



Register of foreign ownership of water entitlements

Report of registrations as at 30 June 2023

Contents

Introduction	3
Methodology	4
Summary of key findings	5
Findings	10
Foreign held water entitlement – Volume	10
Foreign held water entitlement by resource	12
Foreign held water entitlement in the Murray-Darling Basin	14
Foreign held water entitlement by regulated/unregulated water resource	16
Foreign held water entitlement by water use	17
Foreign held water entitlement by type	19
Foreign share and Australian share of water entitlements	21
Foreign share of foreign held water entitlement by country — top 10 countries	22
Background information on establishing source country information	24
Attachment A: Background	25
Attachment B: Definitions	27
Attachment C: Methodological caveats	29
Attachment D: Bureau of Meteorology data	30
Attachment E: Water entitlement registration forms	31

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.¹

This is the sixth report of the Water register (Water report 2023) and includes water entitlement registrations received from foreign persons between 1 July 2017 and 31 July 2023 for water entitlements held to 30 June 2023.²

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 Taxation 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.³ 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.⁴

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.¹ 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 12](#).

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.

Acknowledgements

This report was developed in consultation with the Bureau of Meteorology, Department of Climate Change, Energy, the Environment and Water and the Treasury, and uses information from the Bureau – Water information⁵ and the Murray-Darling Basin Authority⁶ websites.

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

² 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.

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

⁴ Refer to Attachment E in this report for more information on data collected.

⁵ Bureau of Meteorology website, Water information. bom.gov.au/water/index.shtml

⁶ Murray-Darling Basin Authority website. mdba.gov.au

Methodology

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

The Bureau 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 2023, the Bureau reported 40,298 gigalitres (GL)⁷ of water entitlements were on issue in Australia.

The Bureau 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 2023 to water rights that are outside the State Water Planning frameworks was 3 GL, the same as at 30 June 2022. 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 Bureau 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 Bureau Water Markets 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 2023 there is a total of 245 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.

⁷ See [Attachment D](#) for a breakdown of State or territory water entitlement on issue.

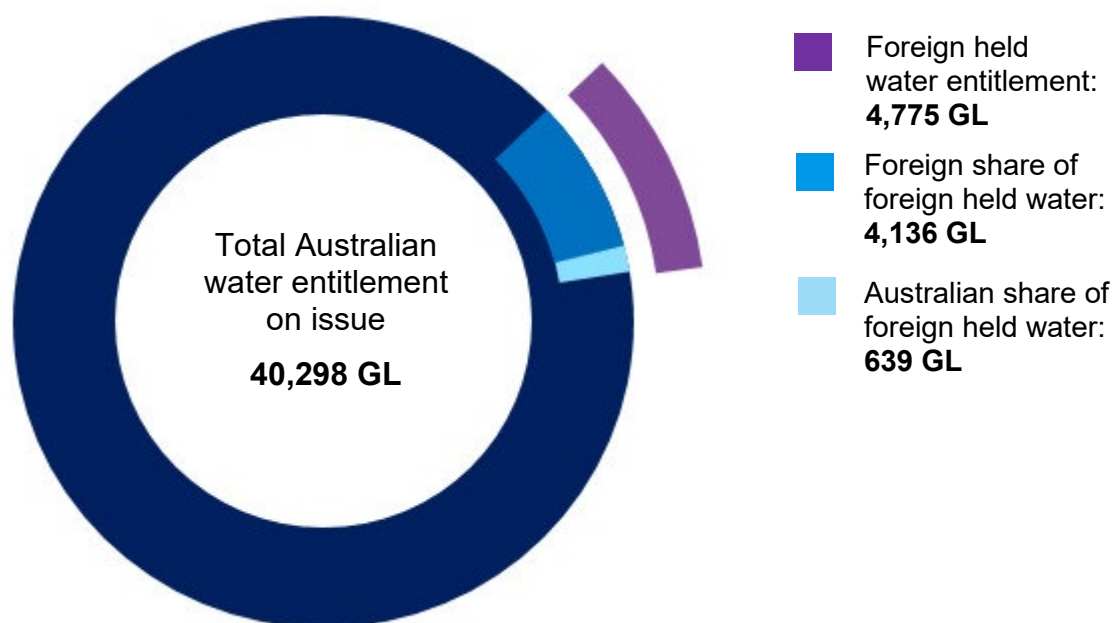
Summary of key findings

The total volume of foreign held water entitlements in Australia with a level of foreign ownership has increased from 4,503 GL at 30 June 2022 to 4,775 GL at 30 June 2023.

Using the Bureau measure of Australian water entitlement on issue, the estimated proportion of water entitlements with a level of foreign ownership as at 30 June 2023 is 11.8%.

Figure 1 illustrates the proportion of foreign held water entitlements against the Bureau measure of total Australian water entitlement on issue as at 30 June 2023.

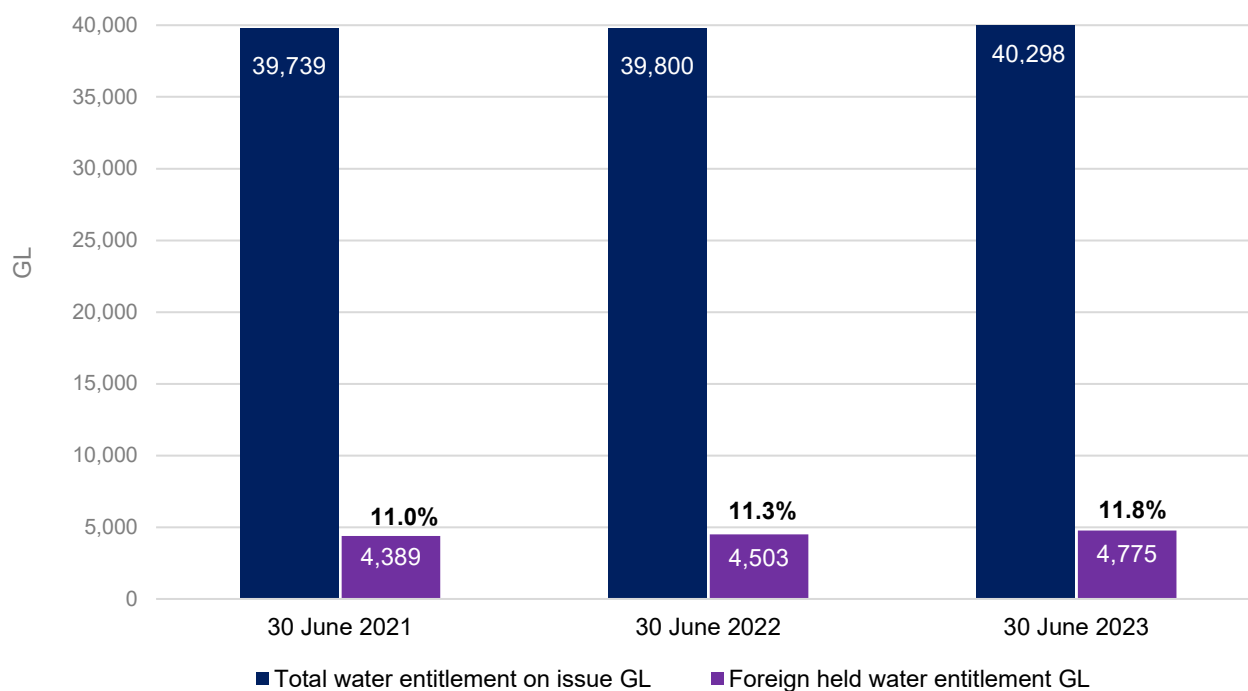
Figure 1: Foreign held water entitlement against the Bureau measure of total Australian water entitlement on issue as at 30 June 2023



Note: An explanation on calculating the Foreign share and Australian share of a foreign held water entitlement is available in the [Background information on establishing source country information](#) section of this report.

Figure 2 shows the proportion of water entitlement with a level of foreign ownership as at 30 June for each year from 2021 to 2023. The level of foreign ownership has increased from 11.3% as at 30 June 2022 to 11.8% as at 30 June 2023.

Figure 2: Water entitlement with a level of foreign ownership – three year comparison⁸



⁸ The increase in the total volume of Australian 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). Further details are available on the Bureau of Meteorology Water Dashboard - <http://www.bom.gov.au/water/dashboards/#/water-markets/about>

Figure 3 shows the foreign held water entitlement as a proportion of the total Australian water entitlement on issue by country. The top four water entitlement holders by country as a proportion of the total Australian water entitlement on issue are Canada with 2.5%, the United States of America with 1.8%, China with 0.9% and the United Kingdom with 0.8%. The top four countries have remained unchanged from 30 June 2022. Refer to [Table 8](#).

Figure 3: Foreign held water entitlement by country

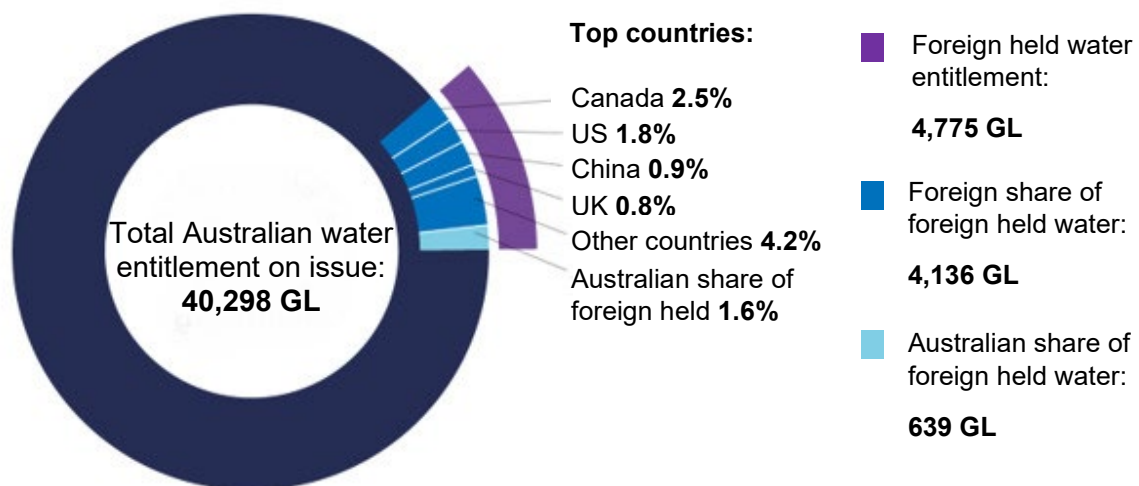


Figure 4 shows the main uses of foreign held water entitlements are agriculture (67.7%) and mining (18.0%).

Figure 4: Foreign held water entitlement by water use

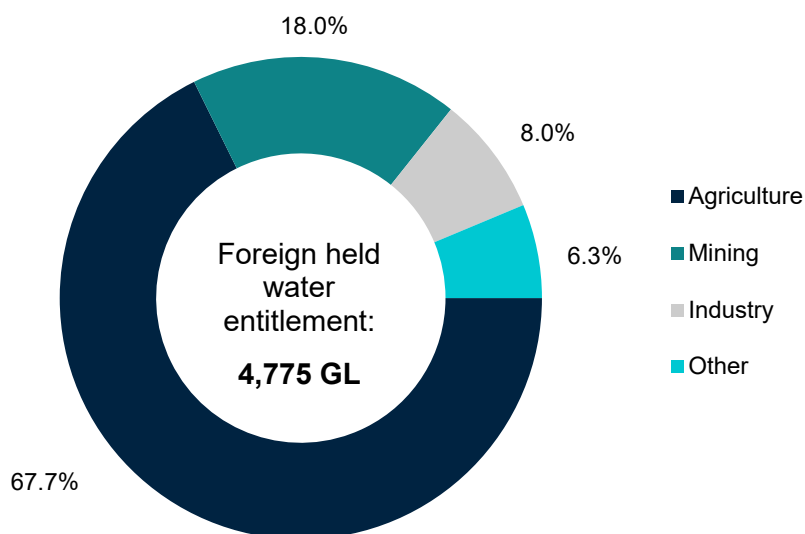
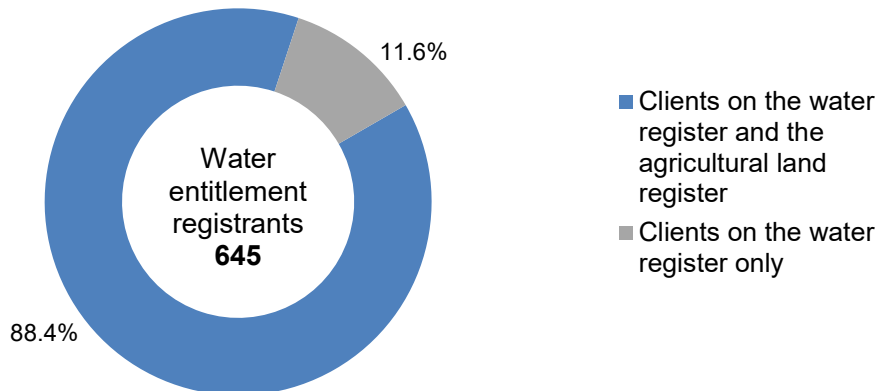


Figure 5 shows the percentage of clients on both the Water register and Register of foreign ownership of agricultural land (Agricultural land register). Of the 645 clients, 88.4% are registered on both the Agricultural land register and Water register. The clients on the Water register but not on the Agricultural land register have water usages including manufacturing, tourism, research, mining, energy and trading.

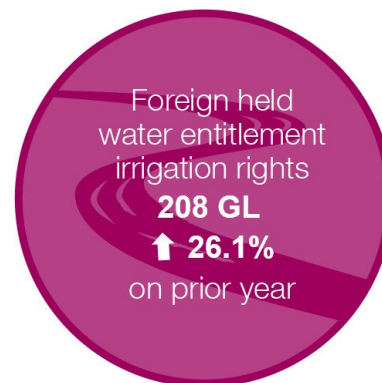
Figure 5: Registrants on the Water register and the Agricultural land register⁹ as at 30 June 2023



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 4.3% of foreign held water entitlements are irrigation rights which are issued by irrigation infrastructure operators.



Approximately 9.3% of foreign held water entitlements are managed through leases (contractual right)

⁹ The Agricultural land register records information regarding foreign ownership of agricultural land holdings in Australia. Since 2016, a statistical report on the foreign ownership of agricultural land as at 30 June for the financial year has been prepared with all published annual reports located on the Foreign investment in Australia website.

Figure 6 shows approximately 53% (2,533 GL) of foreign held water entitlements are within the Murray-Darling Basin. This equates to 12.6% of the total Murray-Darling Basin water entitlement on issue. Refer to [Table 4](#).

Figure 6: Water entitlement with a level of foreign ownership as at 30 June 2023 in the Murray-Darling Basin

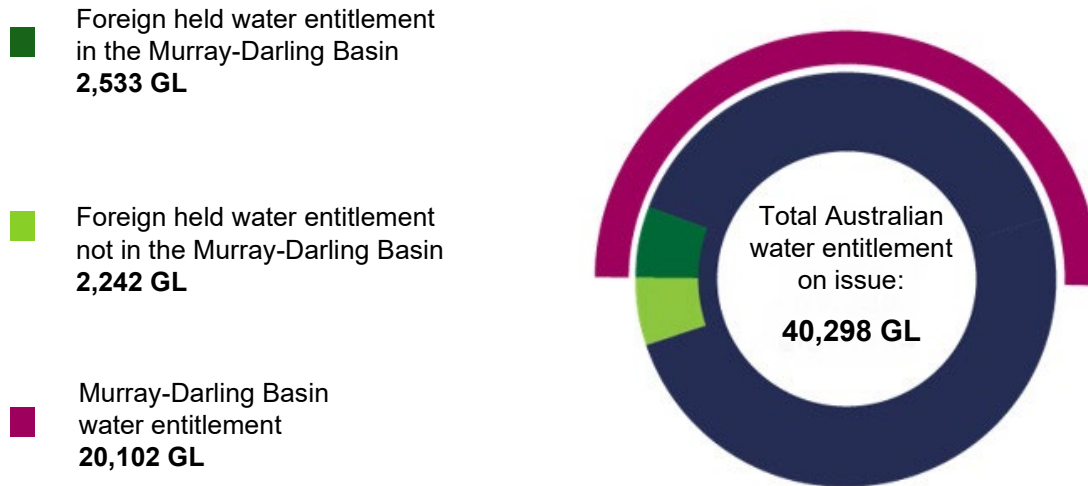
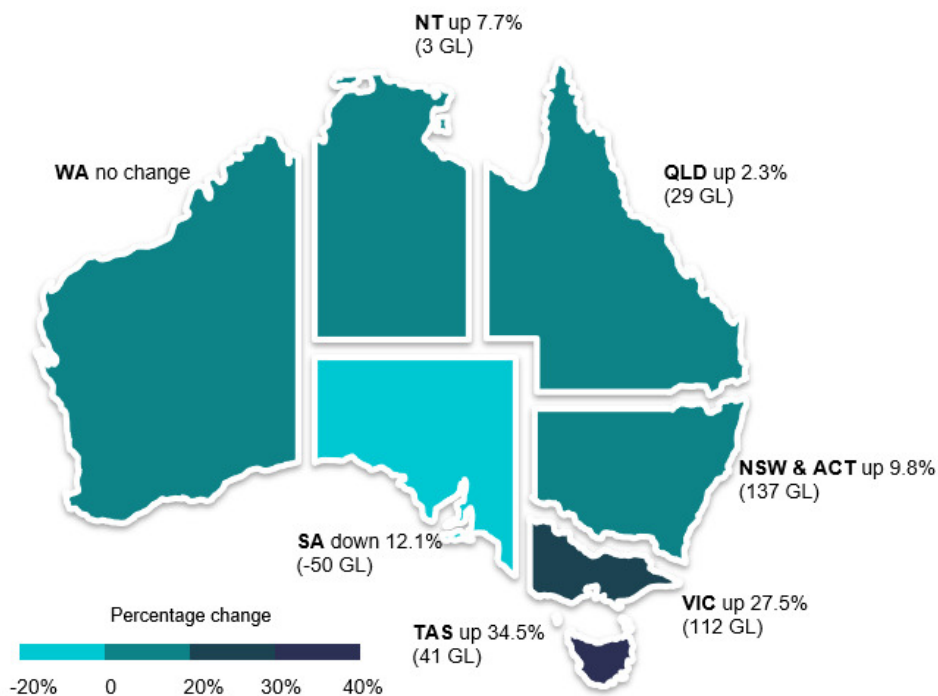


Figure 7 shows the net change of foreign held water entitlement by state or territory as at 30 June 2023 when compared to the prior year. Refer to [Table 2](#) for further information. There was an increase in the amount of foreign held water entitlement in each state as at 30 June 2023 when compared to the prior year, except for South Australia with a decrease of 12.1% and Western Australia with no change.

Figure 7: 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 2021 to 2023. The table also shows the foreign held water entitlement as a proportion of the total water entitlement on issue at 30 June 2023 by state and territory.

Table 1: Foreign held water entitlement by state or territory as at 30 June 2023

State or territory	Foreign held water entitlement			Total water entitlement on issue ¹⁰	Foreign held water entitlement as a proportion of total water entitlement on issue
	30 June 2021 (GL)	30 June 2022 (GL)	30 June 2023 (GL)	30 June 2023 (GL)	30 June 2023 (%)
New South Wales and the ACT ¹¹	1,372	1,395	1,532	15,318	10.0
Northern Territory	38	39	42	731	5.8
Queensland	1,249	1,266	1,295	6,927	18.7
South Australia	289	413	363	2,738	13.3
Tasmania	117	119	160	2,575	6.2
Victoria	321	407	519	7,626	6.8
Western Australia	1,003	864	864	4,383	19.7
Total	4,389	4,503	4,775	40,298	11.8

Notes

- The 'foreign held water entitlement as a proportion of the total water entitlement on issue %' is the ratio of foreign held water entitlement in that state as at 30 June 2023 to the total water entitlement on issue for each state and territory.

¹⁰ Bureau website, Water Markets Dashboard. 'Entitlements on issue summary – Australia.'

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

¹¹ 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 699 registrations of water entitlement with a reported volume of zero¹². Of these, 280 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 resource¹³.

Table 2 shows the foreign held water entitlement by state or territory at 30 June for each year from 2021 to 2023.

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

Foreign Held Water Entitlement				
State or territory	30 June 2021 (GL)	30 June 2022 (GL)	30 June 2023 (GL)	Change %
New South Wales and the ACT	1,372	1,395	1,532	9.8
Northern Territory	38	39	42	7.7
Queensland	1,249	1,266	1,295	2.3
South Australia	289	413	363	-12.1
Tasmania	117	119	160	34.5
Victoria	321	407	519	27.5
Western Australia	1,003	864	864	0.0
Total	4,389	4,503	4,775	6.0

Notes:

- The change percentage shows the movement in the foreign held water entitlement as at 30 June 2023 compared to 30 June 2022 within each state or territory.
- The total change in foreign held water entitlement across each state or territory as at 30 June 2023 is 6.0% when compared to 30 June 2022.

¹² The Bureau of Meteorology Water Markets Dashboard does not include zero volume water entitlements.

¹³ Unregulated and regulated water resource is defined in the Bureau Glossary for Water Markets Reports: 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

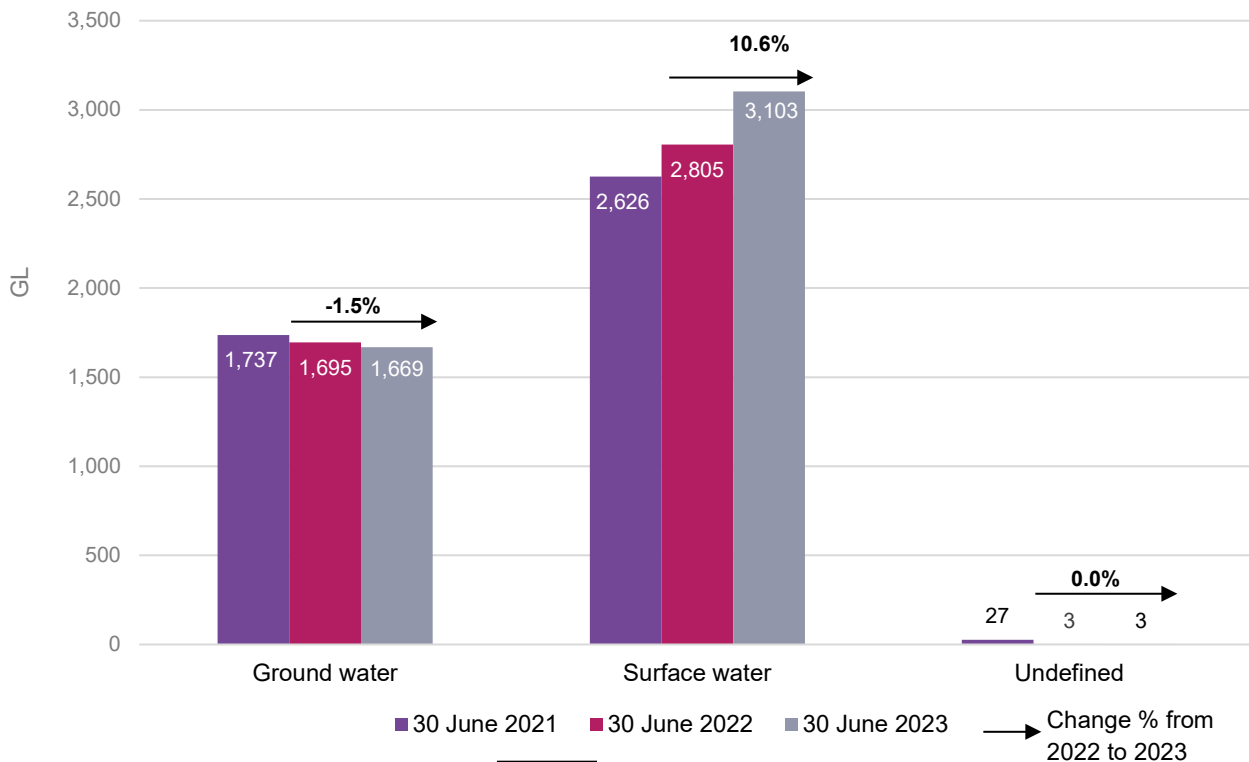
	Foreign held water entitlement	Foreign held water entitlement	Total water entitlement on issue	Foreign held water entitlement as a proportion of total water entitlement on issue
State or territory	30 June 2022	30 June 2023	30 June 2023	30 June 2023
Resource	(GL)	(GL)	(GL)	(%)
New South Wales and the ACT				
Groundwater	349	357	1,999	17.8
Surface water	1,046	1,175	13,319	8.8
Northern Territory				
Groundwater	39	42	437	9.7
Surface water	0	0	294	0.0
Queensland				
Groundwater	102	111	1,086	10.2
Surface water	1,161	1,181	5,841	20.2
Undefined	3	3	-	-
South Australia				
Groundwater	373	316	1,541	20.5
Surface water	41	47	1,197	3.9
Tasmania				
Groundwater	1	1	20	5.1
Surface water	117	158	2,555	6.2
Victoria				
Groundwater	29	38	902	4.2
Surface water	379	481	6,724	7.2
Western Australia				
Groundwater	803	804	3,283	24.5
Surface water	60	61	1,100	5.5
Total State or territory				
Groundwater	1,695	1,669	9,268	18.0
Surface water	2,805	3,103	31,030	10.0
Undefined	3	3	-	-
Grand Total	4,503	4,775	40,298	11.8

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 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 8 compares the percentage change in volume of foreign held water entitlement by resource as at 30 June 2023 to the volume of foreign held water entitlement by resource as at 30 June 2022.

Figure 8: 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.¹⁴

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 Bureau reports the total 30 June 2023 water entitlement on issue in the MDB is 20,102 GL with:

- 17,690 GL for total surface water in the Northern MDB and Southern MDB and
- 2,412 GL for total groundwater in the Northern MDB and Southern MDB.

Table 4 shows the foreign held water entitlement in the MDB as a proportion of the total water entitlement by resource as at 30 June 2023.

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

Murray-Darling Basin (MDB)	30 June 2023 Foreign held water entitlement (GL)	30 June 2023 Total water entitlement on issue - MDB ¹⁵ (GL)	30 June 2023 Foreign held water entitlement as a proportion of total water entitlement on issue - MDB (%)
Surface water			
Northern MDB	1,241	4,329	28.7
Southern MDB	1,022	13,361	7.6
Groundwater			
MDB Groundwater	270	2,412	11.2
Total	2,533	20,102	12.6

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.
- 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 Bureau information; this is then checked with the data available from the Bureau.
- Lachlan surface water is included in Southern MDB¹⁶ – Surface water figures.

¹⁴ Basin location | Murray-Darling Basin Authority (mdba.gov.au).

¹⁵ Bureau website, Water Markets Dashboard. 'Entitlements on issue summary – Murray-Darling Basin'. bom.gov.au/water/dashboards/#/water-markets/mdb/eoi.

¹⁶ Bureau National Water Account 2012: bom.gov.au/water/nwa/2012/mdb/contextual/physicalinformation.shtml.

Table 5 shows the foreign held water entitlement in the Northern and Southern MDB as at 30 June for each year from 2021 to 2023 by resource. There is an overall increase in foreign held water entitlements of 9.2% in the MDB as at 30 June 2023 when compared to foreign held water entitlements as at 30 June 2022.

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

Murray-Darling Basin	30 June 2021 Foreign held water entitlement (GL)	30 June 2022 Foreign held water entitlement (GL)	30 June 2023 Foreign held water entitlement (GL)	Change (%)
Surface water				
Northern MDB	1,199	1,176	1,241	5.5
Southern MDB	771	886	1,022	15.3
Groundwater				
MDB Groundwater	259	258	270	4.7
Total	2,229	2,320	2,523	8.8

Note: The 'Change' percentage shows the change in the volume from 2022 to 2023 by resource.

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 2021 to 2023. The table also shows the proportion of water entitlement with a level of foreign ownership at 30 June 2023 by water resource.

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

Water Resource ¹⁷	Foreign held water entitlement			Total water entitlement on issue	Foreign held water entitlement as a proportion of total water entitlement on issue
	30 June 2021 (GL)	30 June 2022 (GL)	30 June 2023 (GL)	30 June 2023 (GL)	30 June 2023 (%)
Regulated	2,181	2,336	2,405	20,117	12.0
Unregulated	335	340	475	10,913	4.4
Not specified	110	129	223	-	-
Total	2,626	2,804	3,103	31,030	10.0

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 Bureau Water Markets 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.

¹⁷ The terms regulated/unregulated for the purposes of the flow control field on the registration form has the same meaning as given in the [Australian Water Information dictionary used in the Bureau Water Market Reports](#).

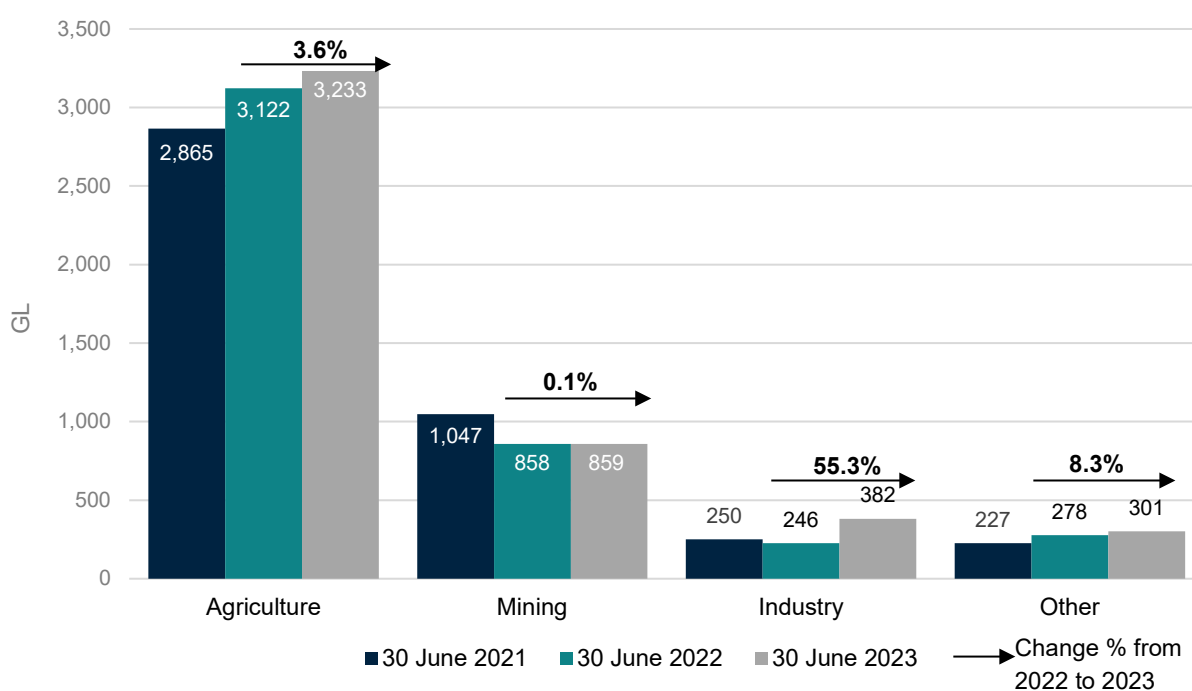
Foreign held water entitlement by water use

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 uses 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, which contains tourism, trade, other and research usages.

Figure 9 shows the foreign held water entitlement as at 30 June for each year from 2021 to 2023 by water use. The change percentage shows the change in the volume from 2022 to 2023.

Figure 9: Foreign held water entitlement by water use – 3 year comparison



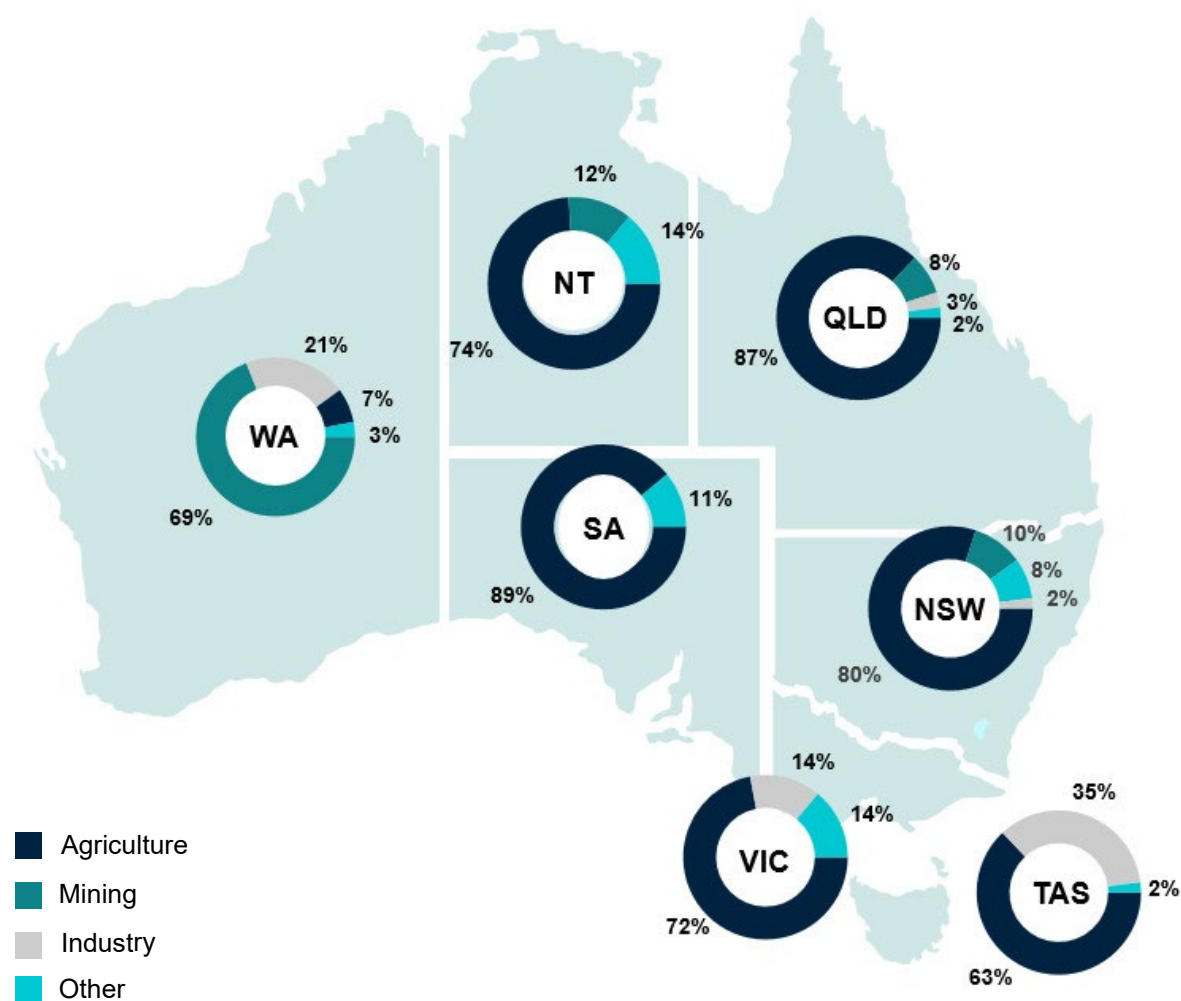
Notes:

- 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 9 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 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 minerals.org.au/water-stewardship.

Figure 10 shows the proportions of water use against the four grouped water usage categories agriculture, mining, industry and other as at 30 June 2023 within each state or territory.

Figure 10: Foreign held water entitlement by water use – state or territory



Note:

- Consistent with [Figure 9](#), the main use for foreign held water entitlement in most states is agriculture, except for Western Australia, where the main use is 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 2023.

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

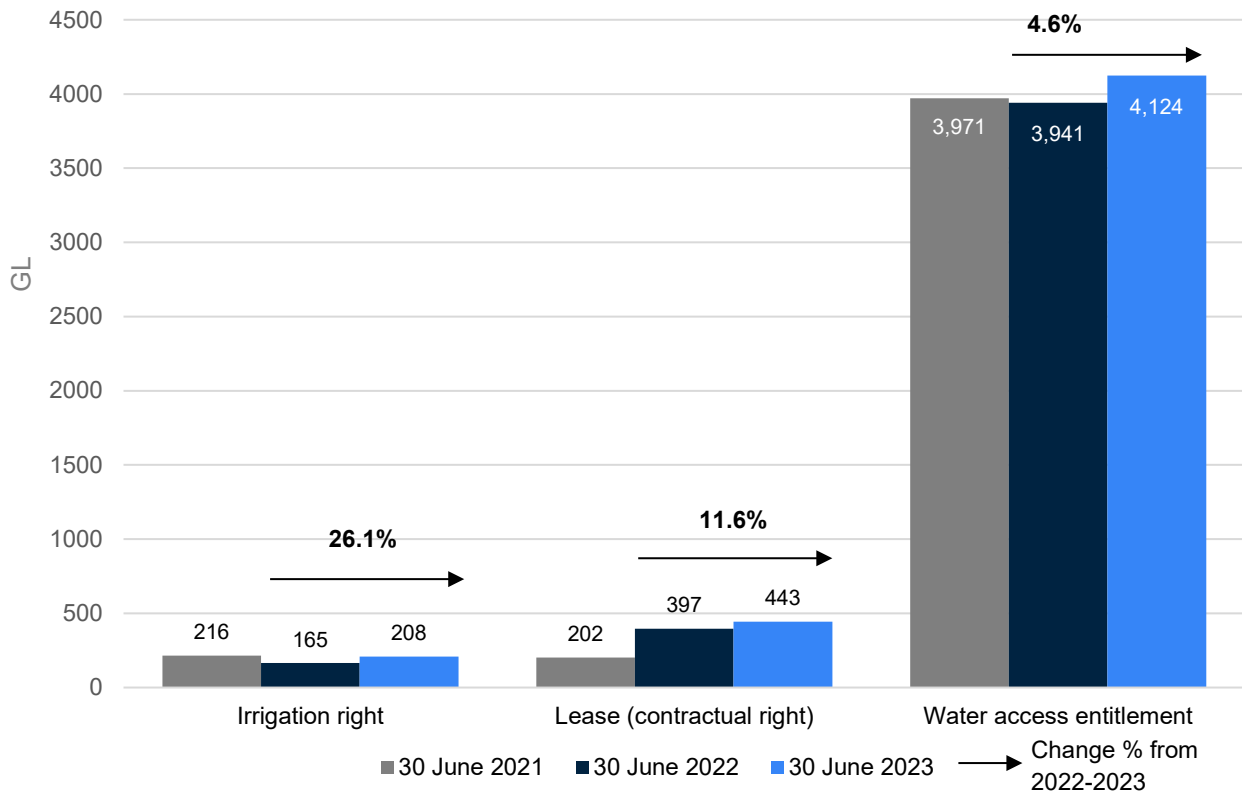
State or territory	Irrigation right (GL)	Lease (contractual right) (GL)	Water access entitlement (GL)	Total (GL)
New South Wales and the ACT	190	90	1,251	1,532
Northern Territory	-	-	42	42
Queensland	2	10	1,283	1,295
South Australia	2	132	230	364
Tasmania	-	1	159	160
Victoria	5	69	445	519
Western Australia	8	141	714	863
Total	208	443	4,124	4,775

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.
- The figures above have been rounded and totals may not equal sum of the states.

Figure 11 shows the foreign held water entitlement by type as at 30 June for each year from 2021 to 2023. The percentage change in the foreign held entitlement by type at 30 June 2023 compared to the prior year is also shown.

Figure 11: Foreign held water entitlement by type – three year comparison

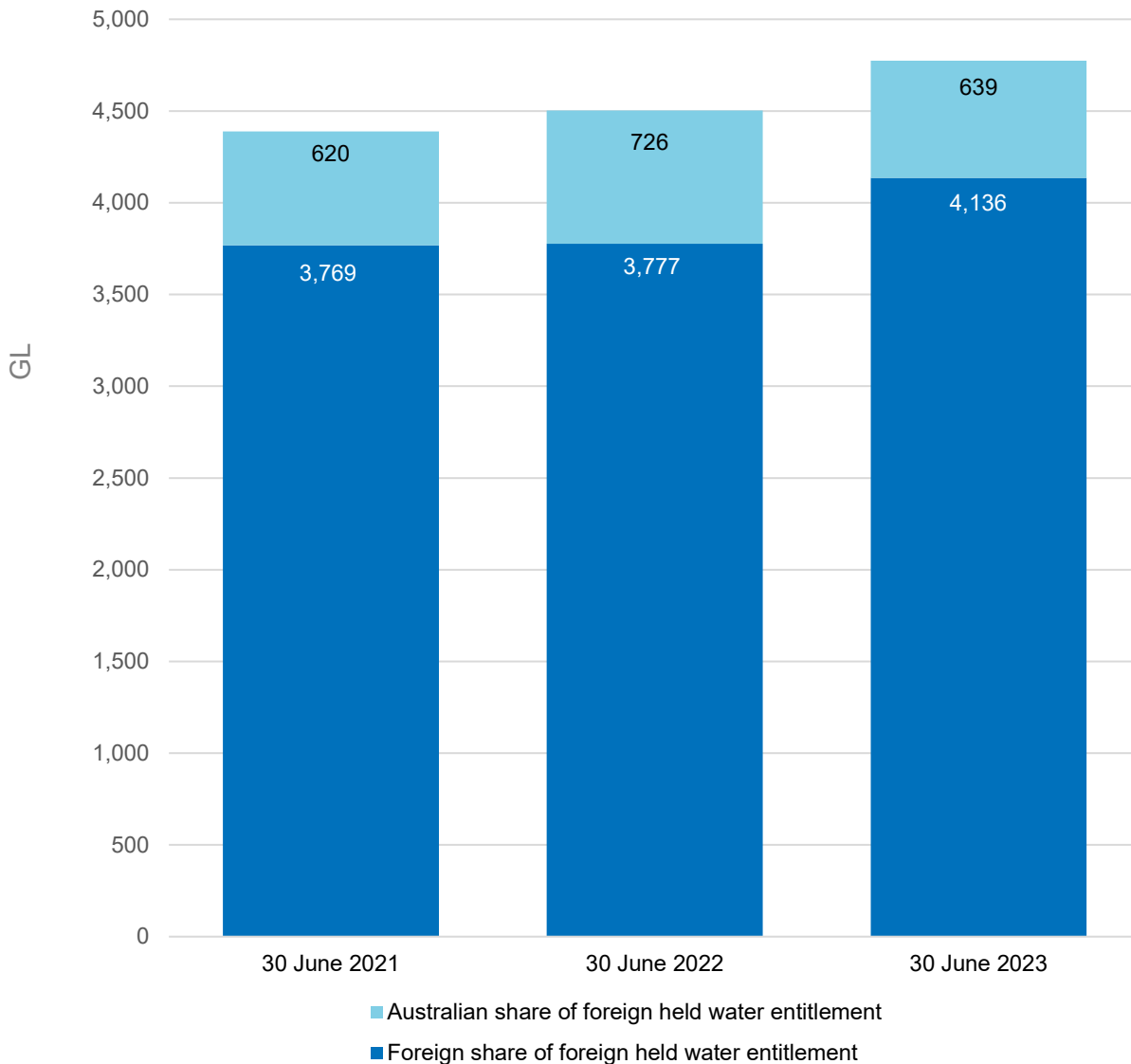


Foreign share and Australian share of water entitlements

Figure 12 shows the foreign share and Australian share of foreign held water entitlement at 30 June for each year from 2021 to 2023.¹⁸

At 30 June 2023, of the total foreign held water entitlement of 4,775 GL, the Australian share was 639 GL (13.4%) and the foreign share was 4,136 GL (86.6%). In the prior year, of the total foreign held water entitlement of 4,503 GL, the Australian share was 726 GL (16.1%) and the foreign share was 3,777 GL (83.9%).

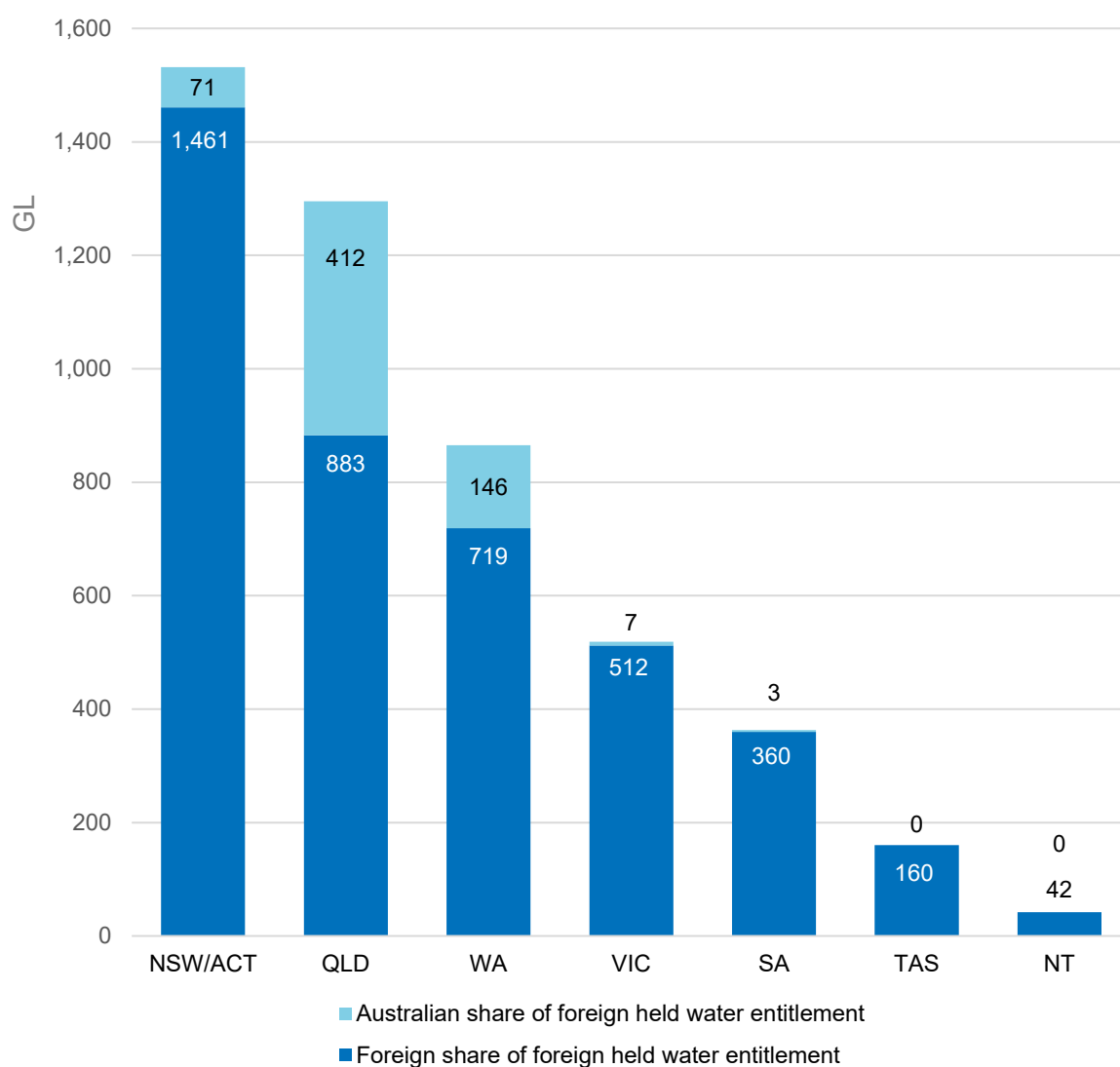
Figure 12: Foreign share and Australian share of foreign held water entitlement



¹⁸ Refer to [Background Information on Obtaining Source Country information](#) for how the split between Australian share and foreign share is determined.

Figure 13 shows the foreign share and Australian share of foreign held water entitlements at 30 June 2023 by state or territory.

Figure 13: Foreign share and Australian share of foreign held water entitlement by state or territory¹⁹



Foreign share of foreign held water entitlement 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 2023 is 3,311 GL. This excludes the Australian share of the total foreign held water entitlement. The top 10 countries hold 80.0% of the foreign share of foreign held water entitlement of 4,136 GL and 69.3% of the foreign held water entitlement of 4,775 GL.

¹⁹ The GL amounts in Figure 13 are subject to rounding.

Table 8: Foreign share of foreign held water entitlement – Top 10 countries

Country	30 June 2021 Foreign held water entitlement (GL)	30 June 2022 Foreign held water entitlement (GL)	30 June 2023 Foreign held water entitlement (GL)
Canada	810	833	1,010
United States of America	626	711	732
China	604	323	355
United Kingdom	377	315	327
France	161	159	203
Hong Kong (SAR)	134	134	184
Singapore	80	174	162
Germany	108	154	155
Netherlands	109	106	92
Switzerland	103	116	90
Total for top 10 countries	3,112	3,025	3,311

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 top 10 country ranking as at 30 June 2023 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 usages of foreign held water entitlements by the top 10 countries as at 30 June 2023 are:
 - Agriculture: Canada, China, the United States of America, the Netherlands, Germany and Singapore
 - Industry: France
 - Mining: The United Kingdom and Switzerland
 - Other: United States of America
- 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 source 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 of 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 12](#), 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.

As noted in the introduction, 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. This is the sixth and final report to be published as required by the Act for registrations made by foreign persons between 1 July 2015 and 30 June 2023.

On 1 July 2023, the Register of Foreign Ownership of Australian Assets (the Register), which is established under Division 7A of the *Foreign Acquisitions and Takeovers Act 1975*, commenced. Simultaneously the *Register of Foreign Ownership of Water or Agricultural Land Act 2015* was repealed. Division 7A of the *Foreign Acquisitions and Takeovers Act 1975* provides that a Registrar must be appointed by the Treasurer to administer the Register. The Commissioner of Taxation was appointed by legislative instrument as the Registrar and commenced his appointment on 29 November 2022.

The new Register will record all foreign interests acquired in Australian land; water entitlements and contractual water rights; and business acquisitions that require foreign investment approval, including acquisitions reviewed under a national security test.

The Register will incorporate the existing Register of Foreign Ownership of Water Entitlements, Register of Foreign Ownership of Agricultural Land and the Register of Foreign Ownership of Residential Land.

The Act already required foreign owners of these assets to register their foreign investment interests with the ATO within 30 days of the action occurring or the end of the financial year. The introduction of the new Register will therefore impose no additional regulatory burden on foreign owners of either agricultural land or water entitlements.

In accordance with Division 7A of the *Foreign Acquisitions and Takeovers Act 1975*, a report will be released annually on the statistical data held in the Register of Foreign Ownership of Australian Assets. The first annual report that will be released on the Register of Foreign Ownership of Australian Assets will be for the period ending 30 June 2024.

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;²⁰ 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)).

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

²⁰ As defined in section 5 of the *Foreign Acquisitions and Takeovers Act 1975*.

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 2023 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 data

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

State or territory	30 June 2021 State or territory Water entitlement on issue ²¹ (GL)	30 June 2022 State or territory Water entitlement on issue ²² (GL)	30 June 2023 State or territory Water entitlement on issue ²³ (GL)	% Change
New South Wales and the ACT ²⁴	15,050	15,048	15,318	1.79%
Northern Territory	664	622	731	17.60%
Queensland	6,937	6,896	6,927	0.44%
South Australia	2,755	2,725	2,738	0.50%
Tasmania	2,475	2,537	2,575	1.50%
Victoria	7,546	7,604	7,626	0.29%
Western Australia	4,312	4,368	4,383	0.34%
Total	39,739	39,800	40,298	1.25%

Note:

- The change percentage shows the change in the volume from 2022 to 2023 by water entitlement on issue.

²¹ Bureau website, Water Markets Dashboard. 'Entitlements on issue summary – Australia.'
bom.gov.au/water/dashboards/#/water-markets/national/state/eoi

²² Bureau website, Water Markets Dashboard. 'Entitlements on issue summary – Australia.'
bom.gov.au/water/dashboards/#/water-markets/national/state/eoi

²³ Bureau website, Water Markets Dashboard. 'Entitlements on issue summary – Australia.'
bom.gov.au/water/dashboards/#/water-markets/national/state/eoi

²⁴ 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

OFFICIAL

OFFICIAL