

INQUIRY INTO STATUS OF WATER TRADING IN NEW SOUTH WALES

Organisation: Speak Up Campaign Inc

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[Speak Up Campaign](#)
[Submission](#)

Select Committee on the status of water trading in New South Wales

June 30, 2022

Dear Select Committee,

The Speak Up Campaign would like to thank you all for firstly establishing this inquiry, and secondly for understanding the urgent need for reviewing water trading in NSW.

We would like to start by highlighting the fact that successive governments at both state and federal levels have failed the future generations of Australians in their negligence to protect water availability for staple food producers.

Policymakers and implementers have overlooked the need to ensure our island nation can not only produce enough staple foods to feed its own people, but also have the capacity to play a role in exporting to other nations. Instead, we now have water locked up in water storages as water barons wait for the next dry sequence to cash in on desperate farmers who will end up paying inflated prices to save their dairy herd, breeding stock or dying crop.

The failure of bureaucracy to identify emerging problems, and politicians to implement various legislation designed to help protect our most reliable and efficient food producers, is unforgivable. For example, we should have had the establishment of trading zones to account for conveyance/transmission losses from one zone to another – as identified in the National Water Initiative 2004.

If the decisions made in the water space over the last two decades are a result of incompetence or failure to understand water management and the vital role water plays in food production, then as a nation we need to be extremely concerned about the future of this once great country.

We suspect you, like our members, believe the mess we now find ourselves in is partly the result of greed and manipulation, to turn water into another commodity to help the rich get richer.

As a voluntary organisation we have spent thousands of hours writing, speaking, telling, showing, working with – you name it, to get someone to listen. This includes many of our connections spending time contributing information to “Sold Down The River” by Scott Hamilton and Stuart Kells <https://www.textpublishing.com.au/books/sold-down-the-river>



Detailed information we know and have to contribute is included in this book. We sincerely hope the Select Committee is not offended by the fact we are not following a traditional submission as per your Terms of Reference, but we are all worn out. We have prepared innumerable submissions on the failure of water management and policy; we have spoken at length to the bureaucracy and politicians. We know there are solutions, but we also know that some of these are politically challenging and are therefore usually ignored.

Additionally, we attach our submission made to - **Have your say on what information about water ownership and water trading is made public in NSW (Appendix A)**; any new submission we could make would not vary too far from its content.

NSW has a long way to go to claw back the trust of rural communities and food producers. Over the last two decades arguably the most efficient gravity feed irrigation systems in the world, requiring no power inputs, are becoming idle. With significantly less water being delivered to some of the best and most efficient farmers in the world, we are losing diversity in production, and experience in water management and irrigation practices and the worse part is our farmers are losing hope that those in charge of decision making will look after those who put food on their tables.

In parting, we implore you to do your best to right the wrongs and put in place measures which will put water back in the hands of those who are our first line of defence, our farm rs and the rural businesses who process and deliver produce across the country.

Appendix A

Speak Up Campaign Submission February 2021

Have your say on what information about water ownership and water trading is made public in NSW

Background

In December 2019 the Speak Up Campaign launched a petition calling for greater transparency in water ownership, not just for the state of NSW, but the entire Murray Darling Basin. As a grass roots organisation advocating for better water policy our members are living and breathing the impacts of poor water decisions everyday, the water market and water ownership is one of those impacts.

In five short months our organisation was able to collect and submit 12,000 signatures, delivering them to our local member - Member for Murray Helen Dalton MP. The most telling part of this achievement was that our committee did very little work in collecting signatures, it was the work of passionate individuals who wanted to see transparency in who owns water.

The petition was employed because as representatives of the grassroots we believed that this was one of the last tools we had available to demonstrate the widespread public concern about the lack of transparency in the water space. There is overwhelming despair and frustration in communities across southern NSW and northern Victoria at the impractical, illogical and destructive decisions which have been made around water. We have seen poor direction from every level – local advocacy, IIO's, advisors, peak advocacy groups, politicians, bureaucrats, agency employees, consultants. We know that there are people in advisory roles, both with government and with advocacy have owned, own or made a large profit from selling entitlements. The only conclusion we can draw from these decisions is there is a high risk they could involve a money trail which will justify these decisions, as they are not in the benefit of the environment, the family food producer, rural communities or the average Australian taxpayer.

Speak Up have pointed out in previous submissions that it is a legislative requirement, through the National Water Initiative 2004 and is reinforced in Schedule 3 of the 2007 Water Act. We have heard arguments that information in regards to water ownership and trades are available online, but unless you have a licence number to search for the average family farmer, or public citizen for that matter is still in the dark.

In this submission we will be address the impacts to family farmers (our Nation's food producers) which has had a flow on effect to the rural communities in which they live, shop, school, get medical support, bank, play sport and socialise.

Impacts

The Speak Up committee are regularly contacted by concerned landholders who are being approached to “park” water on their accounts to carryover water for those without entitlements to carryover water. For those in southern NSW General Security (GS) Water Entitlements are required to carryover water, meaning speculators looking to buy up temporary water when it is cheap need somewhere to park it at the end of the season to carry it over until the next season, we are seeing a trend of this activity applying to the carrying over of High Security (HS) entitlements, whose characteristics do not allow HS entitlements carried over from one season to the next (ie HS water cannot be carried over on a HS licence).

The role of carryover was very clear from the start, it was a tool to allow food and fibre producers to manage risks, allowing them to plan for the following season. For example, for cereal producers planting in autumn will intend to do a spring watering will adjust fertiliser application and sowing rates knowing they have water carried over for spring. For rice producers, carryover is an essential planning tool, crops are planted in late spring and rarely have a high enough allocation at planting to manage their needs.

Farmers are land, water and animal managers. They use their keen sense of observation, generational instinct and knowledge to carefully and efficiently produce food and fibre for others. It is a humbling role which is not for everyone and is certainly a calling which is hard to ignore. Farmers are now being asked to carryover water for speculators, one farmer was offered \$65 a megalitre to carryover water this season. What kind of situation do we have where our farmers have so little capital coming off two years of zero allocation that they cannot afford to purchase their own carryover, and to make ends meet they are forced to consider this new activity, hoarding water. Can you imagine how demoralising that would be?

The consequences of not understanding who owns water, who trades water, how much is being traded, where water is being carried over and what characteristics water being carried over holds will not be limited to –

- A false impression that food producers in NSW Murray in particular own more water than they do
- Are carrying over more water than they really are
- Water characteristics changing through the carryover process
- Larger volumes of water taking up airspace in dams as water is hoarded until the price profiteers are happy to accept
- Farmers becoming water banks and not FOOD PRODUCERS
- Farmers are carefully looking at their gross margins, we have entered an era where farmers are selling allocation rather than growing crops as it is more profitable to hold onto water until conditions become drier and prices go up

Solutions

As with everything in life transparency is key to understanding and decision making. Transparency in water ownership and trading is essential, critical and not optional. The current level of transparency goes no where near meeting the needs of the general public or legislative requirements.

The Cambridge Dictionary defines Business Transparency as –

a situation in which business and financial activities are done in an open way without secrets, so that people can trust that they are fair and honest:

The key problem is the community and grassroots have no trust that the process is fair and honest.

To improve the level of transparency in water ownership and trading Speak Up believe the following needs to take place.

Water Ownership

1. Water ownership must be fully transparent. The names of all water owners must be publicly available, this must include

- General water ownership
- Members of Parliament and all Government employees
- Companies both home grown and foreign
- Brokers and real estate agents
- Retrospective water ownership
- Water interests of Members of Parliament spouses, children
- Government Consultants

2. Addresses, email address and phone numbers **should not** be made publicly available

3. Account balances of those without a landholding should be made publicly available

Water Trade

1. All trades made by non-landholders should be made publicly available

2. Trades of greater than 5% of ownership from a landholder should be made publicly assessable, trades in excess of 50 ML

3. \$0 trades between families/landholdings should be made publicly available

4. There needs to be great transparency of water parking

Conclusion

Victoria has made a significant positive step forward in delivering on public expectations and legislative requirements. Publicly available information has revealed that the largest water owner in Victoria in the Commonwealth, followed by a Canadian Pension Fund and then a Victorian Super Fund. NSW have a long way to go to make this information available and transparent.

The cost burden to implement legislative requirements must not fall onto irrigation companies or water users / owners. This must be Government funded, with no additional sneaky fees and charges being passed on their current systems.

NSW should work with regional advocacy groups to better understand some changes which need to take place to protect the security of deliverability of water to food producers in privately owned irrigation systems.

The lack of transparency in ownership and trade has left the water market open to manipulation and has resulted in unforeseen changes in water characteristics and shifts in intention of management tools such as carryover. This has all come to the detriment of genuine food producers.

Unless the NSW government uses this opportunity to lead the way in publicly accessible information on water ownership and trade the public will continue to lose trust in the ability of the NSW Government and Departments to deliver faith and honest decisions and policy.