

3 June 2020

Resources Sector Regulation Study
Productivity Commission
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TO WHOM IT MAY CONCERN

I write the following submission to the draft report by the Australian Government Productivity Commission into Resources Sector Regulation. I represent the electorate of Narungga in the South Australian State Parliament and have done so since March 2018.

The electorate of Narungga is heavily reliant on agriculture and is fortunate to boast some incredibly fertile land. As yields continue to improve, the land becomes more highly sought after and prices continue to climb.

A relatively recent phenomenon has been the increased inquiries by resource prospecting companies seeking exploration opportunities in the rich agricultural production areas of Narungga. According to the latest data from Grain Producers SA, mineral exploration leases now cover an estimated 90 per cent of agricultural land on Yorke Peninsula.

The most notable example of this has been the Rex Minerals operation which has spent the best part of two decades attempting to commence operation. These inquiries have caused farmers to investigate their rights under current law, and the findings resultant from those inquiries have in turn caused a great deal of unrest amongst the farming community.

With that experience in hand, and on behalf of the constituents of my electorate, I submit two points for consideration as part of the final report in the strongest possible terms.

1. In response to Draft Leading Practice 5.1, and in support of the submission by National Farmers Federation titled Prime Agricultural Land Policy:

Prime, productive agricultural land is in ever-decreasing supply thanks to several enemies, including mining operations and urban encroachment. As noted in the NFF submission, prime agricultural land has decreased by some 66 million hectares between 1992 and 2017. Concurrently, the world population is continuing to grow and, along with it, demand for the produce from our diminishing agricultural land.

Governments need to ensure we are not forsaking the infinite, environmentally friendly, economically productive produce of agriculture for the short-term cash injection from a mine. The recommendation reads that ‘... approval processes proportionate to the risks of resource development on the relevant land’ and it is my submission that resources development on prime agricultural land are already a disproportionate risk to food security, economic longevity and the regional community as we know it.

Draft leading practice 5.1 should be altered to show that our precious prime, productive agricultural land is worthy of increased protection.

2. In response to Draft Finding 5.1

The Commission is right to contend that the Crown is the rightful owner of the minerals, and one would be wrong to attempt to argue otherwise. Having said that, in a free country like Australia one should be able to enjoy the practical use of his/her freely acquired land for as long, and for whatever purpose, he/she so chooses. This should be a benefit derived merely by inhabiting a free country. To contend that allowing a landowner a say over when, how and to whom he disposes of his/her property is contradictory to the very values that our forefathers fought in wars to protect.

Allowing farmers say over the ownership of their own land would not materially affect the ownership of the minerals; it would merely reinforce the landowner's rights. The vast majority of the Australian public would be incredulous if a government official showed up at the door of a generational, profitable, metropolitan café and announced that it was to be taken over by the government in order to make way for an alternate private enterprise, say a car yard, to enable increased payroll tax receipts. The public would quite rightly insist that that business owner has the right to continue to operate their café.

Consider then a scenario in which a government official knocks on the door of a generational, profitable farming business and announces it is to be taken over by the government in order to make way for an alternate private enterprise, say a mine, to enable increased mining royalty receipts. This is a regular occurrence.

Draft finding 5.1 should be altered to reflect that individual autonomy is a pillar of Australian society and that by enshrining that we would not materially affect the ownership of the minerals nor the potential benefit derived by the community.

I conclude by acknowledging there are productivity improvements that could be made in mining legislation around our country. I wholeheartedly support any and all measures that will make doing business an easier proposition in Australia, but I humbly submit that in this case we need to be clear about where mining operations should take place.

There is now less than 5% of arable land left in South Australia.

This commission, amongst its multitude of well-founded, valuable efficiency recommendations, should recommend to the Federal Government that mining and agricultural activities occur on clearly delineated grounds.

Yours sincerely

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Member for Narunga