



Australian Government  
Australian Taxation Office

# Register of foreign ownership of water entitlements

Report of registrations as at 30 June 2021

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# Introduction

The Register of foreign ownership of water entitlements (the Water register) was established to provide greater transparency about the level of foreign ownership of Australia's water entitlements.

The Commissioner of Taxation reports annually to the Treasurer on the operation of the *Register of Foreign Ownership of Water or Agricultural Land Act 2015* (the Act) and is required to publish aggregate statistics of foreign ownership each year.<sup>1</sup>

This is the fourth report of the Water register (Water report 2021) and includes water entitlement registrations received from foreign persons between 1 July 2017 and 31 July 2021 for water entitlements held to 30 June 2021.<sup>2</sup>

Since 1 July 2017, it has been mandatory for foreign persons to register their holdings in registrable water entitlements and contractual water rights with the Australian Tax Office (ATO).

A foreign person may register at any time during the year, but no later than 30 days after the end of the financial year in which the event occurred.<sup>3</sup> A person who gives a notice of registrable water entitlements must also advise if they cease to hold the entitlement or right, cease to be a foreign person, or there is a change in the volume or the share of the water resource.

The Water register collects details about the foreign person, including name and contact details; country of incorporation where the registrant is an entity; or nationality, passport and visa details where the registrant is an individual.<sup>4</sup>

A 'foreign person' is defined in the *Foreign Acquisitions and Takeovers Act 1975* and includes individuals and entities with foreign ownership of 20% or more.<sup>1</sup> Using this definition, the Water register captures water entitlements with a level of foreign ownership of 20% or more; such entitlements are referred to as 'foreign held'. As a result, there may be a portion of Australian equity in the same water entitlement.

The breakdown of the foreign share and Australian share of the 'foreign held' water entitlement is presented in this report in [Figure 13](#).

Consistent with the principles applied in Australia's broader foreign investment regime, the details of investors are not made publicly available. Taxation law also restricts the release of information which could identify, or be used to identify, an individual or entity.

The Productivity Commission finalised its inquiry report into the Water register on 19 November 2021 and it was publicly released on 2 December 2021. The inquiry report concluded that the Water register plays a small, yet useful role in providing transparency that helps maintain community confidence in Australia's approach to foreign investment.<sup>5</sup>

<sup>1</sup> Section 17 of the *Register of Foreign Ownership of Water or Agricultural Land Act 2015*.

<sup>2</sup> As registrants have 30 days after the end of a financial year to update the Water register, the Water Report will include all registrations up to 31 July each year for water entitlements issued up to 30 June.

<sup>3</sup> Refer to Attachments A, B and E in this report for more information.

<sup>4</sup> Refer to Attachment E in this report for more information on data collected.

<sup>5</sup> Refer to *Overview - Register of Foreign owned Water Entitlements - Inquiry Report* (pc.gov.au).

# Methodology

The ATO has undertaken comparative analyses using information from the Water register and the Bureau of Meteorology (BOM) information of water entitlement on issue in Australia to estimate the level of foreign ownership of water entitlements.

The BOM is required to collect, manage and disseminate Australia's water information under the *Water Act 2007* and publishes details of Australian water entitlements on issue annually in the Water Markets Dashboard on its website. The ATO uses this information to determine the percentage of Australian water entitlements on issue which have a level of foreign ownership. At 30 June 2021, the BOM reported 39,739 gigalitres (GL)<sup>6</sup> of water entitlements were on issue in Australia.

The BOM Water Markets Dashboard does not capture water rights that are issued outside State Water Planning frameworks. The volume of foreign held water entitlements attributed in the Water register at 30 June 2021 to water rights that are outside the State Water Planning frameworks was 3 GL, the same as at 30 June 2020. Many of the rights issued outside the State Water Planning frameworks are within Queensland and the Northern Territory, and have been issued with zero volumes. The level of foreign ownership expressed as a proportion of the total water entitlements is potentially marginally overstated, as the 3 GL of foreign held water rights outside of the State Water Planning frameworks are included in the tables, but the total water rights outside of the State Water Planning frameworks are not included in the total available water entitlements taken from the BOM Water Markets Dashboard. However, 3 GL represents less than 0.1% of the foreign held water rights.

The approach to the administration of water resources within State Water Planning frameworks also varies across the states and territories and hence data collected by the Water register is not entirely consistent across those jurisdictions. In particular, certain water licences are issued with conditions rather than volumetric limits (such as maximum extraction rates once certain river flow conditions are met) where other water entitlements are issued with a nominal volume (typically a maximum volume of water that may be taken in a given period, generally per annum).

The BOM Water Market Dashboard does not capture water entitlements issued outside State Water Planning frameworks. The Dashboard also does not capture Water entitlements without a nominal volume extraction rate. However, the Water register includes both these kinds of water entitlements. This difference will result in a slight overstatement of the overall level of foreign ownership when compared to the total Australian water entitlements on issue.

In the Water report 2021 there is a total of 372 GL of water entitlements which are flagged as contractual rights (leases) held by foreign persons which are also water entitlements held by different foreign persons. This figure is not included in the tables as it would double count the water held by foreign entities.

The statistics in this report need to be interpreted in conjunction with the methodological caveats outlined in [Attachment C](#) of this report. Figures in the tables have been rounded. Any discrepancies in the tables between totals and sums of components are due to rounding.

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<sup>6</sup> See [Attachment D](#) for a breakdown of State or territory water entitlements on issue.

## Acknowledgements

This report was developed in consultation with the Bureau of Meteorology, Department of Agriculture, Water and the Environment and the Treasury, and uses information from the BOM – Water information<sup>7</sup> and the Murray-Darling Basin Authority<sup>8</sup> websites.

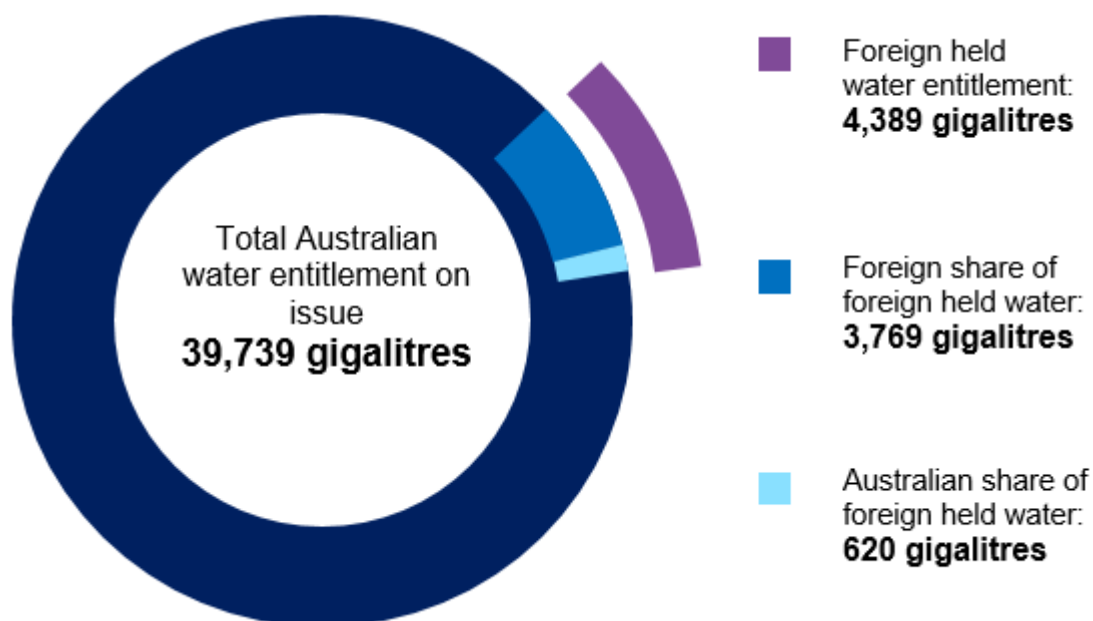
# Summary of key findings

The total volume of foreign held water entitlements in Australia with a level of foreign ownership has increased from 4,299 gigalitres (GL) at 30 June 2020 to 4,389 GL at 30 June 2021.

Using the BOM measure of Australian water entitlements on issue, the estimated proportion of water entitlements with a level of foreign ownership as at 30 June 2021 is 11.0%.

Figure 1 illustrates the proportion of foreign held water entitlements against the BOM measure of total Australian water entitlement on issue as at 30 June 2021.

**Figure 1: Foreign held water entitlement against the BOM measure of total Australian water entitlement on issue as at 30 June 2021**



<sup>7</sup> BOM website, Water information. [bom.gov.au/water/index.shtml](http://bom.gov.au/water/index.shtml)

<sup>8</sup> Murray-Darling Basin Authority website. [mdba.gov.au](http://mdba.gov.au)

Figure 2 shows the proportion of water entitlement with a level of foreign ownership as at 30 June for each year from 2018 to 2021. The level of foreign ownership has increased from 10.9% as at 30 June 2020 to 11.0% as at 30 June 2021.

**Figure 2: Water entitlement with a level of foreign ownership – four year comparison<sup>9</sup>**

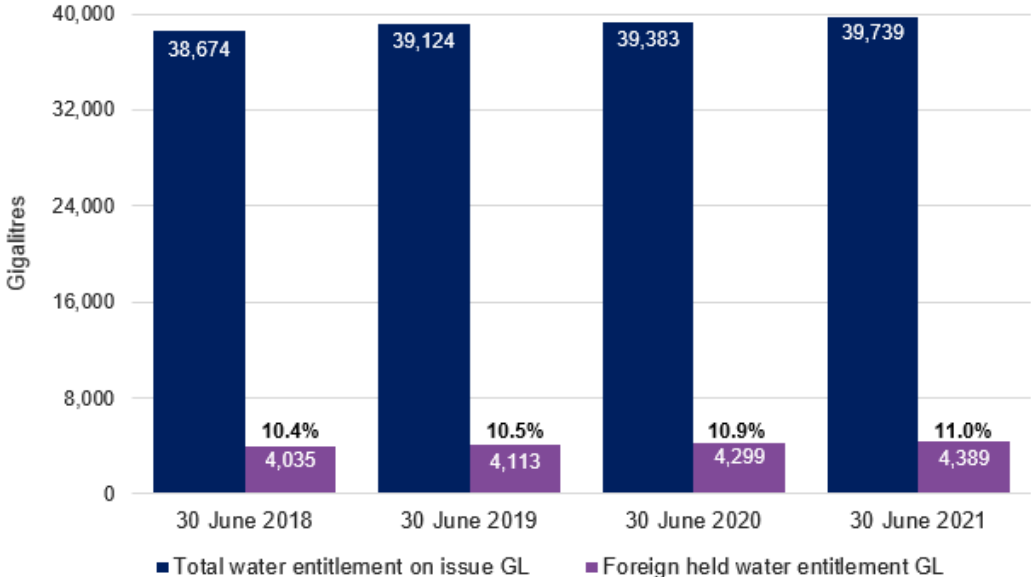
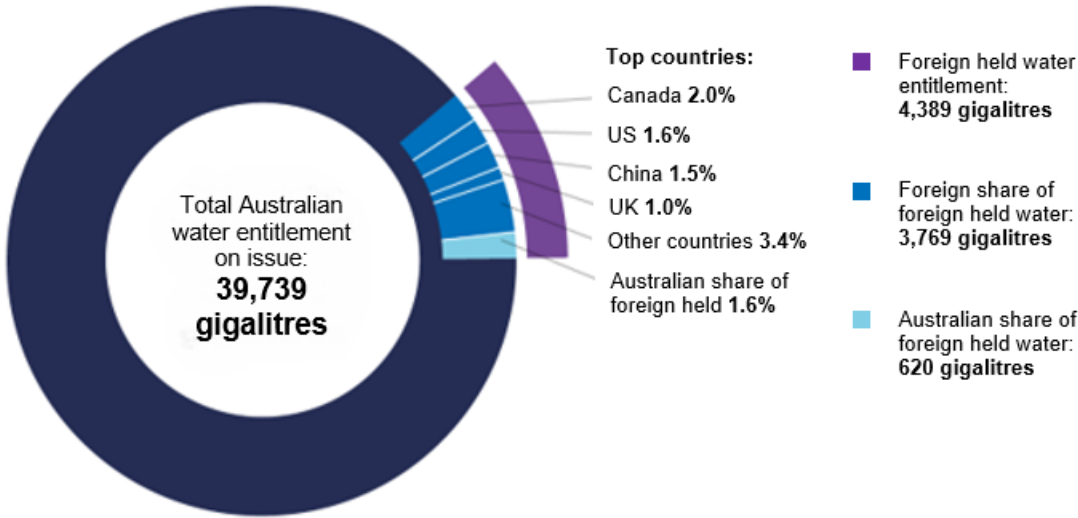


Figure 3 shows the foreign held water entitlement as a proportion of the total Australian water entitlement by country. The top four water entitlement holders by country are Canada with 2.0%, the United States of America with 1.6%, China with 1.5% and the United Kingdom with 1.0% of the total Australian water entitlement on issue (compared with the top four countries listed in order as at 30 June 2020: Canada, China, the United States of America, and the United Kingdom). Refer to [Table 8](#).

**Figure 3: Foreign held water entitlement by country**



<sup>9</sup> The increase in the total volume of water entitlement on issue reflects an increase in the number of water plans resulting in more water use progressively being brought under water management regimes. It does not mean more water is being made available for use each year (Bureau of Meteorology).

Figure 4 shows that of the 4,389 GL foreign held water entitlement, 71.4% is held by the top 10 countries. Refer to [Table 8](#).

**Figure 4: Foreign held water entitlement by top 10 countries**

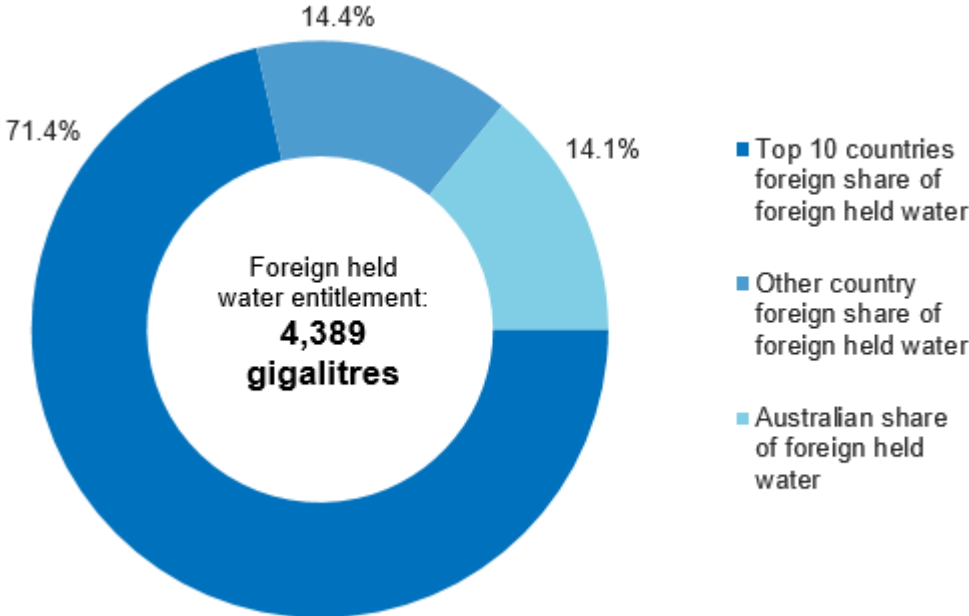


Figure 5 shows the main uses of foreign held water entitlements are agriculture (65.3%) and mining (23.8%).

**Figure 5: Foreign held water entitlement by water use**

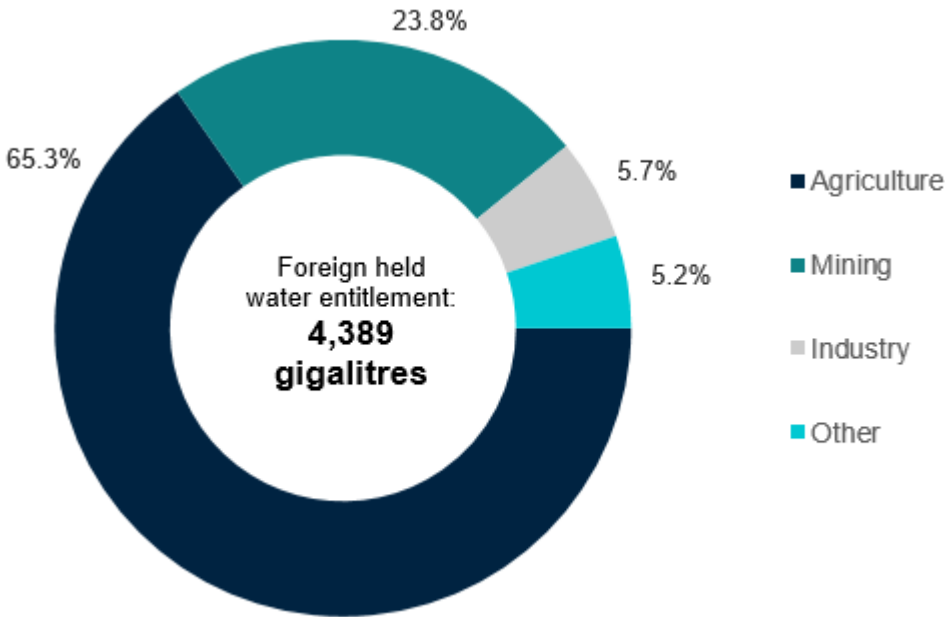
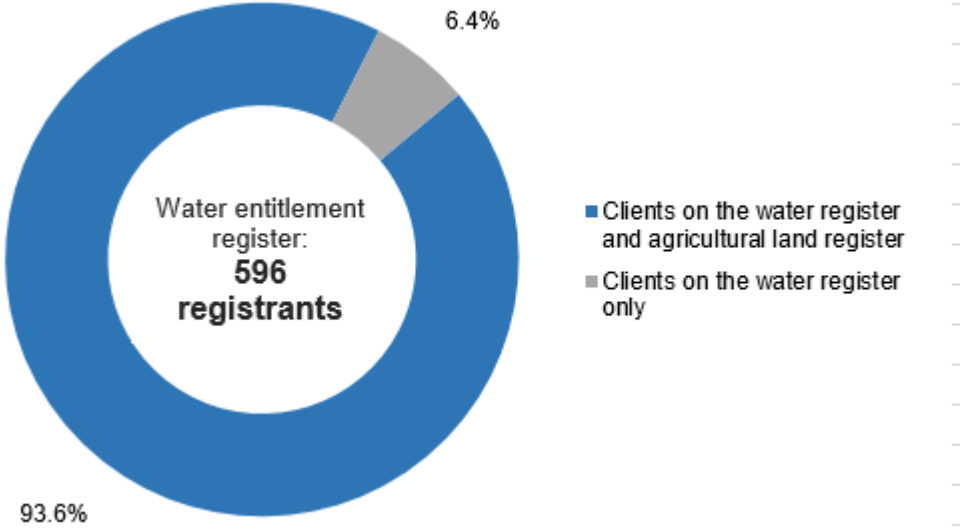


Figure 6 shows the percentage of clients on both the Water Register and Register of foreign ownership of agricultural land (Agricultural land register) (93.6%) and clients solely on the Water register (6.4%). The clients on the Water register but not on the Agricultural land register have water usages including manufacturing, tourism, research, energy and trading.

**Figure 6: Registrants on the Water register and the Agricultural land register as at 30 June 2021**

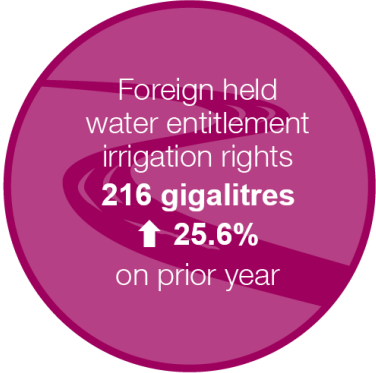


Note: The Register of foreign ownership of agricultural land records the information of foreign ownership in agricultural land holdings in Australia. Since 2016 a statistical report on the foreign ownership of agricultural land has been prepared as at the 30 June of each financial year with all published annual reports located on the Foreign Investment Review Board (FIRB) website.

**Irrigation and leases**

Water entitlements held as irrigation rights and leases form only a small proportion of the foreign held water entitlement – refer to [Table 7](#).

Approximately 4.9% of foreign held water entitlements are irrigation rights which are issued by irrigation infrastructure operators.







Approximately 4.6% of foreign held water entitlements are managed through leases (contractual right)

Figure 7 shows approximately 50.8% (2,229 GL) of foreign held water entitlements are within the Murray-Darling Basin. This equates to 11.3% of the total Murray-Darling Basin water entitlement on issue. Refer to [Table 4](#).

**Figure 7: Water entitlement with a level of foreign ownership as at 30 June 2021 in the Murray-Darling Basin**

- Foreign held water entitlement in the Murray-Darling Basin  
2,229 gicalitres
- Foreign held water entitlement not in the Murray-Darling Basin  
2,160 gicalitres
- Murray-Darling Basin water entitlement  
19,755 gicalitres

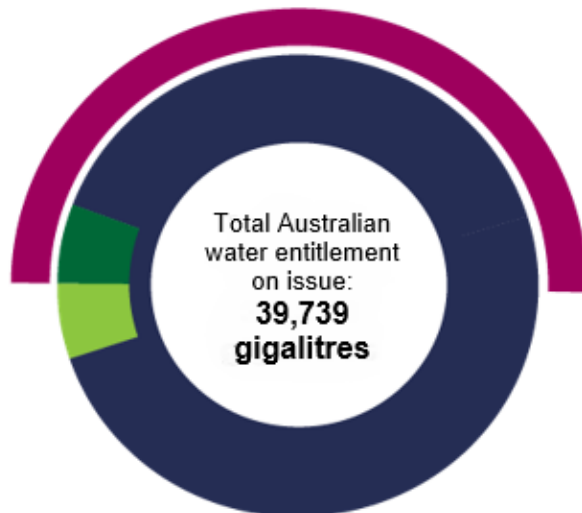
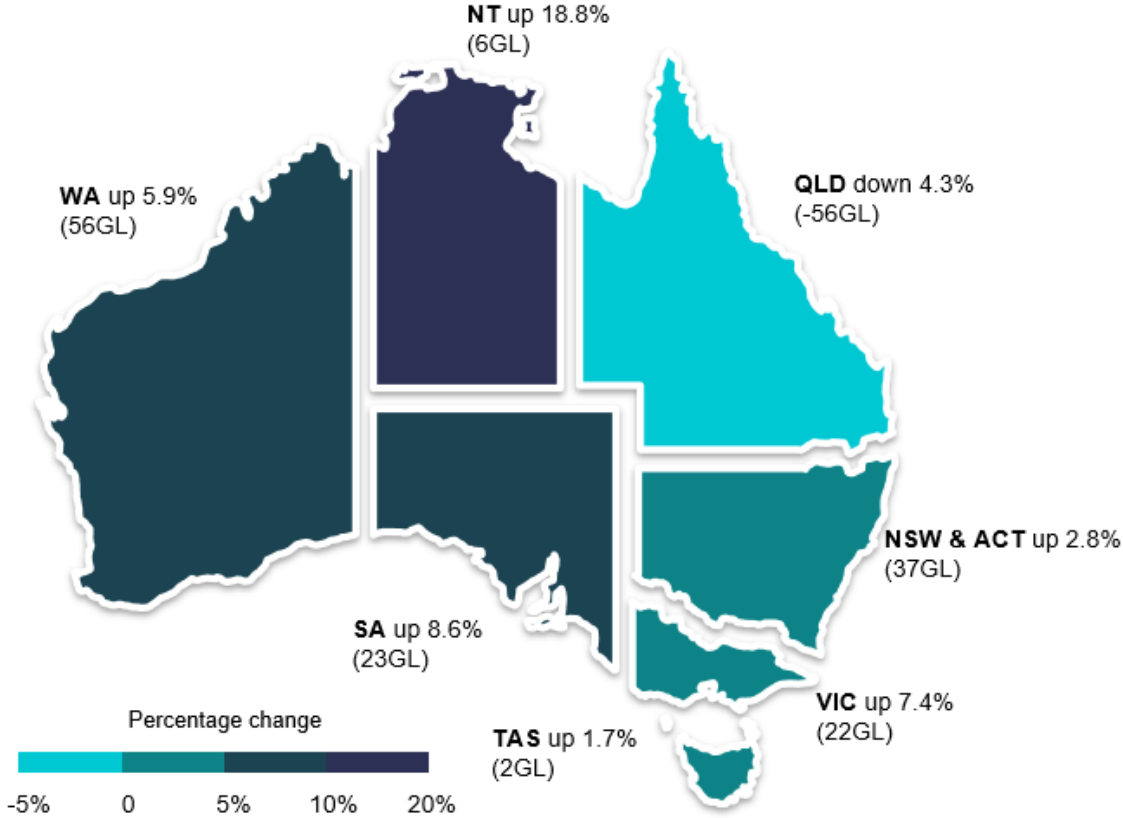


Figure 8 shows the net change of foreign held water entitlement by state or territory as at 30 June 2021 when compared to the prior year. Refer to [Table 2](#) for further information. There was an increase in the amount of foreign held water entitlement in each state as at 30 June 2021 when compared to the prior year, except for Queensland with decrease of 4.3%.

**Figure 8: Foreign held water entitlement by state or territory – net change compared to prior year**



# Findings

## Foreign held water entitlement – Volume

Table 1 shows the foreign held water entitlement by state or territory as at 30 June for each year from 2018 to 2021. The table also shows the foreign held water entitlement as a proportion of the total water entitlement on issue at 30 June 2021 by state and territory.

**Table 1: Foreign held water entitlement by state or territory as at 30 June 2021**

State or territory	Foreign held water entitlement				Total water entitlement on issue <sup>10</sup>	Foreign held water entitlement as a proportion of total water entitlement on issue
	30 June 2018 (GL)	30 June 2019 (GL)	30 June 2020 (GL)	30 June 2021 (GL)	30 June 2021 (GL)	30 June 2021 (%)
New South Wales and the ACT <sup>11</sup>	1,306	1,260	1,335	1,372	15,050	9.1
Northern Territory	19	32	32	38	664	5.7
Queensland	1,219	1,301	1,305	1,249	6,937	18.0
South Australia	192	213	266	289	2,755	10.5
Tasmania	98	104	115	117	2,475	4.7
Victoria	205	267	299	321	7,546	4.3
Western Australia	995	936	947	1,003	4,312	23.3
<b>Total</b>	<b>4,035</b>	<b>4,113</b>	<b>4,299</b>	<b>4,389</b>	<b>39,739</b>	<b>11.0</b>

### Notes

- The 'foreign held water entitlement as a proportion of the total water entitlement on issue per cent' is the ratio of foreign held water entitlement in that state as at 30 June 2021 to the total water entitlement on issue for each state and territory.

<sup>10</sup> BOM website, Water Markets Dashboard. 'Entitlements on issue summary – Australia.'

[bom.gov.au/water/dashboards/#/water-markets/national/state/eoi](http://bom.gov.au/water/dashboards/#/water-markets/national/state/eoi)

<sup>11</sup> New South Wales and the ACT is combined as Taxation law restricts the release of information which could identify, or be used to identify, an individual or entity.

Zero volume registrations - There were 693 registrations of water entitlement with a reported volume of zero<sup>12</sup>. Of these, 268 were issued for gas and petroleum or mining exploration licences. Exploration licences can be granted for a specific term and allow the water entitlement holder to take and use water which might be found during exploration activities. Where the quantity of water which may be uncovered during exploration is unknown, a zero amount is stated in the registration.

Other reasons declared by registrants with zero volume include water monitoring bores, water search bores (such as mining or exploration), water supply works and water licences from unregulated water resource<sup>13</sup>.

Table 2 shows the foreign held water entitlement by state or territory at 30 June for each year from 2018 to 2021.

**Table 2: Foreign held water entitlement by state or territory - volume change**

Foreign Held Water Entitlement					
State or territory	30 June 2018 (GL)	30 June 2019 (GL)	30 June 2020 (GL)	30 June 2021 (GL)	Change %
New South Wales and the ACT	1,306	1,260	1,335	1,372	2.8
Northern Territory	19	32	32	38	18.8
Queensland	1,219	1,301	1,305	1,249	-4.3
South Australia	192	213	266	289	8.6
Tasmania	98	104	115	117	1.7
Victoria	205	267	299	321	7.4
Western Australia	995	936	947	1,003	5.9
<b>Total</b>	<b>4,035</b>	<b>4,113</b>	<b>4,299</b>	<b>4,389</b>	<b>2.1</b>

**Notes:**

- The change percentage shows the movement in the foreign held water entitlement as at 30 June 2021 compared to 30 June 2020 within each state or territory.
- The total change in foreign held water entitlement across each state or territory as at 30 June 2021 is 2.1% when compared to 30 June 2020.

<sup>12</sup> The Bureau of Meteorology Water Market Dashboard does not include zero volume water entitlements.

<sup>13</sup> Unregulated and regulated water resource is defined in the BOM Glossary for Water Markets Reports: [bom.gov.au/water/awid/product-water-status-water-market-reports.shtml](http://bom.gov.au/water/awid/product-water-status-water-market-reports.shtml).

## Foreign held water entitlement by resource

Table 3 shows the foreign held water entitlement by resource in each state or territory, as a proportion of the total water entitlement on issue in each state or territory by resource.

**Table 3: Foreign held water entitlement by state or territory - resource**

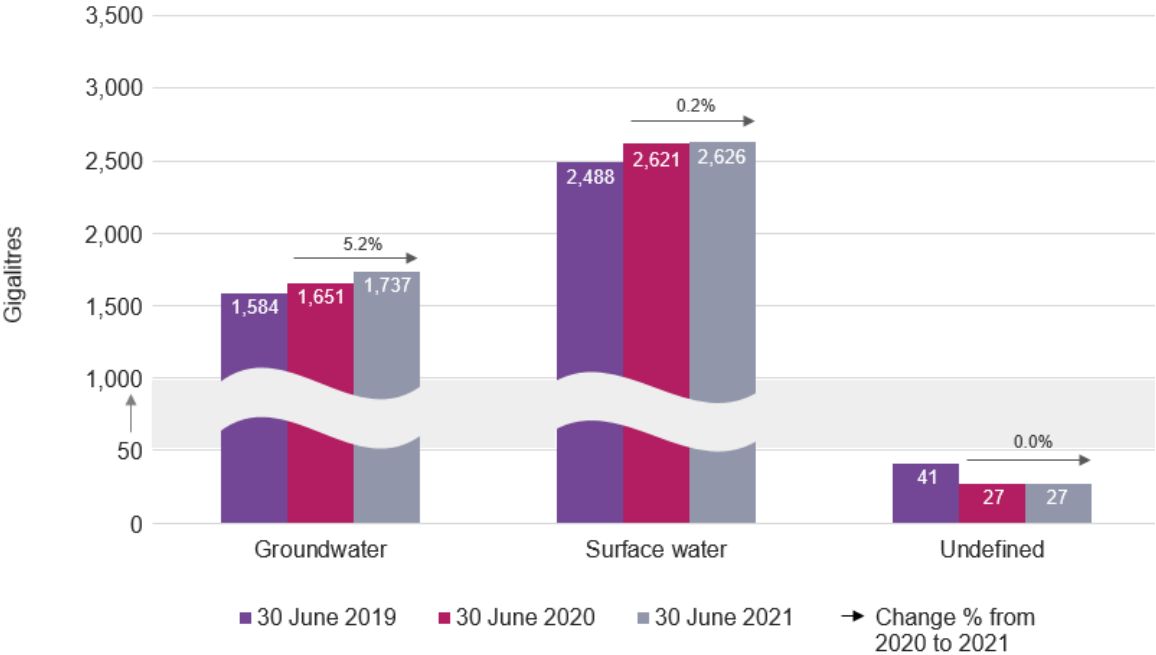
State or territory Resource	Foreign held water entitlement 30 June 2020 (GL)	Foreign held water entitlement 30 June 2021 (GL)	Total water entitlement on issue 30 June 2021 (GL)	Foreign held water entitlement as a proportion of total water entitlement on issue 30 June 2021 (%)
<b>New South Wales and the ACT</b>				
Groundwater	343	360	1,989	18.1
Surface water	992	1,012	13,061	7.8
<b>Northern Territory</b>				
Groundwater	32	38	390	9.9
Surface water	-	-	274	0.0
<b>Queensland</b>				
Groundwater	117	118	1,120	10.5
Surface water	1,184	1,128	5,817	19.4
Undefined	4	4	NA	NA
<b>South Australia</b>				
Groundwater	226	249	1,559	16.0
Surface water	40	39	1,195	3.3
Undefined	-	-	1	0.0
<b>Tasmania</b>				
Groundwater	1	1	19	7.2
Surface water	114	115	2,456	4.7
<b>Victoria</b>				
Groundwater	23	29	913	3.1
Surface water	255	271	6,633	4.1
Undefined	22	22	NA	NA
<b>Western Australia</b>				
Groundwater	911	942	3,208	29.4
Surface water	36	60	1,104	5.5
Undefined	1	1	NA	NA
<b>Total State or territory</b>				
Groundwater	1,651	1,737	9,199	18.9
Surface water	2,621	2,626	30,540	8.6
Undefined	27	26	NA	NA
<b>Grand Total</b>	<b>4,299</b>	<b>4,389</b>	<b>39,739</b>	<b>11.0</b>

**Notes:**

- Groundwater is a major source of water for agriculture, mining and industry across Australia and in some regions is the only reliable source of water. Surface water is a significant contributor to agriculture and other uses particularly in eastern Australia where topography and river systems have facilitated the development of agriculture and industries.
- Undefined resources (NA) in Table 3 relate to foreign held water entitlement registrations where the resource (groundwater or surface water) was not specified by the registrant.
- The 'Foreign held water entitlement as a proportion of total water entitlement on issue %' is the ratio of foreign held water entitlement in that state or territory to the total water entitlement on issue for each state or territory, by resource.

Figure 9 compares the percentage change in volume of foreign held water entitlement by resource as at 30 June 2021 to the volume of foreign held water entitlement by resource as at 30 June 2020.

**Figure 9: Foreign held water entitlement by resource – three year comparison**



## Foreign held water entitlement in the Murray-Darling Basin

The Murray-Darling Basin (MDB) is defined by the catchment areas of the Murray and Darling rivers and their many tributaries. The MDB covers 75% of New South Wales, more than 50% of Victoria, 15% of Queensland and 8% of South Australia, and all of the Australian Capital Territory. A geographic view of the northern and southern basin can be found on the Murray-Darling Basin Authority website.<sup>14</sup>

The MDB contributes to the majority of irrigated agriculture in Australia - generally around 40% of agriculture (dryland and irrigated). It covers the two longest rivers in Australia, the Murray and Darling Rivers. The MDB contains slightly under 50% of the total volume of Australian water entitlement on issue (surface and groundwater) and covers over one million square kilometres.

The BOM reports the total 30 June 2021 water entitlement on issue in the MDB is 19,755 GL with:

- 2,407 GL for total groundwater in the Northern MDB and Southern MDB and
- 17,348 GL for total surface water in the Northern MDB and Southern MDB.

Table 4 shows the foreign held water entitlement in the Murray-Darling Basin (MDB) as a proportion of the total water entitlement by surface water and groundwater as at 30 June 2021.

**Table 4: Foreign held water entitlement in the Murray-Darling Basin**

Murray-Darling Basin (MDB)	30 June 2021 Foreign held water entitlement (GL)	30 June 2021 Total water entitlement on issue - MDB <sup>15</sup> (GL)	30 June 2021 Foreign held water entitlement as a proportion of total water entitlement on issue - MDB (%)
<b>Surface water</b>			
Northern MDB	1,199	4,048	<b>29.6</b>
Southern MDB	771	13,300	<b>5.8</b>
<b>Groundwater</b>			
Northern MDB	35		
Southern MDB	161	2,407 <sup>16</sup>	<b>10.8</b>
MDB – Unknown	63		
<b>Total</b>	<b>2,229</b>	<b>19,755</b>	<b>11.3</b>

### Notes:

- The 'foreign held water entitlement as a proportion of total water entitlement on issue – MDB' is the ratio of foreign held water entitlement in the MDB to the total water entitlement on issue in the MDB by surface water and groundwater in the Northern and Southern basins.

<sup>14</sup> [mdba.gov.au/discover-basin/landscape/geography](http://mdba.gov.au/discover-basin/landscape/geography).

<sup>15</sup> BOM website, Water Markets Dashboard. 'Entitlements on issue summary – Murray-Darling Basin'.  
[bom.gov.au/water/dashboards/#/water-markets/mdb/eoi](http://bom.gov.au/water/dashboards/#/water-markets/mdb/eoi).

<sup>16</sup> The BOM does not distinguish between the Northern and Southern areas within the MDB for groundwater. The total groundwater in the MDB is 2,394 GL.

- Foreign held water entitlements in the Northern and Southern MDB are derived by manually mapping the water system notified by the registrant to third party Northern and Southern MDB BOM information, this is then checked with the data available from BOM.
- Lachlan surface water is included in Southern MDB<sup>17</sup> – Surface water figures.
- ‘MDB – Unknown’ includes registrations which have groundwater systems as ‘Lachlan’ and ‘Barwon’ as these are categorised in both ‘Southern MDB’ and ‘Northern MDB’ groundwater and the Water register does not have the information to determine in which segment of the MDB these registrations should be assigned.

Table 5 shows the foreign held water entitlement in the Northern and Southern MDB as at 30 June for each year from 2018 to 2021 by resource. There is an overall decrease in foreign held water entitlements of 0.2% in the MDB as at 30 June 2021 when compared to foreign held water entitlements as at 30 June 2020.

The table indicates ‘MDB Northern groundwater’ has decreased by 16.7% (7 GL) and the ‘MDB - Unknown’ shows a increase of 18.9% (10 GL). This is primarily attributed to movement within the Water register of buys and sells.

**Table 5: Foreign held water entitlement in the Murray-Darling Basin**

Murray-Darling Basin	30 June 2018 Foreign held water entitlement (GL)	30 June 2019 Foreign held water entitlement (GL)	30 June 2020 Foreign held water entitlement (GL)	30 June 2021 Foreign held water entitlement (GL)	Change (%)
Surface water					
Northern MDB	882	1,169	1,212	1,199	-1.1
Southern MDB	738	748	780	771	-1.2
Groundwater					
Northern MDB	9	12	42	35	-16.7
Southern MDB	140	144	147	161	9.5
MDB – Unknown	83	86	53	63	18.9
<b>Total</b>	<b>1,852</b>	<b>2,160</b>	<b>2,234</b>	<b>2,229</b>	<b>-0.2</b>

**Note:** The ‘Change’ percentage shows the change in the volume from 2020 to 2021 by resource.

<sup>17</sup> BOM NWA 2012: [bom.gov.au/water/nwa/2012/mdb/contextual/physicalinformation.shtml](http://bom.gov.au/water/nwa/2012/mdb/contextual/physicalinformation.shtml).



## Foreign held water entitlement by regulated/unregulated water resource

Table 6 shows the foreign held water entitlement by regulated and unregulated water resource for surface water as at 30 June from 2018 to 2021. The table also shows the proportion of water entitlement with a level of foreign ownership at 30 June 2021 by water resource.

**Table 6: Foreign held water entitlement by regulated and unregulated water resource – Surface water**

Water Resource <sup>18</sup>	Foreign held water entitlement				Total water entitlement on issue	Foreign held water entitlement as a proportion of total water entitlement on issue
	30 June 2018 (GL)	30 June 2019 (GL)	30 June 2020 (GL)	30 June 2021 (GL)	30 June 2021 (GL)	30 June 2021 (%)
Regulated	2,002	2,041	2,169	2,181	19,810	10.9
Unregulated	249	338	343	335	10,729	3.1
Not specified	123	109	110	110	-	-
<b>Total</b>	<b>2,374</b>	<b>2,488</b>	<b>2,622</b>	<b>2,626</b>	<b>30,540</b>	<b>8.6</b>

### Notes:

- The 'foreign held water entitlement as a proportion of total water entitlement on issue' is the ratio of foreign held water entitlement by water resource to the total water entitlement on issue by water resource.
- The total water entitlement on issue for regulated and unregulated is sourced from the BOM Water Market Dashboard. The dashboard only includes a breakdown of regulated and unregulated flow control for surface water.
- Most of the regulated water comes from the southern MDB in the south eastern part of Australia.
- 'Not specified' includes registrations where the registrant did not specify if the water resource flow was regulated or unregulated.
- A regulated water flow is defined as a channel or river flow resulting from an upstream release of a licensed allocation.
- An unregulated water flow is defined as a channel or river flow that does not result from a controlled release made to service an allocation or flows declared to be unregulated by the appropriate authority.

<sup>18</sup> The terms regulated/unregulated for the purposes of the flow control field on the registration form has the same meaning given in the [Australian Water Information dictionary used in BOM Water Market Reports](#).

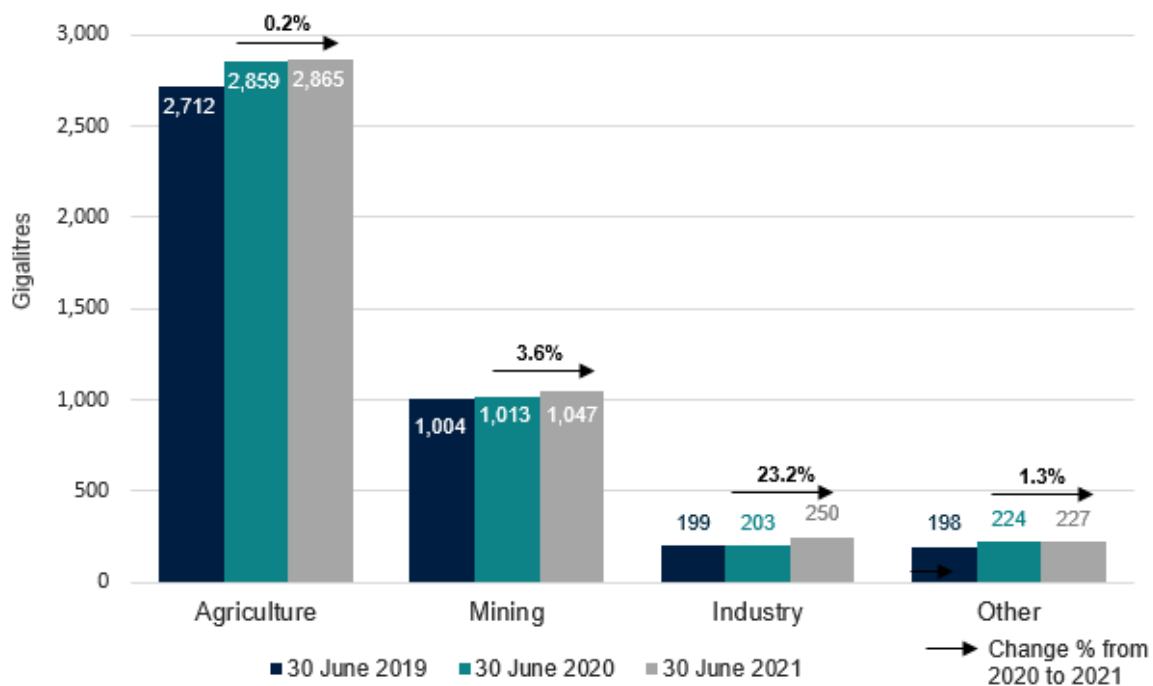
## Foreign held water entitlement by water use

The Water register collects information about the use of the water entitlement. Registrants are required to register the relevant percentage of use against one or more of the 14 types of water use available on the registration form. For the purpose of this report, the different water uses have been grouped into four categories as follows:

- Agriculture which contains crops, forestry, horticulture and stock usages
- Mining
- Industry which contains construction, energy, industrial, manufacturing and transport usages
- Other category which contains tourism, trade, other and research usages.

Figure 10 shows the foreign held water entitlement as at 30 June for each year from 2019 to 2021 by water use. The change percentage shows the change in the volume from 2020 to 2021.

**Figure 10: Foreign held water entitlement by water use – 3 year comparison**



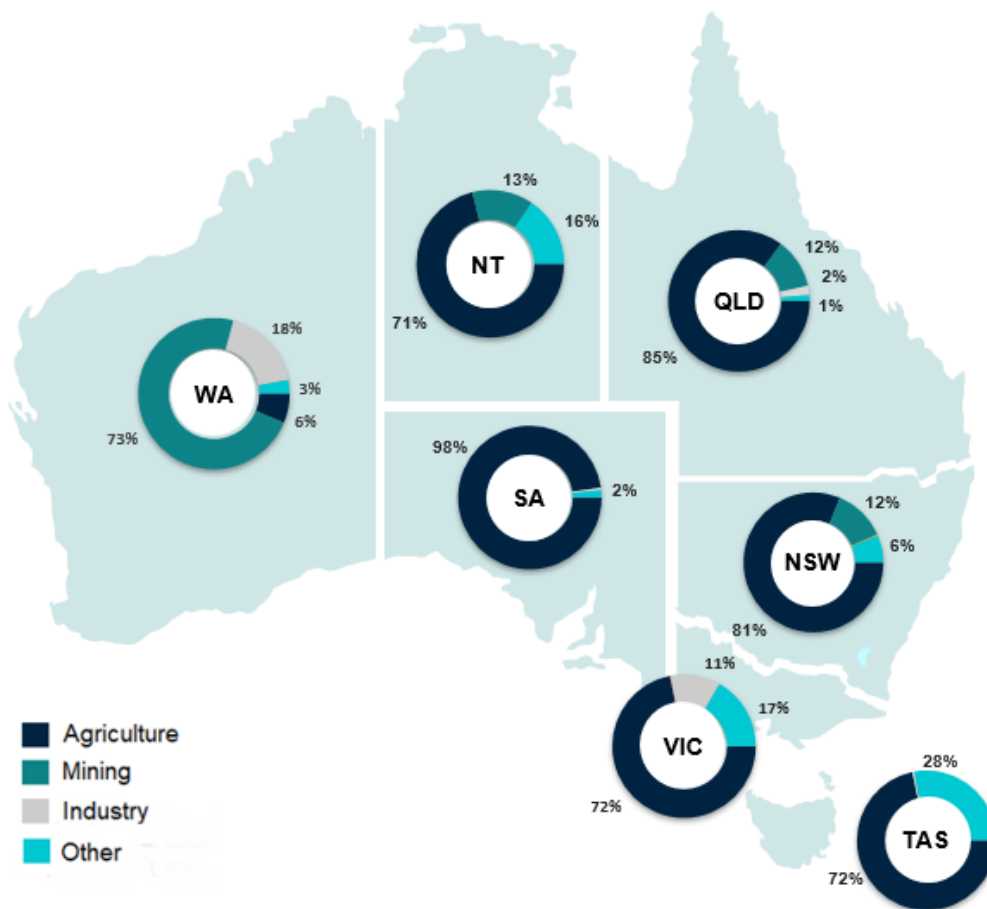
### Notes:

- Some water usage does not fit within a category and registrants have appropriately listed the use as 'Other'. This includes water supply to townships for mining company employees, water used for dairy farm activities and pasture irrigation for stock feed. Where the use type 'Other' was registered, the water entitlement was reconciled against third party information. Where a more appropriate category was confirmed (e.g. agriculture), the Water register was updated accordingly. Otherwise, the Water register and the data in Figure 10 reflect the type of water use provided by the registrant. The data should only be used as an indication of water usage.
- Not all industries need to hold rights to water. Food processing and other water-using industries located in or near cities and towns are likely to source their water requirements through town supply and services. Conversely, manufacturing and processing industries such as wineries which are located in rural and remote regions are likely to hold rights to water required for their operation.

- Water entitlements held by mining may not reflect water usage, as it often includes water managed for mine safety such as dewatering activities where water is extracted and discharged into the environment or to downstream users. Furthermore, water used by mining may be so saline it effectively has no other use. Mine water use is also managed under environmental or related regulation. Further explanatory material can be accessed on [www.minerals.org.au/water-stewardship](http://www.minerals.org.au/water-stewardship).

Figure 11 shows the proportions of water use against the four grouped water usage categories agriculture, mining, industry and other as at 30 June 2021 within each state or territory.

**Figure 11: Foreign held water entitlement by water use – state or territory**



**Note:**

- Consistent with [Figure 10](#), the main use for foreign held water entitlement in most states is agriculture, except for Western Australia, where the majority of foreign held water is held by mining.

## Foreign held water entitlement by type

Table 7 shows the foreign held water entitlement by type for each state or territory as at 30 June 2021.

**Table 7: Foreign held water entitlement by state or territory – type**

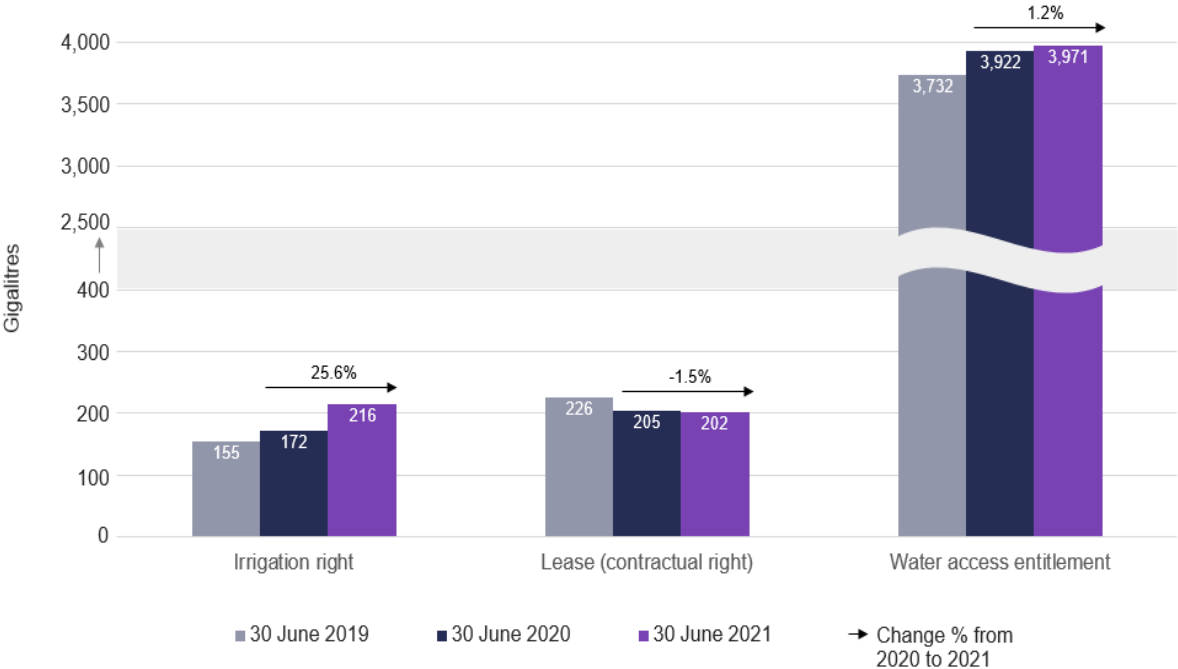
State or territory	Irrigation right (GL)	Lease (contractual right) (GL)	Water access entitlement (GL)	Total (GL)
New South Wales and the ACT	179	38	1,155	1,372
Northern Territory	-	-	38	38
Queensland	1	11	1,237	1,249
South Australia	2	0	287	289
Tasmania	10	0	107	117
Victoria	17	4	301	322
Western Australia	8	149	845	1,002
<b>Total</b>	<b>216</b>	<b>202</b>	<b>3,971</b>	<b>4,389</b>

### Notes:

- An irrigation right is a right a person has against an irrigation infrastructure operator to receive water. While this may be similar to a lease (contractual right) as a contract may be involved, a lease is a right that a person holds to another person's water entitlement (other than an irrigation infrastructure operator).
- A 'water access entitlement' is an ongoing entitlement to a share of water from a resource plan or other water management area. This is sometimes called a water access right.

Figure 12 shows the foreign held water entitlement by type as at 30 June for each year from 2019 to 2021. The percentage change in the foreign held entitlement by type at 30 June 2021 compared to the prior year is also shown.

**Figure 12: Foreign held water entitlement by type – three year comparison**

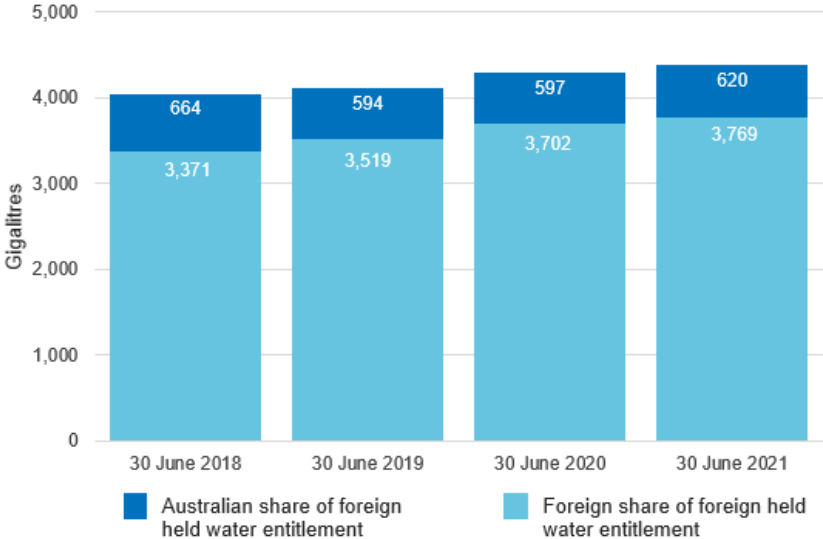


# Foreign share and Australian share of water entitlements

Figure 13 shows the foreign share and Australian share of foreign held water entitlement at 30 June for each year from 2018 to 2021.

At 30 June 2021, of the total foreign held water entitlement of 4,389 GL, the Australian share was 620 GL (14.1%) and the foreign share was 3,769 GL (85.9%). In the prior year, of the total foreign held water entitlement of 4,229 GL, the Australian share was 597 GL (13.9%) and the foreign share was 3,702 GL (86.1%).

**Figure 13: Foreign share and Australian share of foreign held water entitlement**

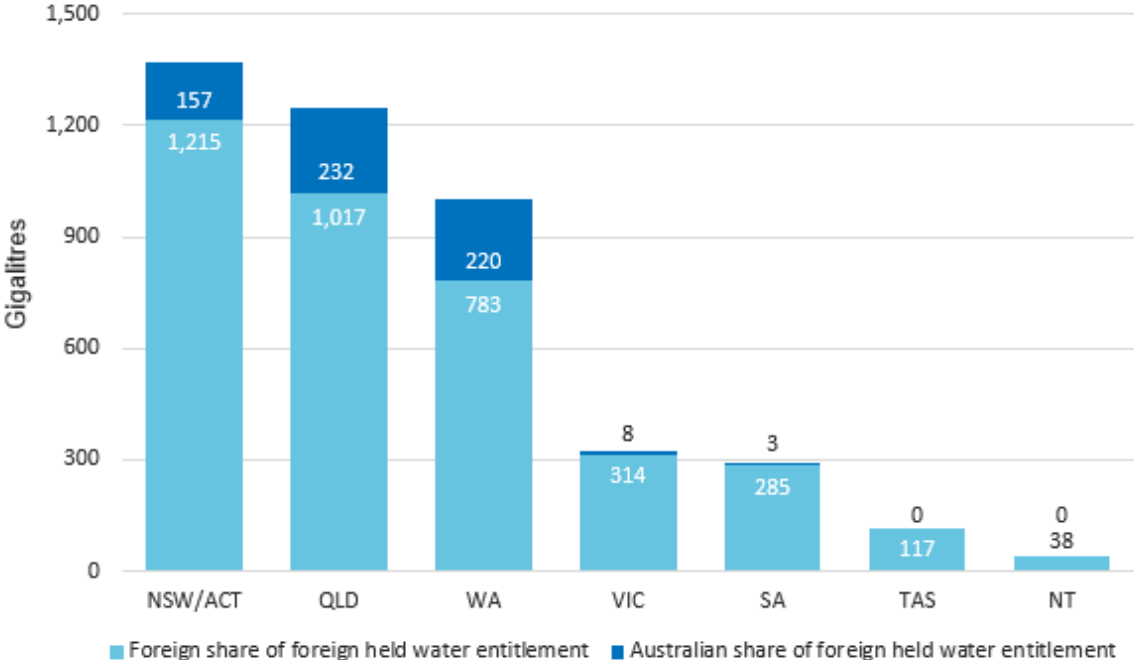


**Notes:**

- The water entitlements captured in Figure 13 are foreign held. [Refer to Background Information on Obtaining Source Country](#) for how the split between Australian share and foreign share is determined.

Figure 14 shows the foreign share and Australian share of foreign held water entitlements at 30 June 2021 by state or territory.

**Figure 14: Foreign share and Australian share of foreign held water entitlement by state or territory**



## Foreign held water entitlement by foreign share by country – top 10 countries

Table 8 shows the foreign share of the foreign held water entitlement by the top 10 countries as at 30 June 2021. This excludes the Australian share of the total foreign held water entitlement. The top 10 countries hold 83.2% of the foreign share of 3,769 GL which are foreign held.

**Table 8: Foreign held water entitlement – Top 10 countries**

Country	30 June 2018 Foreign held water entitlement (GL)	30 June 2019 Foreign held water entitlement (GL)	30 June 2020 Foreign held water entitlement (GL)	30 June 2021 Foreign held water entitlement (GL)
Canada	212	295	698	810
United States of America	720	713	660	626
China	732	756	662	604
United Kingdom	411	394	375	377
France	139	158	158	161
Hong Kong	80	118	129	134
Netherlands	92	98	104	109
Germany	32	58	99	108
Belgium	102	102	103	103
Switzerland	136	128	103	103
<b>Total for top 10 countries</b>	<b>2,656</b>	<b>2,934</b>	<b>3,092</b>	<b>3,135</b>

### Notes:

- The source country of the registrant holding the interest in the water entitlement is collected in the Water register. The statistics in Table 8 represent the foreign country component of water entitlements held by the foreign entity.
- The changes of rankings as at 30 June 2021 resulted from a combination of an increase in holdings by Canadian owners and reductions in foreign held water entitlements by Chinese and US owners. In addition, there were changes in the level of foreign ownership of Australian and US owners already holding water entitlements.
- The top 10 country ranking as at 30 June 2021 does not reflect ranking for the prior year. Prior year figures are included to enable a comparison of the top 10 countries over time.
- The main usage of foreign held water entitlements by the top 10 countries in Table 8 as at 30 June 2021 are:



- Agriculture: Canada, China, the United States of America, Hong Kong, the Netherlands and Germany
- Industry: France
- Mining: The United Kingdom, Switzerland and Belgium
- The main usage of water entitlements for each country in the top 10 is determined by using the largest water usage proportion in the Water register for that country.
- To avoid identifying individuals and entities, only the top 10 countries are shown.

## Background information on establishing country information

The annual report includes information on the level of ownership by source country. For the purpose of preparing the statistical report, we attribute a source country to each registration. This is done to enhance transparency at an aggregated level consistent with the policy objective for the Water register.

As part of the registration information, owners who are individuals or partnerships are required to provide their country of nationality. Companies are required to provide their country of incorporation.

Where the registered owner is an individual, the nationality of the person reported in their registration is treated as the source country.

Where the registered owner is a company or trust, it is the nationality of the person/s who appear to control the entity that is used to attribute the source country rather than the country of incorporation. Where the person who controls the entity is identified as an Australian citizen who is not ordinarily resident in Australia (and hence a foreign person), the source country is attributed to the country they are ordinarily resident in.

Where shares or interests are widely held for companies or trusts, the interest in agricultural land held is attributed to a source country based on the location of the directors or the country where the entity (or trustee) is headquartered or publicly listed depending on information available.

The source country is assessed using data resources within the ATO and other agencies such as the Department of Home Affairs and the Australian Securities and Investments Commission.

As a hypothetical example, Crops Partners, a foreign person entity, is ultimately controlled by United Kingdom investors (30%) and Australian investors (70%). If Crops Partners has a water entitlement of 200 GL, this ownership would be reflected in [Table 8](#) with 60 GL of water entitlement against the United Kingdom (which represents 30%). Furthermore, in [Figure 13](#), 60 GL of water entitlement would be attributed to the 'Foreign share of foreign held water entitlement' and 140 GL to 'Australian share of foreign held water entitlement' (representing the remaining 70%).

This illustrates that foreign held water entitlements reported on the Water register by foreign person entities may also have a significant level of Australian ownership. This occurs due to the nature of the definition of foreign person under the *Foreign Acquisitions and Takeovers Act 1975*.

# Attachment A: Background

In 2015, as part of the foreign investment reforms, the Government undertook to introduce and pass legislation to establish a Register of Foreign Ownership of Water Entitlements by 1 December 2016. The *Register of Foreign Ownership of Agricultural Land Amendment (Water) Act 2016* was subsequently passed (assented to on 7 December 2016) and the Water register established.

While the Commonwealth has an interest in foreign investment and the management of Australia's water resources, state and territory governments have primary responsibility for managing water resources which includes: allocating water among users; water licensing; water extraction conditions; water processing (including buying and selling conditions); and water monitoring.

Normally, foreign acquisitions of interests in water are not directly screened under Australia's foreign investment screening framework, but may be part of other types of investments that are screened. As interests in water are often attached to agricultural land, or are assets of Australian businesses, such acquisitions may be screened through the agricultural land screening requirements, or through the acquisition of securities or business assets.

When assessing the national interest in relation to foreign acquisitions in the agricultural sector, the Government considers a range of factors including agricultural productivity and reliability of agricultural production, biodiversity and environmental issues, and the prosperity of local and regional communities.

From 1 July 2017, foreign persons have been required to register their interests in registrable water entitlements and contractual water rights, and certain changes in those interests, with the ATO. A stocktake was conducted between 1 July 2017 and 31 November 2017 to enable existing foreign persons to register their holdings in water entitlements. During this time, the ATO used data matching to contact investors who may have met the definition of a foreign person and who held Australian land that may also have water entitlements. State and territory websites published articles encouraging registrations as did other water management service providers (such as irrigation infrastructure operators and regional water management organisations). The ATO developed a self-registration online form prior to the commencement of the stocktake period on 1 July 2017.

A foreign person may register at any time during the year (for example, when the event occurs), but no later than 30 days after the end of the financial year in which the event occurred.

A foreign person needs to register their interest in a registrable water entitlement or a contractual water right, when:

- they acquire a registrable water entitlement or contractual water right under a contract where the term of the contract is likely to exceed five years after the person starts to hold the right; or
- they become a foreign person while holding a registrable water entitlement or contractual water right under a contract where the term of the contract is likely to exceed five years after the person becomes a foreign person.

A foreign person needs to update their existing registration when:

- they dispose of the registrable water entitlement or contractual water right;
- they stop being a foreign person; or
- the volume of their registrable water entitlement or contractual water right changes.

# Attachment B: Definitions

This attachment provides information on the definitions as detailed in the *Register of Foreign Ownership of Water or Agricultural Land Act 2015* and *Register of Foreign Ownership of Water or Agricultural Land Rules 2017*.

## **‘agricultural land’**

Agricultural land means land in Australia that is used, or could reasonably be used, for primary production business.

## **‘contractual water right’**

A ‘contractual water right’ is defined as a contractual right (including a deed) that a person or other entity holds (alone or jointly) to another person’s ‘registrable water entitlement’.

A contract between an irrigator and an ‘irrigation infrastructure operator’ for a volume of water is an irrigation right and not a ‘contractual water right’ even though a contract might be involved. The ‘contractual water right’ is intended to include only those entitlements which are leased or otherwise obtained from a person other than an ‘irrigation infrastructure operator’ who holds that water entitlement.

## **‘conveyance water’**

The volume of water that can be attributed to ‘conveyance water’ is the additional water that is required to deliver water to users, and includes water lost in transit from its source to end users due to seepage, leakage, evaporation or other similar effects.

Note that the exemption for ‘conveyance water’ is only available to ‘irrigation infrastructure operators’, not to individual entitlement holders.

## **‘foreign person’**

The term ‘foreign person’ is defined in section 4 of the Act. It states that the term has the same meaning as ‘foreign person’ as defined in section 4 of the *Foreign Acquisitions and Takeovers Act 1975*.

In general, a ‘foreign person’ is:

- an individual not ordinarily resident in Australia;<sup>19</sup> or
- a foreign government or foreign government investor; or
- a corporation, trustee of a trust or general partner of a limited partnership where an individual not ordinarily resident in Australia, a foreign corporation or a foreign government holds a substantial interest of at least 20%; or
- a corporation, trustee of a trust or general partner of a limited partnership in which two or more foreign persons hold an aggregate substantial interest of at least 40%.

## **‘irrigation infrastructure operator’**

An ‘irrigation infrastructure operator’ is an entity which operates for the purposes of delivering water for irrigation (*Water Act 2007*, s7(4)).

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<sup>19</sup> As defined in section 5 of the *Foreign Acquisitions and Takeovers Act 1975*.

An 'irrigation infrastructure operator' will only be required to register water holdings and interests where the 'irrigation infrastructure operator' meets the definition of a 'foreign person', the 'irrigation infrastructure operator' holds entitlements to water (or portions of entitlements) that are not subject to irrigation rights, or the 'irrigation infrastructure operator' holds entitlements to water (or portions of entitlements) that are not 'conveyance water'.

### **'registrable water entitlement'**

A 'registrable water entitlement' is:

- an irrigation right – which is a right a person has against an 'irrigation infrastructure operator' to receive water (but excludes a water access right or a water delivery right)
- a right (including an Australian water access entitlement) conferred by or under a law of a state or territory to do either or both of the following:
  - to hold water from a water resource in Australia
  - to take water from a water resource in Australia.

A water entitlement given to an irrigator by an 'irrigation infrastructure operator' is considered an irrigation right and so is a registrable water entitlement.

### **Exclusions**

The following types of water rights will be excluded from the definition of a 'registrable water entitlement':

- stock and domestic rights, and harvestable rights used for stock and domestic purposes
- riparian rights
- annual water allocations
- rights held by an 'irrigation infrastructure operator' to the extent that either another person holds an irrigation right in relation to that right, or they are for 'conveyance water'.

# Attachment C: Methodological caveats

This is an overview of the main methodological caveats that apply to the data in this report.

- Data was extracted from the Water register on 31 July 2021 as registrants have 30 days after the end of each financial year to register movements in their water entitlement for the previous financial year. This is designed to reduce the administrative overhead for foreign persons who have an ongoing obligation to maintain records on the Water register.
- Some registrations have been altered in accordance with section 16 of the Act when it has been determined via data matching or manual data collection that the registrant has provided incorrect information. The validation of registrations is an ongoing exercise, with information validated using third party data sources and manual data collection.
- Registrants were prompted to enter the volume of water entitlements in mega litres. The ATO has vetted each registration to check the registrant has entered correct volumes into the Water register.
- Entities and trusts were required to report their country of incorporation and the nationality of the owner. However, this is not necessarily a reflection of the foreign source country of the investor. Source country information has been obtained using information provided by registrants, ATO data sources and manual data collection.
- In some instances, the same water entitlement has been registered twice - by a foreign person with the original water entitlement issued and by another foreign person with either a contractual or irrigation right. These 'duplicates' have been removed from all tables in the report.
- Registrants are not required to identify the basin in which the water entitlement is managed. Water systems on the registration form have been taken from state or territory data. Mapping the water system to the Murray-Darling Basin was undertaken by identifying water systems within the Murray-Darling Basin and assigning whether it is Northern region, Southern region or Groundwater. As this is a manual process, care should be taken in using the Murray-Darling Basin data.
- Usage is determined by the registrant and more than one category of usage can be chosen during registration. Where a registrant chooses 'Other', the ATO has investigated and assigned to a different category where appropriate.

# Attachment D: Bureau of Meteorology (BOM) data

**Table 9: Total water entitlement on issue by state or territory – Bureau of Meteorology**

State or territory	30 June 2019 State or territory Water entitlement on issue <sup>20</sup> (GL)	30 June 2020 State or territory Water entitlement on issue <sup>21</sup> (GL)	30 June 2021 State or territory Water entitlement on issue <sup>22</sup> (GL)	% Change
New South Wales and the ACT <sup>23</sup>	14,990	15,011	15,050	0.26%
Northern Territory	571	597	664	11.22%
Queensland	6,772	6,952	6,937	-0.22%
South Australia	2,756	2,752	2,755	0.11%
Tasmania	2,337	2,384	2,475	3.82%
Victoria	7,751	7,558	7,546	-0.16%
Western Australia	3,947	4,129	4,312	4.43%
<b>Total</b>	<b>39,124</b>	<b>39,383</b>	<b>39,739</b>	<b>0.90%</b>

**Note:**

- The change percentage shows the change in the volume from 2020 to 2021 by water entitlement on issue.

<sup>20</sup> BOM website, Water Markets Dashboard. 'Entitlements on issue summary – Australia.'  
[bom.gov.au/water/dashboards/#/water-markets/national/state/eoi](http://bom.gov.au/water/dashboards/#/water-markets/national/state/eoi)

<sup>21</sup> BOM website, Water Markets Dashboard. 'Entitlements on issue summary – Australia.'  
[bom.gov.au/water/dashboards/#/water-markets/national/state/eoi](http://bom.gov.au/water/dashboards/#/water-markets/national/state/eoi)

<sup>22</sup> BOM website, Water Markets Dashboard. 'Entitlements on issue summary – Australia.'  
[bom.gov.au/water/dashboards/#/water-markets/national/state/eoi](http://bom.gov.au/water/dashboards/#/water-markets/national/state/eoi)

<sup>23</sup> New South Wales and the ACT is combined as Taxation law restricts the release of information which could identify, or be used to identify, an individual or entity.

# Attachment E: Water entitlement registration forms

- Each registrant must complete the following fields:
  - Name
  - Position
  - Address
  - Mobile/cell number
  - Contact email

## **Reason for registration**

- Acquisition of water entitlement
- Cease to hold water entitlement
- Change in status: To foreign person
- Change in status: From foreign person
- Change in details (change in volume)

## **Entity/ownership details**

- Name
- Country of incorporation (where registrant is a trust or company)
- Address
- Date of birth/nationality (where registrant is an individual)
- Contact details
- Mobile/cell number
- Contact email

These fields are voluntary fields as they do not apply to each registrant:

- Visa and passport details
- ABN/ACN/ABRN/other client identifier
- Trading name
- FIRB approval number

## **Water details**

- Water entitlement type (Water Access Entitlement, Irrigation Right, Contractual Right, Water Access Right)
- Issuing entity type (state water or non-water state authority, Irrigation Infrastructure Operator, 3rd party)
- Issuing entity name



- State/territory
- Entitlement identifier
- Issue date
- Water system
- Resource type
- Flow control
- Reliability
- Volume (ML)
- Term of Lease (if applicable)
- Lease end date (if applicable)
- Percentage of ownership
- Sector/usage detail

