

**To:** [Committee, JSCNA \(REPS\)](#)  
**Subject:** A submission  
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Thank you for including me on the mailing list for the forthcoming inquiry. I have written a few things over the years on the topic of northern agricultural development and attach a couple of pieces for consideration by staff and the committee. Another paper written with Eve Merton of La Trobe University is being sent directly by her. The first paper is a rambling exercise which formed the basis of the paper with Eve. You can readily identify the most relevant sections. The second paper was for a meeting in Melbourne organised by Ray Evans, a well known economic and political commentator. To be honest, I would have to admit that the smallish audience assembled by Ray was bemused by my piece, which I nevertheless think represents the mainstream views of professionals who take these questions seriously.

In essence, there are three points.

Modern technology would allow landholders in northern Australia to engage in minor irrigation works and groundwater extraction for irrigated agricultural production if they chose to do so, following their own economic evaluations. Large irrigation works in the style of the ill-fated irrigation adventures of southern Australia are no longer warranted, even if satisfactory dam sites were available. Government does not need to do much other than provide basic information on agronomy and market prospects. Indeed, the experience of the northern valleys of New South Wales and parts of Queensland demonstrates that landholders respond to incentives, when present. Their inaction in the north tells up something, or should. The rapid development of the cattle industry and mangoes, for example, shows that northern producers respond to economic incentives.

With respect to agronomy, the eternal issues are length of the growing season and soil quality, in both its physical and chemical dimensions. Climate variability is key.

The seminal work of Davidson in fact demonstrated that some crops could be grown despite soil and climatic handicaps. The salient limiting economic issues were market prospects, labour and transport costs. Not much has changed. While economic growth in Asia has proceeded apace, it does not follow that this fortuitous circumstance is any more favourable to the north of Australia than agriculture in the south. A much more subtle approach is required, recognising inter alia that agriculture in Asia will adapt to changes in demand and local production costs, as incomes rise.

Best wishes for the inquiry,

Alistair Watson