



Dr Bill Pender  
Inquiry Secretary  
Joint Select Committee on Northern Australia  
PO Box 6021  
Parliament House  
Canberra ACT 2600  
by email: [jscna@aph.gov.au](mailto:jscna@aph.gov.au)

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Dear Dr Pender

Cotton Australia welcomes the opportunity to comment on the Joint Committee's inquiry into the development of Northern Australia.

Cotton Australia is the key representative body for Australia's cotton growing industry. The cotton industry is a small but integral part of the Australian economy, worth over \$2.5 billion in export earnings and employing 8 000 people.

Approximately 40% of Australia's cotton production occurs in Queensland, contributing \$1 billion to the economy. Cotton is grown in Queensland's central highlands area around Emerald and in the Mackenzie, Dawson and Callide catchments around Theodore and Biloela. More recently there has been long term research and pre-commercial trials in the Burdekin and Richmond areas.

A major research program was conducted in the Ord River in Western Australia between 1999–2012 and there have been intermittent commercial production areas in years of high cotton prices (most recently 2012).

Historically growing cotton in northern Australia during summer was complicated by heavy rains during the monsoon period. The crop can be susceptible to damage from extended wet periods, which can cause shallow root systems, making it sensitive to moisture stress later in the season. An extended wet period can also impede the application and effectiveness of herbicides and fertilizers. High levels of cloud cover associated with the monsoonal period can also reduce crop yield. Insect pests have traditionally been a major challenge to cotton production during the wet season.

However, extensive research has been done on expanding cotton growing to Northern Australia utilising a dry season production and harvest model. The former Cotton Catchments Communities Cooperative Research Centre (Cotton CRC) identified opportunities in the Flinders River catchment in Queensland and the Ord River in Western Australia. This major research program covers nutrition management, drainage, variety development, crop physiology, refuge crops and pest management for these areas ([www.cottoncrc.org.au](http://www.cottoncrc.org.au)).

While these opportunities exist, the primary barrier to the development of Northern Australia remains infrastructure isolation and the lack of access to roads, transport and

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electricity. Of particular concern to cotton growers is reasonable access to cotton gins. There are currently 34 cotton gins across Australia, but only two in the northern region (located in Emerald and Moura).

A cotton gin (processing factory) is a significant fixed infrastructure capital expense requiring additional road and electricity upgrades. As lint is approximately 40% of the harvested seed cotton (pre-processed) road transport over long distances to a gin site is inefficient and uneconomical. However, in order to justify the building of regional gin, there needs to be sufficient cotton grown in a region, but many interested growers will not invest in cotton production until a local gin is built. Currently, growers in the Burdekin region are required to transport cotton 640km to Emerald in order to have it ginned which has proved a major barrier to cotton production in the Burdekin.

Lack of access to reliable energy sources in Northern Australia dampens investment. Yet supplying grid electricity to regional and remote towns can be inefficient and expensive. These regions can be readily supplied with renewable energy, particularly solar and wind which while having large land-mass footprints, have little impact on the productive capacity of farms.

Ultimately, north Australian farm owners will make decisions on the optimal productive and profitable use of their property. However, we consider more could be done to encourage development, particularly cotton production, in Northern Australia and ask the Joint Committee to consider including the following recommendations in its report:

1. There should not be any regulatory impediments to including cotton in the Northern Australia crop mix, such as there were in the past. Over 98% of Australian cotton is grown using OGTR and APVMA approved and licenced genetically modified crops. The use of these crops has reduced pesticide use by around 95% over that last 15 years.
2. Government should consider opportunities (including research and development) to encourage agricultural expansion in areas across northern Australia. We note the CSIRO's recent report suggests significant potential for irrigated cropping in the Flinders and Gilbert River regions.
3. Government should prepare demand and transmission line modelling of the Northern Australia regional network that considers options for investing in renewables, rather than grid supplied electricity.

Yours sincerely

Leah Ross  
Policy officer

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