



We The People  
Program 386 June 22, 2020  
We the People 386 The Wrongs of Water Rights

**Good day to you.** I love a sunburnt country, A land of sweeping plains, Of ragged mountain ranges, Of droughts and flooding rains. These immortal words from Dorothea Mackellar's 1908 ode to Australia, "My Country", resonate with us all, but none more so than Aussie farmers.

There is no group in the land that invokes the image of the battler the way our farmers do – who can forget the endless TV images of them shooting their animals in droughts or rescuing them in floods, fighting ravaging bushfires, always looking ahead to better days on their land. As well as battling the forces of nature they are subjected to the vagaries of international markets for the sale of their hard-won produce, and now the threats and thuggish behaviour from our major trading partner, China. Our debt to Aussie farmers is immense. They are the backbone of the national narrative and there are none more deserving of a fair go. Yet successive Australian federal and state governments, pursuing a grand plan under the 2004 National Water Initiative, have made their lot considerably harder by the commodification of water rights, and by their failure to build any new dams in the country for the last 40 years. Whilst unused water allocations had been traded between farmers and irrigators for years, a sensible practice in itself, the separation of water rights from land ownership was a **disastrous** decision. **Water rights can now be held by speculators without interests in land.** Farmers are frequently forced to buy water in drought years from them at speculative prices.

Water, the lifeblood of farming and agriculture, is now a simple commodity for profiteering. The situation is particularly bad in the Murray Darling Basin, where over 90% of all water trading occurs. The Basin covers in excess of 1 million square kilometres, has more than 2 million inhabitants as well as both dryland and irrigated farming. It also has important environmental values. Because water licenses can be traded separately to land, there is some agricultural land that reportedly no longer has any water rights at all, rendering the land virtually valueless. In what universe does it make sense to divorce water rights from land? To create yet another avenue for profiteering and speculation by cartels and hedge-fund carpetbaggers? Many farmers in the Basin are complaining bitterly that they are extorted by high water prices in the drought years. The situation has been exacerbated by the expansion of high-water usage crops such as nuts and citrus. Dairy farmers are struggling, fighting for water at reasonable prices and many have had to de-stock their land. Yet one of Australia's biggest water traders, the **ASX listed Duxton Water, reported a 40% profit in 2018.** When a non-farming, non-landowning, speculative company can return that sort of a profit on water trading, I think we can safely assume that the farmers are being shafted. It's not a zero-sum game. Of great concern is the ownership of these water rights by overseas hedge funds and governments. At least two Chinese state-owned companies reportedly now own water licences, separated from land. Apparently, these transactions don't even require Foreign Investment Review Board approval. I'd call that a slap in the face to the farmers whose barley is rotting on the wharf, and whose beef has been rejected on spurious grounds in the so-called China trade war that erupted after the Australian government had the temerity to call for an enquiry into the origins of COVID19 which has devastated so many nations around the world. The ACCC is now conducting a review of the water trading system in Australia, but it is highly unlikely that there will be a wind back of speculation and profiteering. That genie is out of the bottle.

I started with a wonderful poem and so I will finish with words of wisdom about the vital importance of water from another poet, the great WH Auden: **"Thousands have lived without love, not one without water."**

**Until next time this is Kent Bayley with special thanks to Deborah Kelly**