

# Potash can be part of State's economic diversification push

**WARREN PEARCE**

Australia is one of the most food secure countries in the world, with access to a variety of healthy and nutritious food.

Food security remains one of the top priorities for the world and as Australia exports 70 per cent of its agricultural production, we play an important part in ensuring that other countries around the world have reliable access to food.

However, as export costs soar due to the global pandemic, many countries, including Australia, are looking for ways to increase crop yields and food quality.

Fertiliser is essential to the health and growth of plants. With the decline in soil fertility and issues accessing water sources, fertiliser is now more important to the agricultural industry than ever. Farmers

use various fertilisers to grow crops, the most common potassium fertilisers are sulphate of potash (SOP) and muriate of potash (MOP).

Australia consumes over 260,000 tonnes of potash a year, all of which is imported. Including the expenses associated with imports, this is costing Australian farmers a steep \$1000 a tonne to get the fertiliser into our country and on to their crops.

Fortunately, with a number of naturally formed salt-rich lakes and arid conditions, WA is well placed to be a leading domestic market for potash production, with eight ASX-listed potash explorers already.

WA-based companies Salt Lake Potash and Kalium Lakes are set to be the first to break ground in the domestic market with their projects targeting production this year.

Following closely behind are

Australian Potash, Reward Minerals, Agrimin and Trigg Mining, all at varying stages of development.

And it's not just from land sources. BCI Minerals and Leichhardt Industrials are advancing solar salt projects planned for the Pilbara coast using salt from the ocean.

Together, the development of these projects could see another \$2 billion invested in WA, in addition to the hundreds of jobs created through construction and operation.

The life of a potash mine adds to its attractiveness for investment.

While a gold mine might only last for eight to 10 years, minerals in brine resources could last up to 100 years, making it a sustainable investment long term; not only for investors but for the State and communities.

It's estimated that operations can produce potash for around

\$250 a tonne, one-quarter of what Australian farmers are currently paying at the gate for SOP.

The WA potash industry is already projected to be worth billions, and this only continues to grow as local and global demand increases.

It is an important part of the economic diversification that WA needs, but like all new projects and new industries, there are challenges when setting up.

And as always, the front runners encounter these first, such as additional costs, delays in construction, access to specialist expertise, as well as navigating a regulatory framework that was designed for very different types of projects.

As global concerns increasingly focus on the environmental impact of human activities, the demand for cleaner mining and

production grows. Despite the large surface area of a brine lake, potash mining and production is considered clean and green, with operations in Australia using methods that are low energy and environmentally safe.

That's not even factoring the emissions saved by reducing reliance on imports.

Potash is a commodity that the community can get behind as the entire process is done right here in Australia, with everyone benefiting from localised processing.

With the right government support and investment, WA has the potential to be a leading producer of potash for domestic and international markets, creating jobs and revenue to support our State in the process.

**Warren Pearce is chief executive of the Association of Mining and Exploration Companies**