

# Water trading bankers destroy agriculture

Water was once primarily seen as a resource for agricultural production. But today, water traders make obscene profits as they destroy agriculture at the direction of the financial oligarchy. This is clearly seen in the former bank executives running Duxton Water, whose shareholders enjoyed a total return of nearly 30 per cent in the year to June. As Duxton Water has amassed water rights worth \$256 million, farmers and irrigators say, we “risk a mass exodus from the land and greater hardship for drought-stricken communities, towns and small businesses”.

Water speculators withhold water from the market to ensure price spikes. “Carryover” rules allow speculators to hold water allocations purchased in one season into successive seasons. Many water traders do not own farms and do not produce any agricultural product. This travesty has been aided by the government policy of ‘unbundling’, where over the last 15 years, water entitlements have been separated from land ownership. The Basin Plan water-trading rules made matters worse. Prior to 1 July 2014, only entitlement owners could buy and sell allocation water; trade was mostly between irrigators. But now, anyone can buy and sell water allocations, without having to own a water entitlement, or land, or ever use water for agricultural production.

The case of Duxton Water shows what happens when bankers take over water. The company was founded by two former executives of Deutsche Bank’s asset management subsidiary: Ed Peter, Chairman of the Duxton Board, and Stephen Duerden, CEO. Prior to founding Duxton, Peter was head of Deutsche Asset Management (DeAM), Asia Pacific, Middle East and North Africa. Duerden was Director for both the Complex Assets Investments Team and the Singapore operation of DeAM Asia. Curiously, Federal Treasurer Josh Frydenberg served as a Director of Global Banking at Deutsche Bank prior to his political career. In May 2007 Deutsche Bank shares were trading at over €100; now they’re at €6.60, and with close to €50 trillion in derivatives exposure, many financial insiders fear Deutsche will trigger a global financial collapse far larger than the 2008 GFC.

Also on the Duxton Board sits Dirk Wiedmann, who has held senior positions at UBS AG, and Rothschild Bank AG; and Dennis Mutton, who was Commissioner and Deputy President of the Murray-Darling Basin Commission (MDBC). Remember, it was former Goldman Sachs boss Malcolm Turnbull whose *Water Act 2007* established the Murray-Darling Basin Authority (MDBA) through the MDBC, and the much-despised Basin Plan. But do these men know anything about farming?

## Agricultural industry fights back

A 12 November media release by several representative bodies for agricultural commodities blasted the current water trading situation, demanding that the Federal and State governments “act immediately to free up water being purchased by water traders at the expense of irrigators growing food and fibre”. The situation is dire, and many farmers don’t have much time before they are permanently forced off the land. “Australia’s drought-stricken communities are in peril and we need to government to act now”, said Tony Battaglene, CEO of Australian Grape and Wine.

The media release was authorised by the following industry commodity representative bodies: Australian Grape and Wine; Australian Almond board; Citrus Australia; Australian Olive Association; Australian Table Grape Association; Pistachio Growers Association; Australian Walnut Industry Association; Summerfruit Australia; Hazelnuts Growers of Australia; and Chestnuts Australia.

“Water needs to be made available to those who use it. When water becomes a commodity for speculation, putting rural and regional Australia at risk, I think it should be obvious to all that Australia has a problem”, warned John Argiro, Chairman of Australian Table Grape Association.

## Environmental water trading

The financial oligarchy behind water trading, such as the bankers at Goldman Sachs, were always keen to increase so-called “environmental water”. This creates artificial scarcity and drives up water prices. At the time Turnbull designed the *Water Act*, his friends at Goldman Sachs were leading a global charge of investment banks into water speculation, declaring water to be “the petroleum for the next century”. It’s no coincidence that Turnbull was so keen for greater “environmental water”. Often such flows serve no environmental purpose and even create damage, as seen in the many reports of riverbank erosion.

Such insane “environmental flows” are making world news. The UK *Daily Mail* on 31 October ran an article headlined, “REVEALED: The shocking reason 22 BILLION litres of precious water was flushed into a swamp while desperate farmers watched in horror”. This case is a massive scandal! The water could have sustained the 30,000 people in nearby towns for a year. But the water was released down the Lachlan River from Wyangala Dam despite its capacity being at only 23 per cent at the start of September. As of 26 November, the dam level is at only 16 per cent, and towns risk the prospect of zero water over the coming summer.

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