



AgForce Queensland Industrial Union of Employers

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Water Access Entitlements Register Consultations Working Group
Foreign Investment and Trade Policy Division
The Treasury
Langton Crescent
PARKES ACT 2600

By Post & by Email: foreigninvestmentconsultation@treasury.gov.au

Dear Working Group Members

Re: National Register of Foreign Ownership of Water Access Entitlements

AgForce would like to thank the Working Group for the opportunity to provide feedback on the National Register of Foreign Ownership of Water Access Entitlements Consultation Paper.

AgForce is the peak rural group representing the majority of beef, sheep & wool and grain producers in Queensland. The broadacre beef, sheep and grains industries in Queensland generated around \$5 billion in gross farm-gate value of production in 2013/14. AgForce exists to ensure the long-term growth, viability, competitiveness and profitability of these industries. Our members provide high-quality food and fibre products to Australian and overseas consumers, manage more than 50 per cent of the Queensland landscape and contribute significantly to the social fabric of rural and remote communities.

Foreign investment has long been a feature within Queensland agriculture and has contributed significantly to the economic development of broadacre industries within the State. Given the need to drive further economic growth, AgForce has a keen interest in the occurrence of further foreign investment into agriculture in a way that is open and transparent and aligns with our national interests. It is important that the oversight framework is effective but, also consistent and efficient so that it does not act as a barrier to further beneficial investment.

Our policy position is that we are not opposed to commercially-motivated foreign investment in broadacre agriculture provided that it:

- 1 Does not compromise market transparency, competition or pricing mechanisms
- 2 Does not distort resource allocation or agricultural land use
- 3 Is effectively monitored and regulated, including industry-relevant investment disclosure thresholds, to ensure Australia's national interests are not compromised.

AgForce has supported recent efforts by Government to increase the transparency of foreign investment in agricultural land, water and agribusiness assets, including the establishment of a national register of agricultural land ownership. We have also been supportive of including oversight of control of agriculturally-important water resources, given the essential role of these resources to

the future of Australian agriculture¹. Australia is an arid continent and water resources are an incredibly important contributor to productive and profitable agriculture in our country.

AgForce is largely supportive of the proposed approach to registering interests in water assets as described in the Consultation Paper. The register will enhance transparency about the level of foreign ownership in water and assist in informing the Government and the community about emerging investment trends and so the proportionate levels of oversight and regulation.

To enable consistency, simplicity and to minimise reporting obligations and cost we are supportive of amending the existing Agricultural Land Register Act to include water entitlements, including such features as the definitions applied, timeframes for registration of acquisitions and divestment and of penalties imposed. Given the current absence of comprehensive information on foreign water holdings, the inclusion of an initial stocktake to provide a baseline is also valuable for transparency.

AgForce agrees that the unit of recording should be on the basis of perpetual or ongoing ownership or long-term lease of entitlements to exclusive access to a share of the water resources rather than on annual allocations or short-term temporary trades. The capturing of entitlements regardless of size (volume or value) enables comprehensive coverage as for the Land Register. There is no additional benefit to capturing stock and domestic rights, which are intrinsically linked to an area of land.

The proposed list of information to be collected appears to cover the key needs of a Register and the public reporting of only aggregated (catchment, region, state, national) information to protect private or commercially sensitive information is appropriate to avoid discouraging investment.

Not recording and reporting the type of water use will potentially prevent a clearer understanding of ongoing levels of ownership between industry sectors at a catchment or regional level, such as between mining and agriculture. However, this information is available from state authorities, who aim to deliver sustainable water use outcomes, so where a concerning magnitude or trend change in foreign interests is identified there is potential for the regulator to undertake further more detailed investigations in conjunction with these authorities.

There may also be some challenges for investors reporting on entitlements in areas where the entitlements have not yet been separated from the underlying land asset, or where market information is lacking or incomplete, particularly if reporting of the value of entitlements is sought.

If you have any questions in relation to this submission please contact Dr Dale Miller, Senior Policy Advisor, by telephone on 07 32363100 or email (millerd@agforceqld.org.au).

Yours sincerely



Charles Burke
Chief Executive Office

¹ E.g. <http://www.treasury.gov.au/ConsultationsandReviews/Consultations/2012/agricultural-land/Submissions>