects and infrastructure upgrades would only add to the power struggle between emerging legal providers.

While some larger firms would be forced to play catch-up, it could be a specialised practice, such as Rigby Cooke, that exploited "a first leader advantage over the others" to become a "niche [or] specialist player", he said.

Mr Scott-Hayward drew a comparison to the good name that Arnold Bloch Leibler had made in taxation.

And while many large firms sought to shore up their presence in Asia, Mr Scott-Hayward said the likelihood of similar water projects in that region, particularly in China, should mean that any experience from Australia could be exported.