

16 December 2014

Agricultural Competitiveness Taskforce
Department of the Prime Minister and Cabinet
PO Box 6500
CANBERRA ACT 2600

Dear Sir/ Madam

Re: Agriculture Competitiveness Green paper

APPEA welcomes the opportunity to make comment on the Agricultural Competitiveness Green Paper (the Green Paper). The Green Paper (page 78) outlines 3 principles for coexistence between the agricultural industry and Australia's Coal Seam Gas (CSG) industry. The three principles cover access and compensation, water resources and land impacts on prime agricultural land. In addition, "Policy Idea 5" (page 21) also broadly covers these points. I would like to address each of these principles directly.

1. Access to prime agricultural land should only be allowed with the farmer's agreement and farmers must be entitled to financial compensation for access to any of their land.

The Australian Government's Multiple Land Use Framework (MLUF) (page 78 of the Green Paper) is an established position between the Commonwealth and State Government on coexistence and is strongly supported by APPEA. It is surprising that the Green Paper does not explicitly recognise this agreed framework as the preferred and consistent approach to coexistence. The MLUF states that the "*rights of all land users and the potential of all regulated land uses should be acknowledged and respected, while ensuring that regulated land is not restricted to a sole use without considering the implications or consequences for other potential land uses, and the broader benefits to all Australians.*"¹

Australia has a well-established and orderly system of access for all resources. The Crown owns the resources and it allocates permits to explore and licences to produce. This system has served us well for many years. It's important to recognise that coexistence is not about a binary choice of one industry over another. Thousands of landholders are already working with gas companies on mutually beneficial arrangements encompassing exploration and drilling on their properties.

Australia's petroleum and agricultural industries have a long history of coexistence in regional Australia. This benefits the community as a whole by facilitating investment in regional infrastructure and capability by allowing for managed development to proceed. Coexistence allows for the growth of traditional sources of production, as well as encouraging diversification. An example of this is the partnerships between the CSG industry and the agricultural industry for provision of associated water for irrigation purposes.

APPEA strongly supports policies that foster coexistence and recognise the separation of surface ownership by landholders and subsurface ownership of resources by the State. The approach of working together to establish a framework that supports ongoing development in both the agriculture and resources sectors,

¹ <http://www.scer.gov.au/workstreams/land-access/mluf/>

and of education and mutual understanding of the needs of all parties, has proven successful and will continue to be the most effective way to manage land access in Australia.

2. There must be no long-term damage significant enough to impact surface or subsurface water resources which are utilised for agriculture or local communities.

The responsible management of water and potential impacts on groundwater levels and water quality are critical. The integrity of these systems is vital and this principle must apply to all industries, not just natural gas.

The Australian natural gas industry works within a robust regulatory framework for environmental approvals and water management. All State and Territory environmental approvals require detailed assessment of the impacts of an activity on water resources and for water use. These existing assessment processes require detailed scientific, social and economic analysis of both surface and groundwater at a local and regional scale to ensure potential impacts are understood, mitigated and managed. Consideration of the impacts of an operation on a water resource is deeply imbedded into the existing environmental approval process.

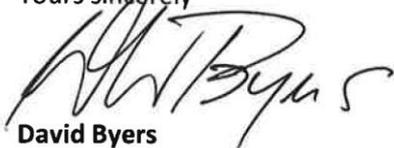
The Australian onshore gas industry is committed to managing and minimising the impacts of production on ground and surface water. Significant evidence suggests that with appropriate management and regulation, the potential for long-term damage is very low.

3. Prime agricultural land and quality water resources must not be compromised for future generations.

The onshore natural gas industry will continue to be active in communities for the benefit of future generations. Prime agricultural land is an important finite resource, although the definition of what is “prime” agricultural land is often debated. Nevertheless, the natural gas industry has a relatively small footprint on the land surface and the industry already co-exists with agriculture. In Queensland, agriculture and gas production are working side-by-side through more than 4,700 land access agreements that allow for the safe production of gas and the provision of income to farmers that is not dependent on the weather.

Natural gas from coal seams is a resource that has been sustainably produced in Australia for decades and provides one-third of eastern Australia’s gas supply. Many communities strongly support natural gas production and the contribution it makes to Australia’s energy supply along with rural communities, local, state and national economies. We believe that the goals of agricultural competitiveness and energy security are not in conflict and there is ample evidence that agriculture and the natural gas industry can and do coexist.

Yours sincerely



David Byers
Chief Executive