



Our Ref:#6004491

21 February 2019

Hon Josh Frydenberg MP
Treasurer
PO Box 6022
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Treasurer

Far North Queensland Regional Organisation of Councils Pre Budget Submission – Gilbert River Irrigation Project

The Far North Queensland Regional Organisation of Councils (FNQROC) was established in the 1980's and represents 13 member councils from Hinchinbrook, north to Cook and west to Carpentaria in far north Queensland. The FNQROC region is the largest and fastest growing region in Northern Australia. It extends over 320,000 square kilometres with a population of approximately 275,000 and a gross regional product (GRP) of \$15.15 billion. Unemployment for the 2018 June quarter was 6.97% which is above the Australian, Queensland and regional Queensland average.

The communities within our region welcome the opportunity to contribute further grow the GRP through the utilisation of existing assets, identifying our gaps and working collaboratively to support sustainable economic growth and develop Far North Queensland.

The 13 councils of this region all support the Gilbert River Irrigation Project which will provide significant economic growth through expansion of agricultural production in Etheridge Shire. The Irrigation project will facilitate the development of greater than 28,564ha of arable land. This is on top of 20,235ha currently under dryland cropping in the Gilbert River catchment.

The State government has awarded an allocation of 390,000 mega litres of water to the development of the project subject to development approvals.

FNQROC seeks a commitment from the Federal Government for \$150 million towards a total estimated capital cost of \$450 million subject to:

- Completion of the detailed business case currently being undertaken;
- \$150 million in State grant or loan funding which is repaid through returns from water sales;
- A successful loan application of \$150 million to the Northern Australia Infrastructure Fund (NAIF) by the Gilbert River Irrigation beneficial enterprise/cooperative.

Extensive research has been undertaken into the development of irrigated agriculture in the Gilbert River Catchment. This includes the 2013 CSIRO Report; Agricultural Resources Assessment for Gilbert Catchment (*Petheram et al. (2013)*), which provides a wealth of technical support.

The benefits include (but not limited to) of the project include:

- Predicted gross benefits from agricultural production in the region of \$540 million.
- Total agribusiness development to create upwards of 500 permanent jobs and many more casual and seasonal jobs;
- Transport and logistical activity will spread benefits across the region and State.
- Project will encourage Indigenous people to return to country and be an integral part of the opportunities on offer.
- The advent of irrigated crop production in the region will establish irrigated forage/fodder production and a substantial local supply of cost-efficient cottonseed for the cattle industry.

Should you wish to discuss any aspect of this submission please do not hesitate to contact me or Cr Warren Devlin, Mayor Etheridge Shire Council.

Yours sincerely



Cr Tom Gilmore
CHAIR
Far North Queensland Regional Organisation of Councils

Copy to:

Hon Michael McCormack MP
Deputy Prime Minister
Minister for Infrastructure, Transport and Regional Development

Hon David Littleproud MP
Minister for Agriculture and Water Resources

Senator the Hon Matthew Canavan
Minister for Resources and Northern Australia