

A submission to the:

# **Inquiry into Infrastructure and the Development of Australia's Regional Areas.**

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Presented by the **Mareeba District Chamber of Commerce Inc.**

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The Mareeba Dimbulah Irrigation Area covers a large parcel of land stretching from Davies Creek in the east to Eureka Ck in the west, and starts at Tinaroo Dam in the south and extends to Biboohra in the north. The land contains many different soil types, but all are capable of supporting crops if they have sufficient water.

At the moment, according to the Department of Natural Resources Minister the Hon. Rod Welford, there currently exists a water allocation of 154,000 megalitres in the MDIA. This water is all allocated to farmers who are either using it now or expanding their farms so as to use it all over the next two years. Some farmers do hold allocation of more water than they are currently using, however due to the expansion of sugar cane and the introduction of permanent water trading in July of this year, we will see all of the allocation from Tinaroo Dam used up with no excess left at all.

We intend to show that there are a number of industries that would like to expand over the next three to five years but cannot due to the lack of water available in the MDIA. We will look at Sugar, Tea tee and bananas.

The Sugar industry.

The sugar industry has been operating on the Tablelands for over eight years now, but the largest expansion was made possible by Bundaberg Sugar building a new sugar mill at a central location to the main sugar growers on the Tableland. When this mill was built they were promised an increase in water infrastructure equivalent to 53,000 megalitres, but to date they have only received 20,000 megalitres, which was "found" in the existing water structures.

Having spoken to the Mill Manager, he has stated that they would like to expand their capabilities of sugar growing and crushing. At present there are some 4,100 hectares being grown with an average production of 110 tonnes per hectare. At this time we are producing

470,000 tonnes of cane, and the farmers have assignments already existing to push this up to 700,000 tonnes of cane within two years. They are currently using about 35,000 megalitres per year and this will grow to 50,000 megalitres when they are growing the 700,000 tonnes. According to the DNR this is the limit of growth as there is no more water allocation after that. Bundaberg Sugar is talking of an expansion to one point two million tonnes of sugar, but they cannot get the water to do this. The mill is brand new and is designed in a modular way so that mill expansion is very easy and done as needed. The sugar growers are not holding any insurance water; they need the allocation they have to allow for their expansion over the next two years. Also they asked if I would mention that in a wet year the farmers will not use their allocation, however in a dry year they will probably need even more than what they have been allocated.

The tea tree industry.

This is a fast growing industry, which has gone ahead in leaps and bounds. We have one particular company that has bought land and wants even more land so that they can supply tea tree to the world markets. This company already has most of the land they need; they just need water to develop their land. Tea Tree uses between 11 and 13 megalitres of water per hectare. This company needs 3250 megalitres until June 2000, another 3300 megalitres until June 2001 and then an extra 1600 megalitres each year until June 2005. This means that this one company needs almost 13,000 megalitres in water just for their growth. They have stated that if they cannot get this water then they cannot expand. If they cannot expand they will not buy fertiliser, they will not hire more staff, they will not buy tractors and equipment, they will not buy diesel and oil, they will not be able to help regional Australia grow and become prosperous. This is just one company, there is also a cooperative that exists and they too are trying to expand. Unfortunately most of these farmers who are changing are from the tobacco industry and they used less water in Tobacco, only 6.5 megalitres per hectare compared to 13 for the tea tree. So now they need more water allocation than they used to have.

Banana's.

This is a new crop that has started to develop quickly and they are a very profitable group as well. The banana growers require a minimum of 10 megalitres per hectare to grow the crop. The existing growers have found that the banana's grow extremely well up here and are looking at expanding to at least 400 hectares of banana's so that they can build their own packing shed. The existing growers have been told on numerous occasions by DNR that they have not got any more water to sell to them at this stage. The banana industry is a large employer of people to work during the year and also has a high seasonal input during the harvesting and packing period.

From these three examples we have tried to highlight the deficiency in water which is impeding progress in this area. The potential from development should be quite obvious as each industry expands the entire community will benefit by jobs, stability, hopefully a smaller number of young people will need to leave the area and less unemployment. By building more infrastructure, especially Nullinga Dam, we will notice a large amount of employment during the construction phase and afterwards the farmers and service industries will all be able to expand, which will mean the town will grow with more people and this will benefit all businesses in the area from real estate agents to grocery shops to the local service station.

We know that the State Government has the role to supply this type of infrastructure, but we feel that since the Federal Government will benefit so much that they should come up with a large proportion of the money so that the infrastructure can be started now so that it will be ready when the farmers need it. The Federal Government will benefit from the taxes collected from the people, the farmers and all others that are employed as an indirect result of this happening.

Another benefit, which is not always as obvious, is that the storage facility can be used by tourists for numerous activities and can assist the local economy by creating more tourist oriented jobs. Tinaroo Dam for instance is known nationally as the only place that you can catch barramundi year round and take fish larger than the legal size because of the conditions in the lake. Also a dam on the Walsh would help to alleviate the environmental problem that is currently being talked about, and that is the fact that water from one basin is effectively being moved into a different catchment area.

Something to consider is this, if these industries cannot grow and expand due to the lack of water in the MDIA; here are a few things to think about. Every time these farmers expand they hire more people, this means more income tax, less unemployment, they buy more equipment, this means more jobs in the service industries, they buy fertiliser and chemicals, more jobs in these industries, and also more profit for the companies, so more tax to the Federal Government, so from this you can see that when ever water infrastructure is increased it benefits the entire community and also helps to put Australia back on its feet through all the indirect benefits pointed out.

## **Summary:**

### **Sugar:**

- Uses about 8 megalitres per hectare to grow 110 tonnes of cane
- Currently has 4100 hectares under cane and uses about 35,000 megalitres
- Has already issued cane assignment up to 6400 hectares in 2001, using just over 50,000 megalitres per year
- Wants to increase the mill output to at least 1,200,000 tonnes by 2005, to do this they need water
- No sugar growers have “insurance water”, everything they have will be needed by 2001
- Currently if they have a wet year they do not use all their water, however if it is a dry year they will probably need more than they currently have.

### **Tea Tree.**

- Uses between 11 and 13 megalitres per hectare
- Is undergoing huge increases in supply, and also in production
- Just one company will need just over 13,000 megalitres by 2005
- Growers are expanding at a fast rate and the new growers use more water now than the old crops, such as tobacco.

### **Banana's.**

- Needs a minimum of 10 megalitres per hectare
- Growers need to expand to at least 400 hectares to warrant a packing shed
- The existing growers cannot obtain enough water to fully plant their existing farms

Common points to all industries:

- All will employ more people if they can expand
- All need more water now or within five years if they are to expand and remain viable
- All will have a positive flow on effect to the larger community
- More people working means less unemployed, more tax and more spending
- More water will attract more industry and farms.

Benefits:

- High employment during construction
- Use of local goods will benefit local industry
- Once built, it is there forever
- Can have multiple uses, storage, tourism, fishing, environmental benefits
- Will stop the current situation where water is taken from the Barron system and fed into the Walsh system.
- Once built the Nullinga Dam can help keep environmental flows in the Walsh.
- When the water from Tinaroo must be used to maintain environmental flows in the Barron River, Nullinga will be needed to help make up the shortfall to the MDIA allocation.
- With water and access our other horticultural growers can also expand and target export markets to help the nation.
- A large amount of our crops can be exported if they can expand.