

**Submission by Burdekin Shire Council
Vision for Developing Northern Australia**

I submit the following information regarding the future agricultural potential of Northern Australia, and in particular, the Burdekin region in North Queensland.

The Burdekin is increasingly known as one of the most productive agricultural districts in Australia. When other parts of Queensland and Australia are hurt by droughts, the Burdekin remains resilient and prosperous.

The Burdekin Shire Council regards this abundant, year-round supply of good quality water as the region's number one asset. It is an asset which underpins the confidence local farmers, business people, residents and investors have in our community. The district's rich supply of irrigation water combines with about 300 days of sunshine a year and fertile, well-drained soils. As an indicator of the potency of this combination, the Burdekin is consistently the most productive sugar cane growing area in Australia and amongst the most productive in the world.

The Burdekin also boasts strong fruit, vegetable, beef and aquaculture industries. The diversification of industry in the region is growing and underpinning our future economic security. Our farmers are proactive in embracing complementary crops and new technology to enhance the health of their soil and crops and lessen their impact on the environment.

As I am sure you are aware, the Burdekin region is home to the mighty Burdekin Dam. The Burdekin Falls Dam was constructed in 1987 and is one of the largest dams in Queensland. It has a surface area of 22,400 hectares, ponds water 50 kilometres up the Burdekin River, and holds 1,860 000 mega-litres of water at full capacity.

According to SunWater, Burdekin Falls Dam currently has an unallocated yield of 100,000ML.

The design of the Burdekin Dam has also allowed for future increases in storage capacity and for possible future hydro-electric generation. The available yield at Burdekin Falls can be dramatically increased by implementation of Stage 2 of the Dam.

Burdekin Shire Council has lobbied both levels of Government for many years regarding the need for Stage 2 to proceed. I seek the support of the Federal and Qld Government for the implementation of Stage 2 of the Dam, which is an crucial component in reaching the vision for developing northern Australia.

In addition, the water stored as part of Stage 2 could be utilised by significant portion of the North Queensland mining sector and other industries. The mining sector creates employment opportunities and substantial flow-on economic benefits for our region, Queensland and Australia.

As a Shire, we are well aware of the potential to value-add and diversify our existing thriving industries of sugar cane and small crops.

As a Council and community, we actively pursue every opportunity for our Shire. Stage 2 of the Burdekin Dam is high on our list of priorities.

The Burdekin Shire Council is also currently supporting a project that will deliver water for irrigation purposes to horticulture and agriculture land south of Home Hill.

The proposed area for water delivery covers an area of approximately 12 500 ha between Mt Inkerman, 12 km south of Home Hill, and Gumlu (Molongle Creek). The Bruce Highway traverses centrally through the area. The area currently utilises dry land farming techniques with some irrigation water collected into surface storage tanks on individual properties. RDA funding was sought to construct water delivery infrastructure comprising channels, pipelines, surface water storages, pumps, all for delivery of water to on-farm storages.

The Burdekin Irrigation area (43 000 hectares) is a strong economic area in north Queensland based on sugar cane production on irrigated land. The area contains four large sugar mills which add value to cane production, significant employment and exports.

The Burdekin region has a history of sustained economic growth since the construction of the Burdekin Falls Dam in 1984. The Burdekin Dam enabled the establishment of the Burdekin-Haughton Water Supply irrigation area. The Burdekin-Haughton Water Supply Irrigation area is a significant contributor to the regional economy of north Queensland, particularly the area of Ayr and Home Hill. The annual economic agricultural production of the area is \$ 500 million per annum.

Trials of rice, cassava and cotton crop is creating an upsurge in interest and demand for irrigated land.

The project area contains approximately 12 500 hectares suitable for irrigated agriculture and horticulture. By proportion, the economic value of the project area is considered to be in the order of \$ 145 million per annum to the local economy

The State Government planned to construct a major channel, (Elliot Channel), to deliver water to the horticultural areas south to Bowen. This channel, except for a short section was not constructed due to low demand for water and high construction cost making it uneconomical.

In 2006, the State Government prepared a revised Elliot Channel design, primarily to supply industrial water to a proposed aluminium project at Abbott Point north of Bowen. Growers along the channel were invited to contribute to the project at a water cost of \$ 400 per megalitre. Growers rejected the offer, claiming that the water charge was excessive. The revised channel proposal lapsed due to the withdrawal of the foreign company from the Chalco Aluminium Refinery project. The unsuccessful effort of State Governments over a period of 20-25 years to achieve an economic solution to the Elliot Channel has left the local growers frustrated and, within the foreseeable future, still without an adequate water supply south of Mt Inkerman. If the State Government is serious about doubling Queensland's agricultural production by 2040 and the Federal Government is committed to developing Northern Australia, this is one project that would contribute to ensure this target is attained.

Australia is home to one of the most concentrated supermarket sectors in the world, and the practices of the 'big two' supermarkets have far-reaching consequences on food production. A primary concern is lack of competition, which reduces incentives to keep prices low for consumers. Furthermore, these supermarkets have also been charged with wielding substantial buyer power, resulting in lower prices paid to producers.

Burdekin beef, horticultural and agricultural growers have expressed their strong discontentment with the dominance of the two large supermarket giants over the Australian market and their aggressive pricing and market control over fresh produce. This duopoly is not sustainable and is damaging Australia's food production industries.

Their market power is immense, and is unprecedented anywhere else in the world that 70 per cent of the grocery market is controlled by just two chains. It is estimated Coles and Woolworths control about 70 per cent of the packaged grocery sales and 50 per cent of fresh produce sales, such as meat, fruit and vegetables. It's time that this was on the national agenda, as our primary producers can't wait any longer for action. Burdekin growers are calling on immediate action to introduce new legislation to cut this share from 70 to 20 per cent.

Hundreds of thousands of tonnes of fruits and vegetables go to waste each year as growers are forced to leave their produce in fields when it becomes no longer financially viable to send to market because of the duopoly of the two main supermarket giants. Supermarket giants are demanding additional payments, impose penalties that are not part of contracts, fail to pay the agreed price and discriminate in favour of cheaper imports. In addition, they are charging our growers an extra 3 per cent to cover marketing costs when products go on sale.

Before considering doubling Queensland's agricultural production, urgent action is required to regulate our current market and current practices to ensure the survival of our primary producers and provide sustainable economic growth.

The federal government has been helping the supermarkets and the suppliers create a new industry code of conduct to improve these relationships. The suppliers hope this new code will be mandated and enforceable by the competition watchdog, unlike existing codes. Furthermore, our suppliers require assistance in securing new current markets and access to new export markets such as India and China, or other near neighbour markets in Asia.

Agriculture and food now account for nearly 40% of goods transported on our roads, due in part to centralised distribution systems located mainly in our capital cities. It is vital that unnecessary transport be eliminated and a wholesale distribution centre be established in North Queensland. Reducing food miles can decrease the risk of deterioration of produce during transport and also have a dramatic effect on reducing carbon dioxide emissions.

Given the significant scale of agricultural production and the enormous potential for future growth in the Burdekin Shire, I invite the Minister for Agriculture, the Hon. Barnaby Joyce MP to personally meet with Burdekin growers to listen to their concerns and gain a first-hand appreciation of the challenges facing our primary producers.

Thank you for your time in considering this information and the Burdekin Shire looks forward to working with the Federal Government to build a resilient, innovative, efficient, profitable and productive agricultural sector.