

**SENATE STANDING COMMITTEE ON ECONOMICS QUESTION**  
**(Supplementary Budget Estimates 20 October – 21 October)**

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Question: SBT 170

Topic: Foreign Investment in Water in the Murray Darling Basin

Senator Xenophon asked:

**Senator XENOPHON**—The minister quite properly pointed out that you might be able to find out some information, but if there is this lack of information in terms of who has got what and which entities have got what, how on earth can you give reasonable, considered advice to government?

**Mr Murphy**—I think you are looking at it through the prism of foreign investment. There are other areas of government which would have data on the ownership of water rights, and so if there are concerns with the foreign investment, one of the jobs of foreign enforcement division is to consult with the other areas, arms of government, to garner that information.

**Senator XENOPHON**—But you do not do that as a matter of course, though, do you?

**Mr Murphy**—Well, yes. If there was an investment proposal in a certain industry where we felt we needed information from another department that had expertise on that industry, yes, we would gather information from them.

**Senator XENOPHON**—But hang on. If it is under the radar, if they are \$50 million or \$60 million transactions—

**Mr Murphy**—Yes, they can be. But I am talking about if there is public unrest and if it was brought to our general notice that there were concerns about the sale of water rights. We have got to put this in context. We are an open government welcoming foreign investment. So if there is a matter of concern we can garner some information on that.

**Senator XENOPHON**—I am not sure. Perhaps you want to take this on notice.

**Answer:**

Water rights are considered an asset, and the acquisition of water rights are therefore captured by the *Foreign Acquisitions and Takeovers Act 1975* where relevant thresholds are met (over \$231 million and 15 per cent holding). Direct acquisitions by foreign Government entities are subject to the Government's Foreign Investment Policy irrespective of value.

Where notifiable acquisitions include water rights, FIRB would consult with relevant Australian and State Government entities, including the Department of Sustainability, Environment, Water, Population and Communities, and the Department of Agriculture, Fisheries and Forestry.