

Submission by Rockhampton Regional Council to the Australian Government's Agricultural Competitiveness White Paper

The Australian Government's Agricultural Competitiveness Green Paper was released on 20 October 2014. Among other things, the Green Paper sought submissions from stakeholders for consideration in the White Paper by 12 December 2014.

Strength of Central Queensland Agriculture

Central Queensland is one of the nation's largest agricultural producing regions.

The gross value of its agricultural production is over \$1.25 billion per annum with the high point being a massive cattle herd of 3.5 million head. The Region has the greatest beef stock density of any region in Australia, and Rockhampton is internationally recognised as the Nation's Beef Capital.

Over 5.8 per cent of Central Queensland's workforce is employed in the agricultural sector and the Region has over 51 million hectares of agricultural commodities, which is equal to that of the entire Northern Territory.

Central Queensland's own University, CQUniversity, is the highest ranked Australian university for agricultural research in the latest Commonwealth rankings. On 1 July 2014 CQU joined with Central Queensland Institute of TAFE to form Queensland's first comprehensive university.

The Region plays host to two of Australia's most respected agricultural training colleges at Emerald and Longreach.

There is a significant opportunity to expand the Region's agricultural production by developing additional capacity to turn off intensively fed cattle, chickens and pigs. Likewise, there is another significant opportunity to expand horticultural and cropping (cereal, legume and cotton) production in areas along the Fitzroy River and its tributaries.

General Thrust

Council supports the general thrust of the Green Paper to:

- Increase returns at the farm gate;
- Keep families as the corner stone of farming;
- Build the infrastructure of the 21st century;
- Create well-paying jobs in agriculture;
- Reduce unnecessary governmental regulation;
- Promote access to key export markets;
- Focus on Australia's competitive advantages;
- Support strong and vibrant regional communities; and
- Maintain access for all Australians to high-quality and affordable fresh food.

There is an urgent need for farming to be more profitable. While Council supports an expansion of Australia's agricultural productivity through the development of the three Growing Central Queensland agricultural corridors, it realises this needs to go hand in hand

with new or expanded markets for that produce. Council supports efforts to increase consumption within Australia and internationally, and to find new markets overseas.

Council also supports the better use of long-term planning for agricultural development and has been actively involved in this pursuit for many years through the Fitzroy Industry & Infrastructure Study (FIIS) (2003-07), active promotion of the Fitzroy Agricultural Corridor and creation of the Gracemere Industrial Area to cater for agricultural logistics and support services.

Growing Central Queensland

As one of the six local government stakeholders, Council strongly supports the Growing Central Queensland initiative, which is designed to capture sustainable agribusiness opportunities for individuals and communities across Central Queensland. This project is being championed by Regional Development Australia Fitzroy and Central West.

The Fitzroy Basin, which specialises in production of beef, but also has significant areas of dryland and irrigated cropping, has the potential to become a globally renowned centre for intensive animal production and horticulture.

Such development can piggyback on substantial existing natural resources and infrastructure such as processing facilities, road, rail and air networks, ports and agricultural support services.

21st Century Infrastructure

Council advocates for and strongly supports the development of the following as part of Growing Central Queensland:

- Fitzroy River Agriculture Corridor, which includes the construction of Rookwood Weir, raising of Eden Bann Weir, associated roads and power and telecommunication infrastructure;
- Dawson River Agriculture Corridor, which includes the construction of Nathan Dam, associated roads and power and telecommunication infrastructure;
- Mackenzie River Agriculture Corridor, which includes the construction of Connors Dam, associated roads and power and telecommunication infrastructure; and
- Central Queensland Agribusiness Logistics Precincts, which includes Rockhampton Airport, Gracemere Industrial Area, Port of Gladstone, Port Alma and industrial areas in Rockhampton, Emerald and Biloela.

In 1972, the Fairbairn Dam was constructed across the Nogoia River, 25km south-west of Emerald, to create Lake Maraboon and provide water for the cotton, citrus, grapes and other horticultural operations. The Nogoia River is one of the nine major tributaries of the Fitzroy River. In the intervening 42 years horticulture enabled by the Fairbairn Dam has become far more complex, with the mandarin grower 2PH being the shining example.

Opportunities provided by the Fairbairn Dam can be replicated in other parts of the Fitzroy Basin through improved water storage infrastructure. A series of weirs has been built on the Dawson River which have significantly increased agricultural production.

The agricultural corridors included in Growing Central Queensland have great potential for greater intensive animal and horticultural production. Each can play an important part in the maximisation of agricultural production from the Fitzroy Basin, and particularly expand opportunities east of Emerald.

Land Suitability and Water Studies

In 2007 the Queensland Government, Rockhampton City Council, Fitzroy and Livingstone Shire Councils, Stanwell Corporation and Rockhampton Regional Development completed FIIS, which examined the water infrastructure necessary to develop nine agricultural precincts along the Fitzroy River within 110km of Rockhampton. This study also included estimates of the cost of required roads, power and telecommunications.

Following completion of the Analysis of Industry Development Opportunities Report in 2003, the following technical studies were undertaken to ascertain the overall environmental and economic suitability of FIIS:

- Land suitability study (2006);
- Health risk assessment (2006);
- Heat stress incidence report (2006);
- Economic assessment report (2007); and
- Environmental assessment report (2007).

Despite originally commencing in 2009, the EIS for the Rookwood and Eden Bann Weirs has not been completed. Terms of reference for the EIS have been reissued on 3 September 2014 to allow the project to be assessed under the new joint Commonwealth-State assessment process.

The EIS for the Nathan Dam and Pipelines Project was released for public and government agency review from 23 April 2012 to 5 June 2012 and has then closed. The EIS is awaiting final approval by the State and Federal Governments.

The EIS for the Connors Dam and Pipelines Project has been recommended to proceed by the State and Federal Governments, subject to conditions and recommendations.

Water

FIIS included an estimation of the costs of constructing Rookwood Weir and of raising Eden Bann Weir. This work will need to be updated and the necessary approvals gained.

Both weirs have been listed in the Green Paper as being “likely to be suitable for further consideration for possible assistance to accelerate feasibility studies, cost benefit analysis or design.”

Given the work already done on both weirs, Council recommends an acceleration of the EIS process for both. As considerable preparatory work has been undertaken on the Rookwood Weir in particular, Council suggests it be elevated to the second category of water infrastructure projects in the Green Paper. In addition, Council suggests the Australian

Government invest in accelerating its front end engineering and design for the Rookwood Weir to enable it to become investment ready and for its construction to start more quickly.

Council has a 50,000 megalitre water allocation from the Fitzroy River barrage, of which it uses approximately half. While leasing the unused portion of its allocation will have some impact on the reliability of its supply, in the right circumstances Council is prepared to consider leasing part of its allocation to a potential producer to increase agricultural productivity from the Fitzroy River Agricultural Corridor. However, this allocation can only be made available within the extents of the Barrage weir pool (Fitzroy A zone).

Should it become necessary to choose between the timing of the development of the infrastructure in the agriculture corridors, then Council would support the following order of construction:

1. Construction of Rockwood Weir;
2. Raising of Eden Bann Weir;
3. Construction of Connors Dam and/or Nathan Dam.

Case for Construction of the Rookwood Weir

Its construction is the key step in developing the Fitzroy River Agricultural Corridor and the wider Growing Central Queensland project.

Council believes Rookwood Weir is likely to have one of the lowest capital costs per megalitre of water yield in Queensland and Australia.

The Fitzroy River Agricultural Corridor is in close relative proximity to Rockhampton, a sizable regional city, with:

- Large employee base;
- Higher level retail;
- Extensive health services;
- Comprehensive educational services; and
- Industrial areas for processing and support services.

The agricultural corridor is also close to the junction of north-south and east-west rail links, which include road, rail, port and airport infrastructure.

Cost of Agricultural Water

Council has considerable experience in selling water for agricultural use as it currently sells water to about 100 irrigators.

Farmers have a limited capacity to purchase water and the price which can be charged for agricultural water is considerably less than can be charged for water used for other purposes, eg municipal or industrial. From an investor's perspective, there is greater risk in funding agricultural water infrastructure as the lower price requires to longer repayment times. This often results in greater requirement for Government as opposed to commercial funding.

Roads

FIIS included an estimation of the costs of constructing an all-weather road system for properties in the nine identified agricultural precincts. In general, the road systems west of Ridgeland and north of the Capricorn Highway are limited, at the best, and just capable of getting inputs in and outputs out. These cost estimates have been updated by Council in 2013.

Power

FIIS included an estimation of providing power to properties in the nine agricultural precincts along the Fitzroy River. These cost estimates have been updated by Ergon Energy in 2013.

Telecommunications

The rollout of the NBN has provided at least satellite telecommunications coverage in the nine precincts identified as part of FIIS and in the areas in front of the Nathan and Connors Dams.

The mobile phone network in all areas away from the Bruce and Capricorn Highways is poor and in need of upgrade.

Port of Gladstone

The Port of Gladstone is Queensland's largest bulk commodity port.

However, it lacks the capacity to import and export containers, and most containers of Central Queensland agricultural produce are mainly exported through the Port of Brisbane at considerable cost to growers and processors, and to the detriment of Central Queensland.

Council supports Central Queensland having its own shipping terminal which can handle containers, particularly for produce coming from the three Growing Central Queensland agricultural precincts. Currently, southern and Central Queensland and northern New South Wales have an unhealthy dependence on the Port of Brisbane.

In the short term it may be a challenge to entice sufficient freighters to use a Central Queensland freight terminal, but that will be corrected over time, as demand and volumes increase to viable levels.

Port Alma

Port Alma, which is also administered by the Gladstone Ports Corporation, is an alternative port which could handle produce from the three Central Queensland agricultural precincts and be used by the Central Queensland agricultural logistics precincts.

Central Queensland Agribusiness Logistics Precincts

A number of logistics precincts have been developed throughout Central Queensland to support the Region's substantial agricultural production.

The Port of Gladstone and Port Alma are two such precincts, but Rockhampton Airport, Gracemere Industrial Area and the industrial areas in Rockhampton, Emerald and Biloela are others.

Rockhampton Airport can handle the largest air freighters presently in use and can become a hub to handle agricultural produce bound for Asia quickly and cost-effectively. Land is being set aside for use as transport depots from which produce from the Growing Central Queensland agricultural precincts can be aggregated and exported to Asia.

Gracemere Industrial Area (GIA) has grown into a specialist logistics node, servicing the Region's agricultural and mining sectors. Significant areas of industrial land are available for large and small agricultural processing and service industries. Significantly, the GIA has direct access for freight efficient vehicles up to Type 1 road trains.

A study undertaken in 2012 by AEC Group identified Gracemere as being the most desirable location for a logistics hub in coastal Central Queensland.

Other industrial areas in Rockhampton, Emerald and Biloela provide other logistical services for the Region's agricultural businesses.

Rockhampton Regional Council has developed a series of Growth Incentives to simulate development. These reduce the infrastructure charges for industrial and commercial buildings by 50 per cent for applications which are lodged by 31 December 2015 and which are completed with three years of approval.

Leveraging Existing Infrastructure and Investment

Significant investments have been made in improving the flood immunity of access into Rockhampton through completion of the Yeppen North Bruce Highway Upgrade Project and Yeppen South Bruce Highway Upgrade Project, which is expected to be finished by the end of 2015.

While not yet committed, planning is well advanced for the Rockhampton Ring Road that will link key residential and industrial growth areas in Parkhurst and Gracemere.

Completion of the Gracemere Overpass and Council's \$6 million plus investment in infrastructure to service the GIA are all steps towards providing the necessary infrastructure to support significant growth in the Rockhampton Region.

The \$160 million redevelopment of the Rockhampton Base Hospital, which will include the Central Queensland Regional Integrated Cancer Service, is another key addition to the Region's infrastructure.

Central Queensland Agribusinesses

Central Queensland, and in particular Rockhampton and Gracemere, have a sophisticated web of businesses providing a wide range of services to the region's agricultural producers and processors.

Council supports the continued growth of this sector so that Central Queensland can become increasingly independent with most agricultural service providers carrying on business within the Region.

Intermodal Transport Exchanges

There is an opportunity to establish intermodal exchanges in Rockhampton and Emerald to change goods in Central Queensland from one transport mode to another. Expected growth in the agricultural and mining sectors make this a growing need.

Regional Universities

Council suggests regional universities are ideally placed to undertake research and development into regional issues. From a research perspective, this is why Federal and State Governments have created them.

By way of example, CQUniversity has campuses in Rockhampton, Mackay, Bundaberg, Gladstone and Emerald, each of which is well positioned to research issues arising from and impacting on Growing Central Queensland.

Streamlining the Application Process

As one of Queensland larger local authorities, Council has appointed case managers to shepherd important development applications through its approvals process.

Council supports the use of case managers to assist developers of key agricultural projects to successfully navigate complex development approvals process.

Council also supports the creation of one-stop shops for environmental approvals.

Seasonal Worker Program

Council supports an expansion of the Seasonal Worker Program to include all agricultural industries.

A great deal of the labour in rural Australia is provided by backpackers, and this needs to be supplemented by seasonal workers who come from Australia's Pacific neighbours. Such an addition would provide additional prosperity for those Pacific nations.

Council also considers seasonal workers should bare the cost of travel to and from places of employment.

National Agricultural Tertiary Centres of Excellence

Council supports the creation of these centres of excellence and suggests one should be located at one of the Rockhampton campuses of CQUniversity.

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