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THE FAR NORTH TROPICAL COAST

Situation

■ *Report* ■

2002

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1. INTRODUCTION

1.1 General

We were asked by the Queensland Department of Primary Industries to carry out research in relation to the area commonly referred to as the Far North Queensland Tropical Coast comprising Hinchinbrook Shire, Cardwell Shire, Johnstone Shire, City of Cairns and Douglas Shire and prepare a report setting out :-

- a) Developmental trends and needs.
- b) The range of Federal & State Government development support programs being delivered in this area.
- c) The existing and possible role of Queensland Department of Primary Industries support programs.

1.2 Methodology

Apart from carrying out a statistical analysis of economic fundamentals, recent trends and prospects, a survey was carried out of key agencies and personnel in the area to gather information on views about major issues, the role of various organisations involved in development support programs in the area and the role of the DPI.

Appendix 1 sets out letters written and questionnaire/interview tracks used in this process.

Appendix 2 sets out persons interviewed.

In practice, most of the information gathered was through telephone interviews undertaken by Jennifer Brownie of our office.

Apart from community leaders and organisations, in this survey we also contacted and received the input from key officers of the Department itself.

1.3 Confidentiality

An undertaking was given that views expressed by individuals would be confidential. While the following will report the matters raised, we have sought to report them in a way that the views of individuals cannot be recognised.

1.4 Scope & Approach

Resources available for the project were limited and the report is not designed to be an absolutely comprehensive overview of the area and the issues it is facing.

Nor is it designed to be a simple market research type report that simply reports the range of views held and how many held that view.

Our aim has been to synthesise the input from the information and views expressed with other research, information and analysis.

In this, it builds on our long-term contact with and successive examination of economic structure, trends and developmental aspirations in the area in question over many years.

In particular, it builds on recent work we have carried out on the Value of Base Industries in the Cardwell and Johnstone Shires, our contribution to the Innisfail Surrounds project, some private client work on the demographics and economies of the Hinchinbrook, Cardwell and Johnstone Shires' areas, our preparation of FNQ Employment's 5-Year Strategic Plan and an examination of projected freight transport infrastructure needs in Far North Queensland carried out for the Department of Transport.

1.5 Emphasis

The emphasis of this review tends to be on those aspects of the economy of the area and communities of particular interest to the Department of Primary Industries.

The area in question effectively has two types of economy :-

- a) Those of the essentially rural shires of Hinchinbrook, Cardwell, Johnstone and Douglas and the southern (Gordonvale/Babinda) area of Cairns City that tend to produce for export outside of the region.
- b) That of the regional City of Cairns which is heavily oriented to providing services to :-
 - the wider Far North Queensland region from Cardwell out to the Gulf and up to the Torres Straits, and
 - an even wider region including other areas of northern Australia and the nearby Asia/Pacific areas in Eastern Indonesia, Papua New Guinea and the Pacific.

The primary focus of this report is on the economy of the rural shires rather than on Cairns' regional servicing role.

1.6 Timing

Most of the fieldwork and data collection was completed in mid-2002 with writing and editing following in the second half of the year.

2. THE FAR NORTH TROPICAL COAST

2.1 Geographical Background – A Very Special Part of Australia

In the flattest and driest of the continents, the Far North Queensland Tropical Coast is a very special area. It is an area of sharp relief and heavy, reliable rainfall.

From Ingham north, the coastline straightens up to a generally north south direction. Mountain ranges up to 1600 meters high rise up behind the coast and the Great Barrier Reef swings close in-shore to become easily accessible.

This is the highest rainfall area of Australia. While most of the rain falls during the annual wet season (December to April), the angle of the coast to the prevailing south east trade winds in the winter and early summer months and the mountains behind the coast result in sufficient rainfall during this period to sustain year round plant growth.

Apart from higher altitude margins in the mountains and ranges to the west, the whole area experiences warm frost-free conditions year round.

Thus, the whole area has a very high “plant growth potential”, probably the highest in Australia, with year round growth being affected only by some flooding and spells of overcast skies in the wet season period, and some heat stress in the early summer (September to December) period.

There is ample water available for irrigation if needed. Water problems in the area tend to be the reverse with drainage of waterlogged soils being needed in some parts.

Adding to plant growth potential, much of the soils in the Innisfail area and south of Cairns are of rich volcanic origin and there are excellent alluvial soils along the riverbanks of the major rivers – the Daintree, Mossman, Barron, Mulgrave, Russell, North & South Johnstone, Tully, Murray and Herbert. Some areas of poorer structure soils exist, especially in the Herbert and Murray River Valleys and around El Arish.

A negative for some plant production in the area is risk of occasional cyclones.

There are no major mineral deposits of major economic significance in the area.

Coastal ranges separate the coastal beaches from the coastal river valleys from the Gordonvale/Babinda area south to Mourilyan (with exception of the breaks for the mouths of the Mulgrave/Russell and Johnstone Rivers) making the beaches more difficult to access for tourism/recreation purposes along this stretch of coast.

Sandbars at the mouths of the major rivers provide a limitation for their development as ports and a rock bar in the narrow entry to Mourilyan Harbour, along with the limited extent of the anchorage, initially limited Mourilyan’s development as a seaport. Dickson’s Inlet at Port Douglas was never a good port site. Major port development occurred at Cairns on Trinity Inlet. While Hinchinbrook Channel (Cardwell) offered a good port site, other factors mitigated against its development.

2.2 Historical Development to the 1960's

Like the rest of northern Australia, the area was late being settled by Europeans. Rapid pastoral expansion in the hinterland after Queensland became a separate State in 1859, reinforced by gold discoveries, led to the establishment of Rockingham Bay, Cardwell, in 1865, as an access port – a port that never prospered due to the difficulties of interior access, the fact that no major mineral discovery occurred in its immediate hinterland and relatively poor soils in the immediately surrounding coastal area.

From a base in Cardwell, the explorer, Dalrymple, noted the similarities of the coastal areas further north to Ceylon and their potential for tropical cropping.

Apart from the settlement at Cardwell, modern economic development on the Far North Tropical Coast commenced with beche-de-mer fishing on the reef and cedar cutting (both transitory). This was followed by development of sugar plantations, commencing on the Herbert in the 1860's and further north in the 1870's.

Cardwell, Mourilyan, Cairns & Port Douglas vied as a port outlet for the region's hinterland mining centres in the 1870's, but easier access through the ranges and a better port site at Trinity Inlet led to the decision to build the interior railway line from Cairns leading to that centre rather than others developing as the region's major port and regional city.

Development of a banana industry in the late 1800's using coastal shipment to southern centres was transitory along with early tea and coffee production which unlike sugar were not granted import embargo protection after Federation.

The area's development during the 1900's up until the 1950's was especially based on sugarcane growing surrounding the mills of Mossman, Gordonvale, Babinda, Goondi, Mourilyan, South Johnstone, Tully and Victoria/Macnade at Ingham, with some production of timber based on the area's rainforests. Residual areas were given over to low value per hectare beef production.

The region's outstanding natural attractions of reef and rainforest had not gone unnoticed. By the 1950's, small numbers of visitors were reaching the area by train ("The Sunshine Express") and by Adelaide Steamships' vessels ("Manunda", "Manoora" & "Kanimbla") arriving at Cairns from the south during the winter months. This formed the basis for a nascent tourist industry based on trips to Green I, the Kuranda Rail and the "White Car" trips to the Tablelands.

Population in the area in 1958 was estimated as follows.

	No.	%
Hinchinbrook Shire	12,100	16.4%
Cardwell Shire	5,380	7.3%
Johnstone Shire	16,060	21.7%
Mulgrave Shire	13,800	18.7%
Cairns City	23,400	31.6%
Douglas Shire	3,220	4.4%
TOTAL	73,900	100.0%

Source : Queensland Year Book 1959 – No. 20

By 1960, Cairns had established itself very clearly as the regional servicing city with links up and down the coast and to hinterland centres :-

- = Rail linkage to Brisbane was completed in the 1920's.
- = The Gillies Highway to Yungaburra and Cook Highway to Mossman were completed in the 1930's.
- = The Kuranda Range Road was built in the 1940's.

Other coastal centre links to the west – the Rex Range Road to Jullaten, the Palmerston ex Innisfail, Kennedy Range Road ex Cardwell/Kennedy and the Mt Fox Road ex Ingham gave relatively poor winding access.

Cairns Airport had been developed in the mid-1930's and by the 1950's was providing air access to the Peninsula, Papua New Guinea and to the south.

Hydro electricity schemes had been developed on the Barron and subsequently on the Tully.

However, at the time, Cairns was very much a poor cousin in the line up of Queensland's regional cities.

TABLE #2 – ESTIMATED POPULATION Q'LD REGIONAL CITIES 1958

	<u>No.</u>
Toowoomba	46,600
Bundaberg	22,200
Maryborough	18,900
Rockhampton	43,400
Mackay	15,100
Townsville	43,800
Cairns	23,400

Source : Queensland Year Book 1959 – No. 20

Thus in the late 50's, the regional servicing city structure of Queensland was comprised of three first line cities over 40,000 (Toowoomba, Rockhampton and Townsville) and a series of second line cities around the 15 – 25,000 range (Bundaberg, Maryborough, Mackay and Cairns).

2.3 Development from the 1960's to the 1990's

A drive up the Far North Queensland Tropical Coast around 1960 would have led to the correct conclusion that "sugar was king" with a value of production of about 30 million pounds Australian (including the milling sector). This was supplemented by a small amount of fruit and pastoral production, forestry worth of the order of 3 – 4 million pounds, a little tourism (unmeasured) and fishing.

However, for much of the north, the 1960's would prove something of a watershed.

While "sugar was king", and had the advantage of a protected home market, it was facing a stiff competitive situation on world markets from low wage cost tropical countries.

A series of advances laid the foundations for the industry to survive and indeed expand.

Harvesting was mechanised, milling upgraded and bulk sugar terminals developed at Lucinda, Mourilyan and Cairns.

Within a decade, the underdeveloped low wage countries were complaining in international forums about Australia's cheap "mechanically produced" sugar.

However, the extent to which massive productivity increases have enabled the sugar industry to meet a price challenge over the period can be gauged from the following table.

TABLE #3 – COMPARISON OF PRODUCTION & REAL VALUE OF SUGAR CANE PRODUCED (Far North Q'ld, ie. Tropical Coast Excluding Hinchinbrook) 1957/58 & 1998/99		
	1957/58	1998/99
Tonnage of Sugar Produced	400,000	900,000
Value of sugar Cane Produced 1998/99 Values (adjusted CPI Brisbane)	\$319m	\$202m

Source : See Cummings Economics Paper, Drivers of Economic Growth.

NOTE : The 1957/58 return from cane produced has been adjusted to 1998/99 values by inflating the 1957/58 value by the consumer price index (CPI) Brisbane.

Thus, by 1998/99, a crop over twice the size of that in 1957/58 was being produced for two-thirds the return in current dollars. In real terms, sugar was being produced at a “real” return per tonne of about 30% of what it was in 1957/58.

That the industry had survived in these conditions was mainly due to tremendous productivity increases it had achieved. Much of this tremendous productivity increase had been achieved with massive reduction in labour, especially in the field, factory and transport. However, some of the efficiency improvements had resulted in some compensating employment in other directions in engineering works, machinery sales and servicing, etc., mainly located in the district towns.

Expansion of area under production and supplementing local cane input by cane or juice transported from the Tablelands from the mid-90's on, had helped shore up the industry's viability in recent years.

The other significant industry evident along the Far North Tropical Coast in 1960, the timber industry, suffered a major reverse in the late 1980's with the cessation of logging following the Wet Tropics World Heritage declaration.

Fortunately for the area, a massive diversification of the area's economic base was achieved, especially through the development of horticultural industries (tropical fruits and ornamentals) and tourism – but also in a smaller way through fishing/aquaculture and plantation forestry development.

All have involved the development of “smarter”, higher value ways of exploiting the region's natural environment.

Much coastal land has moved from relatively low value per hectare cattle grazing, to higher value sugar farming and to even higher value tropical fruits and horticulture.

The region has moved from wild caught fisheries to farming fish (aquaculture).

It has moved from wild harvesting of timber to plantation forestry.

On top of this, tourism has provided a way of exploiting the value of the area's outstanding natural environment (marine and rainforest).

The following table illustrates the resulting major diversification of the economic base of the area. It gives estimated value of base industries in the area's local government areas.

**TABLE #4 – ROUGH ESTIMATIONS OF VALUE OF BASE INDUSTRIES –
FAR NORTH TROPICAL COAST**

	<u>Tourism</u>	<u>Sugar</u>	<u>Other</u> <u>Agric</u>	<u>Non-Sugar</u> <u>Man</u>	<u>Fishing</u> <u>Aquaculture</u>	<u>Tradable</u> <u>Other</u>	<u>Total</u>
	<u>\$m</u>	<u>\$m</u>	<u>\$m</u>	<u>\$m</u>	<u>\$m</u>	<u>\$m</u>	<u>\$m</u>
Douglas Shire	* 300	43	* 20	10	* 20	-	393
Cairns City	* 1150	67	* 30	* 406	* 80	* 300	2033
Johnstone Shire	40	65	80	110	21	1	317
Cardwell Shire	50	65	95	14	20	7	251
Hinchinbrook Shire	* 10	113	* 30	* 40	20	5	* 218
TOTAL	1550	353	255	580	161	313	3212

Source : Various Cummings Economics – See Papers – Drivers of Economic Growth –

Value of Base Industries, Johnstone Shire – Value of Base Industries, Cardwell Shire.

* These figures are very rough guesses based on looking at FNQ regional figures (allowing for Tablelands, Peninsula & Gulf) and approximately distributing the remainder among local authority areas.

Note : Base industries are defined as those mainly earning income from outside the region.

About 1960, sugar (including its milling component) would have been accounting for about 80% of the economic value of the area's base industries. Today, sugar, including its manufacturing component, is down to being worth just 11% of the total. This is not because the sugar industry has shrunk (in fact, as we have seen in a foregoing section, it is producing more than double the amount of sugar), it is because of the major growth of the area's other industries. Even within the agriculture, fishing/aquaculture, forestry group (ie. excluding tourism, trade and non-sugar manufacturing), sugar is down to about 40% of total value.

These influences, plus :-

- expanding population and economic base in the Tablelands, Gulf and Peninsula
- economic expansion to the near north in Irian Jaya, Papua New Guinea and Pacific area
- major direct earnings in tourism

have had a massive impact on the regional city of Cairns.

The following table illustrates the strong relative growth of the regional city of Cairns. It shows the strong relative growth in population of the two shires in which the sugar industry was least developed – Cardwell Shire and Douglas Shire. These were least affected by job shedding in the sugar industry and have been able to diversify their economy - one into tropical fruit with some tourism, the other through very large tourism growth..

**TABLE #5 – LONG-TERM GROWTH OF CENSUS COUNT POPULATION –
FAR NORTH Q'LD TROPICAL COAST 1958 TO 2001**

	<u>1958</u>	<u>2001</u>	<u>Growth 1958-2001</u>
Douglas Shire	3220	17,877	+455%
Cairns/Mulgrave	37200	126,365	+240%
Johnstone Shire	16060	19,954	+24%
Cardwell Shire	5380	11,443	+113%
Hinchinbrook Shire	12100	12,513	+3%
Total Growth 4 Rural Shires	36760	61,787	+68%
Cairns/Mulgrave	37200	126,365	+240%
TOTAL	73960	188,152	+154%

Source : 1958 – Q'ld Year Book 1959. 2001 – ABS Census 2001 Website Data.

On a wider scale however, the growth of the rural shires in the area of 68% contrasts strongly with the lack of general growth in population in many other rural shires around Australia.

2.4 Underlying Factors Affecting Growth

2.4.1 Positive Forces

To understand why the economy of the Far North Tropical Coast has grown so strongly over the past 40 years and to understand its future prospects, it is useful to look at some of the fundamental historical and economic forces shaping the north's development.

The first thing to understand is that for settlers from north western Europe, tropical Australia represented a very much greater challenge than southern Australia. Environmentally oriented technology from Europe (in the form of plants, animals, clothing, housing styles, etc.) could be easily introduced and adapted to Temperate Zone southern Australia. Tropical Australia posed a much greater challenge.

The area was late being settled and initially slow to develop. It even went through an early "indentured" labour period at a time when there was a widespread belief that Europeans could not sustain hard physical work in a tropical environment. Malaria and some other tropical diseases remained a problem up until the 1940's.

However, the area was not poor in natural resources - in plant growth potential, in marine resources, minerals and importantly these days, in natural tourism resources.

In national terms, the Far North Tropical Coast is a particularly outstanding natural resource area in plant growth potential, natural tourism resources and to a lesser extent, in marine resources.

The influence of a number of major factors has been encouraging the development of the north's resource based industries.

Growing global economies have been reaching out for previously marginal resources. One of the great global growth areas is nearby in eastern Asia (to commence with Japan, then Korea, Taiwan and Hong Kong and now mainland China).

Transport developments (from bulk carriers to improved rail and road systems and vehicles, to jumbo jets) have been breaking down previous barriers of high transport costs to and from the region – a region that has been remote from substantial national markets, let alone major world markets.

Bulk sugar carriers played a major role in the survival and expansion of the sugar industry.

Writing in the 1960's, Davidson in "The Northern Myth", pointed out that crops like bananas could be more economically produced closer to markets in south east Queensland/northern New South Wales. Improvements in rail and road transport and especially the completion of sealing of the Bruce Highway in Central Queensland in the 1970's allowed transport costs to fall such that the Far North Tropical Coast's superior growing conditions for bananas became the dominant factor.

The Far North Tropical Coast's natural tourism attributes have been around since the beginning. The advent of the family car, better roads, caravans and touring buses saw an upsurge commence in the 1960's that turned it into a flood with the advent of better aircraft and then the opening out of Cairns Airport to large wide bodied jets from overseas in 1984.

Technology has been developed much more suited to the area's environment and needs.

Along the Far North Queensland Tropical Coast, mechanisation of harvesting, better mill equipment, better fertilisers/ground conditioners have been a major factor in the sugar industry's survival and progress.

In the growth of the tropical coast's horticultural industries, plantation forestry and aquaculture industries, it has been important to develop technology specific to the conditions of the area (including variety importation/development and management systems).

Although tourism is often regarded as a low technology service industry, in fact superior technology has played a major role in the region's tourism growth.

The Far North Tropical Coast is not the only place in the world with tropical rainforests, beaches, islands and reefs. Its competitive advantage lies heavily in its "first world" community infrastructure that makes it a safe and comfortable place to visit (law and order, safe water/food/health services, bitumen roads, reliable basic services like electricity, etc.).

But on top of this, the Far North Tropical Coast's tourism industry has probably led the world in applying technology to environmental tourism through the development/use of fast passenger catamarans, semi-submersibles, reef platforms, cableways, air-conditioned 4 wheel drive vehicles and highly educated tour guides.

But the technological advances of importance have not all been industry oriented.

Fundamental improvements in technology affecting everyday living conditions has been of immense importance. The elimination of common tropical diseases like malaria, the widespread use of air-conditioning, jet spray equipment, superior detergents and superior paints to combat wet season mildew, superior insecticides, have all played a role in making the area a more civilised and comfortable place in which to live. An area, that not many years ago was regarded as a hardship posting, is now seen by many as a highly desirable place in which to live.

And success breeds success. As industry and population builds up and investment takes place in improved infrastructure and as more specialist services can be developed (eg. education, medical, cultural), the region becomes a more desirable and less costly place in which to live. Importantly, this reflects right through the whole cost structure for business and industry, making previously marginal economic activities viable.

2.4.2 The Negative Forces

However, some of the above factors can have their dark side. Other competitive areas can also benefit from improved infrastructure and technology (sugar – Brazil, tourism – tropical South East Asia).

But of most fundamental importance, falling transport costs relative to other costs can lead to the demise of activities protected by transport costs. Over the past decade or so, the area has lost its brewery and clay brick manufacture to south east Queensland. Within the region (as elsewhere in the world) potent impacts from changing transport regimes has been leading to a tendency to concentrate jobs and population into the district and regional centres.

As farm technology improves, jobs move off farm into specialised manufacturing and service support industries in the town.

Allied to improving transport technology has been improving communications technology with much the same mix of positive and negative impacts on the economy. Impacts from bank and other office closures on the district towns have been highlighted. However, computers, the internet and communications have been having a strong but currently little understood impact on major regional cities like Cairns.

(Note : The mix of positive impacts of falling transport and communications costs and the above negative impacts are often described as “globalisation” impacts.)

Two other major factors impinging on the area should also be noted.

World wide environmental concerns are impacting heavily in an area of outstanding environmental beauty and diversity. Conditions are such that no more rainforest land is likely to be cleared in the future for farming and indeed an economic case can be mounted for some areas to be returned to the wild. Marine usage has been greatly restricted.

Environmental considerations are impacting heavily on aspects like water runoff (from urban use/sewerage) through to aquaculture and farming operations. As a food (especially fruit) producing area, environmental concerns about chemical uses for pest control and otherwise in agriculture have also been impinging on the area.

The other factor relates to government industry policy.

From a zenith of protectionist policy about 1960, Australia has moved to a highly “free trade” stance of non-government interference and involvement in protection of industries. This has had substantial impacts on the tropical coast’s industries.

(Note : This shift in government policy is also at times confused as “globalisation”. The two are related in that falling transport and communication costs (the real globalising factors) have made protectionism more difficult to sustain. However, the two should not be confused. One is an underlying powerful economic force. The other is a conscious government policy decision.)

Before leaving this segment, it is probably also desirable to canvas some social/demographic influences.

Population and demographic factors for a long time now have been dominated by the post war “baby boomers”. Although the baby boomers’ aspirations and those of their parents moved them off the farm (the current average age of farmers, especially in sugar, is very high) and into the professions and away from home, it can be argued that the Far North Tropical Coast has been a net beneficiary of these movements.

The Far North Queensland Tropical Coast did not benefit from the retiree wave that moved northwards to the sun to the Gold and Sunshine Coasts. Indeed, the best that can be said is that the long-term trend for elderly Far Northerners to move to South East Queensland (to take advantage of its superior medical and other services) has probably slowed due to better local facilities being available.

But, from the arrival of the baby boomer, alternative lifestyle “hippies” onwards in the 1960’s, the Far North Tropical Coast has benefited from a massive in-flow of young to middle, working age, new residents, especially into Cairns and into the coastal tourism areas of Port Douglas and Mission Beach. While the baby boomer generation is passing through to late adulthood and old age, inward movement in the young working age group is continuing to occur.

The Cairns/Far North Queensland region has become one of the major centres for “backpacker” tourism in Australia. A further recent labour force movement has been the use of “backpacker” labour in fruit harvesting and processing.

3. THE CURRENT SITUATION & THE WAY AHEAD

3.1 General

In the foregoing, we have identified the Far North Queensland Tropical Coast's successes over the period since the 1960's, especially in holding on to its sugar industry and in achieving very strong development and diversification of its economic base to more than compensate the employment and population losses from rapidly rising productivity and consequent job shedding in the sugar industry.

The following is designed to canvass its current very severe challenges and its great opportunities, especially with the input of those who have responded to the surveying.

3.2 Rural & Population Heartland of the North

The Far North Queensland Tropical Coast has clearly emerged as the most populous rural heartland of the north and if the trends of the past 30 years continue, it is likely to consolidate this position.

TABLE #6 – NORTHERN RURAL REGIONS CENSUS COUNT POPULATIONS

<u>Rural Regions</u>	<u>1976</u>	<u>2001</u>	<u>Simple Forward Projection 2026 (1)</u>
Far North Tropical Coast (excluding Cairns City SSD)	46,774	68,622	101,000
Burdekin/Gold Fields	40,207	44,528	49,000
Bowen/Whitsundays	18,954	34,688	63,000
Mackay Coast & Hinterland	29,876	45,746	70,000

Source : ABS – Census Data.

NOTE (1) : At same growth rate last 25 years.

Under the influence largely, but not entirely, of the growth of the Far North Queensland Tropical Coast, the Far North Queensland region has emerged as the most populous in northern Australia, a position it is likely to consolidate.

TABLE #7 – REGIONAL POPULATION GROWTH NORTHERN AUSTRALIA – CENSUS COUNT

	<u>1976</u>	<u>2001</u>	<u>Simple Forward Projection 2026 (1)</u>
Far North Statistical Division	124,661	244,786	481,000
Northern Statistical Division	134,168	191,321	273,000
Mackay Statistical Division	88,330	143,578	233,000
Fitzroy Statistical Division	126,395	182,169	263,000
North West Q'ld	41,018	39,036	37,000
Northern Territory	97,090	210,664	457,000
Pilbara Kimberleys	53,817	84,716	133,000

Source : ABS Census Data.

NOTE (1) : At same growth rate last 25 years.

Not surprisingly, Cairns has emerged as a major regional city, from being half the size of Rockhampton, Toowoomba and Townsville in the 1950's, to having well and truly passed the first two, to now lie just behind Townsville in size.

The Far North Queensland Tropical Coast goes into the new century, in a more favourable underlying situation than at any time in the past :-

- As an increasingly desired place in which to live.
- With a population base increasingly capable of sustaining a growing range of more sophisticated services.
- With growing global transport links superior to many other parts of Australia.

However, as a former Australian Prime Minister has said, “Life wasn’t meant to be easy”. The region’s future growth is not assured. Challenges have to be met and opportunities exploited.

3.3 Major Concerns & Major Opportunities

There are two very major concerns evident among community and departmental leaders in relation to the Far North Tropical Coast’s regional shires.

- (1) The threat of collapse of main stay agricultural industries, especially sugar, but also bananas and a feeling of urgent need especially in relation to sugar :-
 - a) To stabilise farmer incomes in the immediate future.
 - b) To find ways of maintaining and strengthening the sugar industry.
 - c) To develop other industries in the area – perhaps to replace sugar in some areas but certainly to further lessen the reliance on sugar in the area’s economy.
- (2) Finding an appropriate balance between satisfying environmental pressures (often generated by political forces from outside the region) and local economic imperatives.

The opportunities can be grouped into the following :-

- 1) The development of new products and additional complimentary processing based on a reinvigorated sugar industry.
- 2) Further processing and products based on a continuing very large banana industry.
- 3) Further diversification of agricultural production and development of new products and processes based especially on :-
 - a) other fruit crops
 - b) ornamentals
 - c) field crops.
- 4) Reaping the benefits of plantation forestry.
- 5) Further aquaculture development.
- 6) Spreading tourism benefits to the area south of Cairns.

3.4 Sugar – Thinking the Unthinkable

3.4.1 General

Clearly, the sugar industry in Australia and particularly the industry along the Far North Queensland Tropical Coast faces a major challenge from competition and low world prices with recent rises in the \$Aust making the situation worse.

(NOTE : The main threat to the Australian sugar industry is coming from Brazil. The reason for a large part of this threat can be seen in the following table giving the value of the Brazilian “Real” (Portuguese for “royal”) against the Australian dollar.

June 1996	1.26	Tied to US Dollar
June 1997	1.24	Tied to US Dollar
June 1998	1.42	Tied to US Dollar
June 1999	0.86	“Real” Floated
June 2000	0.91	
June 2001	0.78	
June 2002	0.62	

The Real is now less than half the price in relation to the AUD that it was in 1998. This overstates the threat in that the floating of the BRL was followed by a bout of strong inflation, much faster than in Australia. However, even when this is taken into account, there has been a strong “real” drop in the BRL against the AUD.)

As has been canvassed in Section 2, the sugar industry along the Far North Tropical Coast has survived these sorts of pressures in the past, but only through massive productivity increases involving job shedding.

In the surveying, we found a range of underlying attitudes to the future of the sugar industry.

- 1) After 100 years in which sugar has been the lifeblood of the tropical coast’s rural districts, there is such a strong emotional and cultural attachment to the industry that it is almost unthinkable to conceive of a future without the sugar industry. But, the unthinkable is being thought – that the future price regime for sugar is so uninviting (there are those who believe that long-term average will be no higher than US 8 cents a lb) (see ABARE Futures Conference 2000) that the industry will be unviable, especially in marginal areas. Akin to this is thinking that at those prices, other non-sugar farming will be a more attractive land use. (There has been an element of this already happening in the past 10 years but it has not been to such an extent as to badly affect mill viability). A further major dose of productivity increases, ie. job shedding, might save the industry, but the economic return may become so low that other industries based on different land uses would become preferable for the region. Adoption of this view would of course have immense implications for the Far North Queensland Tropical Coast’s rural communities and involve quite massive disruptions and changes. This thinking leads to a view that major work will need to be undertaken to help the communities and those involved adjust to a situation in which there may be no sugar industry at all.

- 2) Another view concentrates on achieving the mechanisation/productivity/job shedding (through changes in farm size, cultivation practices, yields, transport, milling etc.) to make the industry viable at low world prices.
- 3) Another line of thinking is to produce a wider range of non-sugar output/uses from the sugarcane plant that add sufficient income to maintain industry viability.
- 4) Views were expressed seeking special protection/support for the industry or at least short-term support schemes such as have operated during low price periods in the past.

In “the way of the world”, the reality is that a mix of responses will probably be appropriate including a recognition that the world competitiveness of the industry is stronger in some districts than in others. The following looks at each of these views in further depth.

3.4.2 Political Solutions

As might be expected, there were those who canvassed political solutions to the problem with the main being reintroduction of some form of price support from the home market including a levy on domestic sales.

Not unrelated were suggestions that special legislative requirements will be needed if non-sugar products such as ethanol are to become viable.

It is not the position of this report to make judgement on this issue except to comment that such moves by governments would involve a significant reversal of recently prevailing policy attitudes.

Traditional Federal loan support during low world prices has been suggested. The problem is that the industry has just come through such a period and had only a short period of relatively high prices to recover before prices fell again.

It is beyond the scope of this report to analyse the situation in such depth to be able to accurately predict what will happen if such temporary support is not forthcoming. However, all the indications from the information gathered are that a prolonged low price period without such support is likely to result in widespread collapse of individual farmers, in turn, affecting mill viability.

In Section 3.4.4 Value Adding to Sugar, suggestions are canvassed about changing the Sugar Act and Single Desk Selling to give greater flexibility to explore markets.

3.4.3 Variations in Industry Viability

There can be no doubt that viability of the industry in some areas, is under threat in its current structure, especially where :-

- Cane growing conditions are not optimum (eg. super wet areas).
- There are small mill sizes with little prospects of expansion of cane input.
- Other competitive crops offer prospect of a better return to farmers and other industries offer a better prospect for the communities involved.

Cost and other pressures of the last 30 years have already seen mills along the Far North Tropical Coast reduced from 10 to 8.

Continuing cost and other pressures could see the number reduced further with varying consequences for the towns and districts where mill closures occur.

3.4.4 Industry Efficiencies

A range of efficiencies is being canvassed (see Cairns Post article, June 2002) including farming practices, improved varieties, field transport and milling methods. The interviewing responses included mentions of a need:- for better farm inputs, for improved farmer efficiency, for planning better harvesting groups and for better transport arrangements. Also mentioned, was the need to integrate the light rail systems from Gordonvale in the north to Tully in the south.

We formed the opinion from the surveying that, as a general statement, a change of focus appears to be occurring from yield improvements, to improvements in harvesting, transport and milling. On-farm improvements mainly related to more productive use of fallow land for the production of complimentary crops (eg. sweet sorghum as a supplementary source for ethanol/cogeneration). However, we formed the opinion from the surveying that, there were no widespread indications that major breakthroughs were just around the corner that would radically improve competitiveness.

3.4.5 Other Products Derived from Sugar Cane

There is a great deal being canvassed in this direction, with varying prospects of being adopted.

Cogeneration (Bagasse Waste to Electricity)

This is probably the most advanced. However, the interviewing revealed some interesting insights that may not be fully recognised.

The investment involved is heavy (approximately \$70m to produce 54 mw). Apart from bagasse, other biomass to ensure year round security of production needs to be available through say thinnings/off-cuts/waste from timber operations or other crops – sweet sorghum has been suggested as a major potential source.

NOTE : It is not feasible to grow a crop just for cogeneration. The source material must be a by-product of another process. Sweet sorghum can also be used for ethanol production.

In the current sugar price situation however, uncertainties about the industry's future, especially in those areas that are vulnerable, has become a factor in decision making about where to make the capital investment in cogeneration facilities. There will be a premium on locations where the industry is most secure and/or other biomass is available.

Other Bagasse Uses

Although it is possible to produce hardboard from bagasse, the interviewing did not turn up any serious feasibility work currently being undertaken at present. (Although Sugar North carried out some work in the recent past.)

Similarly, from time to time, possibilities of bagasse being treated and exported for paper production have been canvassed. Interviewing did not turn up any serious feasibility work being undertaken.

Work has been taking place on mixing bagasse with molasses and other ingredients to produce stock feed. However, the one plant established so far is in the Burdekin.

Ethanol

A great deal of serious effort is currently being put into the possibilities of ethanol production. In other parts of Australia, canola oil is being used as a diesel fuel substitute and ethanol from grain is being investigated. Again, heavy capital investment is needed (\$10m for every 10ML of ethanol production).

However, the present indications are that ethanol is not competitive with petroleum products and to be viable, the government would need to tip the playing field in its favour by both requiring a percentage mix and foregoing taxes on ethanol that apply to petroleum products.

A not widely recognised side benefit of ethanol production arises from the fact that it is likely to be produced from subsequent rather than the first round processing of cane juice. The first round processing produces higher quality crystal sugar. The subsequent processes result in lower quality crystal sugar. The net result of ethanol production could be that the sugar that is produced will be higher quality and provide increased mill returns.

On the other hand, there was a strand of thinking that if the products like ethanol were based on molasses, there would be no benefit to farmers. This is because the current payment system to farmers is based on cane sugar content. Clearly, to be acceptable to farmers, benefits to the mills from ethanol would need to be passed on through the pricing system in part to farmers.

While grains can be stored, at present harvested sugar cane cannot. For all year round production, access to other crops as a feedstock may be needed. An obvious question is, - Is there a way in which sugar cane or juice can be stored? Alternatively, can another source, eg. grain, be railed in from storage and used when cane juice is not available?

A disadvantage of Mossman Mill for ethanol production is the lack of a rail link to Cairns to take end product to market.

Dunder by-product of ethanol production would be available as a fertiliser but there are doubts about its environmental appropriateness in wet (as opposed to drier) growing conditions along the coast and it may need to be disposed of on the Tablelands.

Other Sugar Process Products

The Japanese car firm, Toyota, is currently looking at establishing a pilot plant for production of biodegradable plastics from sugar and has been looking at Queensland and Brazil – its objective to make its cars fully recyclable or biodegradable with the plastics currently being incorporated in the cars being the last major problem.

Other process products that have been canvassed include yeast, wax (lipstick) and pith fibre (human dietary fibre).

Value Adding to Sugar

Although there is a substantial thrust in the region towards speciality food production (see Section 3.13), South Johnstone Mill's chocolate production investigations have been abandoned and no real investigation of refined sugar, speciality sugar, sugar based products, or sugar based alcohol products seems to be taking place.

The Sugar Act does not allow for individual mills to market their own sugar. It was suggested that the Act should be made more flexible to allow companies to access niche markets. One suggestion has been that Australia could market "Eco Sugar". At present, Douglas Shire (in a joint venture with Canegrowers, Mossman Mill and CSIRO) is looking at what needs to be done to have the sugar production in the area environmentally accredited with input from DPI.

3.4.6 Side Effects

A further serious question has arisen in relation to sugar and that relates to ages and financial resources of farmers.

In the past, a wealthy sugar industry has played a major role in financing a great deal of capital investment in the regional economy (from efficiency improvements within the industry to exploring other crops and to the development of the region's tourism and urban services).

The current weakened state of the industry (due to both episodes of low prices and bad weather in recent years) has meant that the value of sugar farms has slumped and capital resources are limited. This has very substantial implications for the ability of farmers to pursue investment in achieving efficiencies within the industry and in exploring alternative crops. There is little in the current situation to encourage young farmers to invest in cane farms.

The other issue is the fact that the average age of farmers is very high. A spin off from this situation is probably a lesser willingness to undertake training and to explore new avenues whether it involves efficiency improvements within the industry or development of new land uses.

Availability of second jobs to supplement incomes is seen as important. There was some speculation that the proportion of farm families already relying on off-farm jobs and investments to supplement incomes may be very high.

Within the sugar towns, farmer use of facilities and donations to community facilities has been important. There are fears being expressed about the ability to maintain some of these facilities in the face of very low farm incomes.

3.5 Bananas – A Double Horror

Pressures for the removal of quarantine bans on the import of bananas from the Philippines and the resulting prospects of the industry's complete collapse combined with a collapse of the sugar industry would be a double horror scenario, especially for Cardwell and Johnstone Shires.

As observed earlier, development of the banana industry at the expense of previous production in south east Queensland and northern New South Wales has been heavily associated with the lower transport costs from the north.

Expansion has been rapid, partly because it has been at the expense of the northern New South Wales industry. Growth of the industry is bound to slow as it reaches maximum penetration of the Australian market. After that, growth will depend on growth in population and per capita consumption, rather than on increasing market share.

While there have been efficiencies and cost reductions achieved in the industry, there seems little doubt that on current technology/cost regimes, the industry could not compete with imports from the Philippines or other low wage cost countries.

In a global perspective, the industry also has a disadvantage in being in a "tropical" as opposed to "equatorial" situation, making it vulnerable to cyclone damage.

(Note : The more the industry spreads up and down the coast and to the Tablelands, the less vulnerable it will be to a single event.)

The indications are however, that with the threat of imports looming and needing only the "stroke of a government pen" to become a reality, the industry needs to ensure that it is a stable and as much as possible, a competitive supplier.

Avenues for major efficiencies in the industry would appear to lie in the direction of :-

- a) Labour saving mechanisation.
- b) Continuing attention to lowering transport costs.
- c) Development of additional revenue streams, through use of by-product and through development of further processing opportunities for bananas themselves.
- d) Diversification into niche markets for different varieties of bananas, including "organic" product.

However, as a general statement, the industry's focus at present is on "denial" of imports rather than achieving a long-term competitiveness.

Among additional revenue streams being developed for bananas is use of the trunk fibres for paper making. However, an initial plant has been located on the Tablelands. At present, the trunks are left in the paddock and break down into nutrient. Processing them will mean more fertiliser would need to be used.

Bananas are being dried in the area but the market is not unlimited and subject to competition from imports. Banana wine production is being promoted.

3.6 The Blue & Green Sandwich

As mentioned in Section 2, world philosophical/political forces have greatly heightened environmental awareness and pressures. In the Far North Tropical Coast, it is not just a matter of some vague concern about the ozone layer, or global warming. Nature based tourism has put a value on the retention of the natural environment.

In a part of Australia of such biological richness and diversity combined with economic potential, it is not surprising that very strong environmental pressures have developed.

The whole of the tropical coast's urban and rural productive areas are sandwiched between

- ❖ the "green environment" - the Wet Tropics World Heritage Area, the core of which lies in the continuous belt of rainforests along the mountain ranges and escarpments behind the coastal valleys, and
- ❖ the "blue" - the World Heritage Great Barrier Reef Marine Park out to sea and in parts extending in to the coastline.

There is hardly an activity in the area that is not affected in some way. Pressures are coming to bear on numerous activities (especially rural activities), from environmental agencies with the power to close down whole industries (eg. logging). Even the tourist industry is affected where interface with environmental agencies has become a major issue.

Work carried out by our firm in relation to the value of tourism in the Daintree area in the early 1990's clearly illustrated that the economic value of the lowland rainforest north of the Daintree River for tourism greatly exceeded its potential value for the highest value cropping available at that time.

In the Cairns/Port Douglas area, there is no doubt that the value of the reefs for tourism outweigh their value for any other conceivable activity.

However, the reality is that at present the value for tourism of relatively small areas of rainforest in the Daintree and around Kuranda, probably exceeds by a substantial margin the value for tourism of the rainforests in the rest of the whole Wet Tropics area. Thus, apart from a relatively few pockets, the tourism related value of much of the area's rainforests is very low.

Similarly, with the Great Barrier Reef. The tourism value of a relatively small number of reefs around Cairns and Port Douglas probably exceeds the tourism value of the rest of the 1500-km of reefs from the Papua New Guinea border to the coast off central Queensland.

Against this background, one of the major issues in the region is to find the appropriate balance between conservation and development.

Particularly important flashpoints at present include :-

- a) Wild caught fishing and the Great Barrier Reef Marine Park Authority.
- b) Aquaculture and water run off quality.
- c) Urban sewerage treatment and water run off quality.
- d) Sugar (and other farming) and nutrient run off effects on the Great Barrier Reef.
- e) Mangrove habitat destruction and the fishing industry.
- f) The tropical fruit industry and increasing flying fox populations.
- g) Tourist industry access to protected areas.
- h) Mahogany glider and expansion of plantation forestry.

Across all, it is not just conflict over regulation. It is also a conflict over delays occasioned by the process of gaining approvals and charges being imposed by regulatory/protection agencies.

There was a feeling that many of the claims being made by environmental agencies such as GBRMPA had little basis in fact. The 4-knot speed limit on boats in the Hinchinbrook Channel to protect dugongs, despite no evidence of previous hits, was given as an example.

There were indications that small to medium sized businesses had great difficulty in dealing with the environmental agencies, especially where permits to build infrastructure involved 3 State and 2 Federal agencies - GBRMPA, EPA, DRM, DPI & Fisheries.

There was also a feeling that little recognition was given to the world's best practices already adopted by the region's rural and tourism industries.

In Douglas Shire, the Council's planning scheme envisages a cap on population at 30,000, which was felt to be having an impact in encouraging more environmental restraints.

In the southern area, especially in Hinchinbrook Shire, the need to have drainage schemes to bring extra land into production for sugar was seen to be important. The mahogany glider is seen to cripple any further extension of the plantation timber industry in the Herbert/Cardwell area.

A further spin off from the environmental question is the fact that State agencies do not pay rates on various reserves. For instance, Cardwell Shire has 95,000 ha of its 197,000 ha in reserves from which it receives no rates revenue.

There was also a feeling reported that areas being locked up are not being looked after and that weeds were spreading through the World Heritage area outside of the Shire's noxious weed control and that pigs were breeding in the area and causing problems.

3.7 Forestry – The Lazarus Industry

Like "Lazarus", forestry is rising from the dead. A decade ago, a death blow was delivered to logging of rainforests by Wet Tropics World Heritage Listing.

The industry's resurgence is based on :-

- a) The Caribbean Pine plantings from the 1960's onwards in the Kennedy and Cardwell areas (Cardwell Shire), Dalrymple and Lannercost areas (Hinchinbrook Shire).
- b) Private reforestation plantings of various species on previously cleared lands.

Major issues for Plantation Forestry appear to relate to :-

- a) The location and type of processing facilities.
- b) Do current acreage provide a sufficient base for a fully integrated forest products' industry and will environmental forces preclude further expansion.
- c) The development of improved quality varieties of plantation pines.

Private Forestry seems likely to develop as a niche industry along the Far North Queensland Tropical Coast that brings into useful production some fringe areas.

Operators in the Private Forestry area estimate that there is 80,000 ha of land within a 200 km radius of Cairns (excluding that under cropping/dairying/urban, etc.) available and suitable for planting with high quality (but slower growing) trees. Some 10,000 ha would be sufficient upon which to base facilities such as a veneer plant in 20 years time.

The private forestry industry is in its infancy and has problems of :-

- a) Local government attitudes formed in part by State Forestry failure to pay rates to local authorities but also in a belief that it was a low value economic activity that created little employment.
- b) Gaining investor confidence in a new industry that offered only long-term return.
- c) A need to achieve shorter term returns through development of trade/markets for immature trees.
- d) The need to establish better tax/cash flow and other incentives for landowners/investors.
- e) No formal worldwide trading of carbon credits for heavy green house gas producers.
- f) How to implement an accreditation scheme for "green" timber. It was claimed that 80% of tropical timber trade is currently illegal.

3.8 From Fishing to Fish Farming

While wild caught fisheries along the coast are experiencing extreme environmental pressures and downsizing (adding to the doom and gloom scenario created by sugar and banana industry problems), aquaculture (including mariculture) has come of age as a significant industry sector.

It is a highly intensive land use suited to the circumstances of the tropical coast – plenty of water and year round warm growing conditions.

After a difficult gestation period, some of the initial technical/management problems have been solved. Markets seem assured and growth inevitable.

However, although the Far North Tropical Coast has distinct natural advantages that have led to a substantial part of the industry being based in the area, environmental regulation is a major issue with it and there seems to be tendencies occurring for enterprises to develop in other regions further down the coast.

3.9 Other Crops – A Growing Mosaic

3.9.1 General

When one considers the range of crops that it is possible to grow in the region, the list of possibilities seems endless.

Clearly, as farmers seek to diversify production, a trend towards developing a range of other crops is clearly evident. The following table for the local authority areas (Cardwell north) illustrates that the value of non-sugar crops rose from 18% in 1981/82 to 43% in 1996/97.

**TABLE #9 – GROSS VALUE OF AGRICULTURAL PRODUCTION
 CARDWELL, JOHNSTONE, CAIRNS, DOUGLAS**

	<u>Sugar Cane</u>	<u>Other Crops</u>	<u>Total Crops</u>	<u>% Sugar Cane</u>
1981/82	\$113 m	\$24 m	\$137 m	82%
1996/97	\$209 m	\$156 m	\$365 m	57%

Source : ABS Agricultural Statistics.

In fact, in Cardwell and Johnstone Shires, non-sugar crops now exceed the value of sugar cane.

With further difficulties being experienced by the sugar industry and now the threat to bananas, there is a lively interest in other possible crops.

A fundamental observation received has been the vulnerability of long gestation period tree crops to cyclones and the desirability of annual crops.

3.9.2 Fruit Crops

There is substantial interest in the tropical fruits with pawpaw and other tropical fruit production now substantial in the area.

Issues for the fruit crops lie especially in varieties development, transport to market, eventual scale of domestic markets, possible export markets (especially using air cargo) and impacts of flying foxes..

The recent outbreak of black sigatoka in the Tully Valley (now apparently under control) following the papaya fruit fly outbreak a few years ago, focuses attention on the growing needs in the area for ;-

- a) Protection measures.
- b) Inspection and treatment of outgoing product to meet needs of receiving markets.

Among protection measures taking place at present is a major \$3m expansion of Customs/AQIS screening facilities at Cairns International Airport.

The need for outgoing inspection and treatment is also likely to increase.

There is a need to develop means of treatment other than by chemicals and it is vital that electronic and other treatment means are developed. This needs to happen, not just for exports, but increasingly for the Australian domestic market. It is reasonable to envisage centralised facilities for this purpose being developed, not only at the export points, but also in the producing areas themselves.

Proposed cannery development on the Tablelands could also provide an outlet.

3.9.3 Ornamentals

The ornamentals activity tends to cluster around Cairns with proximity to the airport being important, as well as the large home market offered by the city.

3.9.4 Field Crops

There is a substantial interest developing in field crops that can either rotate with or replace sugar.

Field crops are more attractive if they have a low entry cost for farmers. Those that involve subsequent local processing will have more value in creating local employment.

Those mentioned as being examined (or worth examining) were as follows.

Industrial Hemp – Industrial hemp is a close relative of illegal cannabis (Indian hemp) The State Government has recently given clearance for its legal production. It is a major traditional fibre crop. However, commercial varieties are temperate zone rather than tropical and there may be little commercial advantage in local production. Industrial hemp is claimed to have a minimal entry cost for farmers (although fencing may be required) and to fit in well with the cane production cycle and infrastructure.

Kenaf (Hibiscus Cannibinus) – a tropical fibre crop otherwise known as Thai Jute. Some 5 – 10,000 ha would be needed for processing with a Japanese market prospective. It can be rotated with sugar and has a low entry cost for farmers.

Preliminary trial plantings organised by the Ingham District Development Bureau at Ingham about 1970 illustrated that it was a vigorous grower highly suited to growing conditions along the Far North Tropical Coast's sugar growing areas. Subsequent trial plantings have been carried out in the Burdekin and on the Ord.

While the bark has traditionally been used as cordage (Thai Jute) , it has also become a paper pulp source with a mix of long (bark) fibres and short (woody interior) fibres.

Taro – This is a super wet area crop. There is a small vegetable market but recent interest appears to be for “chips” and for export. To compete internationally, taro will require research and mechanisation of harvesting..

Cassava – This is a proven prolific starch producer in tropical conditions for food but also with a potential as a base for ethanol production.

Although there has been some trials in the north before, there does not seem to be any significant work taking place on it at present.

Sweet Sorghum – This is a sorghum variety grown for sucrose and biomass rather than for grain. Superior varieties have been imported from the USA with a view to it being a supplementary source of biomass to bagasse for cogeneration purposes and of sugar for ethanol production. It will fit well into the cane production cycle and there would be a low entry cost for farmers.

Soya Beans – Recent use of soya beans as a rotation nitrogen fixing crop (as a substitute for fertilisers with less nutrient run off implications for the reef) with sugar cane has led to suggestions that their possible use for bean production should be examined. (It is believed that this would probably only be suited to the drier areas along the coast.)

Bamboo – Although there has been recent activity related to developing growing of bamboo shoots for food purposes, various varieties are highly prospective as sources of fibre. Its fast growing ability is seen as a source of carbon credits. Its bio remediation is seen as another area of potential.

Peanuts – Although currently established on the Tablelands and around Lakeland Downs, peanuts would flourish on some of the friable soil areas of the coastal sugar districts if grown as a winter crop.

3.9.5 Beverage Crops

Coffee is now established on the Tablelands and tea production in the Innisfail/Southern Tablelands area.

Both are now mechanised. It is possible to grow both of these crops on the coast, although balance of advantage would appear to lie with the Tablelands.

Feasibility studies on chocolate production by South Johnstone Mill raised interest in possible cocoa production.

3.9.6 Nut Crops

A cashew nut plantation has been established on the Tablelands and substantial advances in developing a high yielding variety are believed to have taken place.

However, cashews have been growing wild along the sandy soil coastal margins near Ingham for over 100 years.

Climatic conditions are very similar along the Far North Tropical Coast in one of the major areas of world cashew production around Goa in India,

Mechanised processing is a problem and to be justified would require substantial plantings.

3.9.7 Spices

Small pepper production is already established in the area although output is believed to be mainly sold as a local speciality.

Climatically, the Far North Tropical Coast is capable of producing a substantial number of the world's tropical condiments and spices.

Like pepper, establishment and output of production like cloves, ginger, nutmeg and vanilla, are likely to be niche local speciality products with a close affiliation with tourism and cooking/restaurant industries.

3.9.8 Products of the Native Forests

There has been a clear upsurge of interest in the region in products of the native forests :-

- (1) For “bush tucker”.
- (2) For ornamentals.
- (3) For pharmaceuticals.

The rich rainforests of the Far North Tropical Coast are a prime target for all.

The “bush tucker” aspect is being driven by wider national interest translated through chain grocery stores, the restaurant trade, tourism and a desire for “inclusiveness” of Aboriginal activities.

For ornamentals, it is driven by a growing interest in and sophistication of gardening at a national and local level and the growing size and sophistication of the region’s nursery sector.

The area is a natural target for “bio prospecting” and the establishment of companies in the area and the appointment of specialists in this field at James Cook University have added to the impetus.

3.10 Tourism – Northern Haves, Southern Have Nots

The growth of tourism in the Far North Tropical Coast region has for some time now swung to being dependent on air-borne traffic. There has been virtually no growth in car-borne tourism to the north since the 1980’s.

The impacts of air-borne tourism have been very concentrated in Cairns and northwards to Douglas Shire. (Douglas Shire is now as important in Queensland’s tourism patterns as the Whitsundays.)

A comparatively small sub node has developed in the Mission Beach/Island coast area (where rainforest hills, beaches and offshore islands combine with easy access to the reef). However, “fly in” tourism has had minimal impact on the other areas around Babinda, Innisfail, Tully/Cardwell and Ingham.

The reasons for this are mixed up with a combination of geography, market perceptions and lack of product development.

Although :-

- The areas involved are keen to achieve tourism development
- Bodies like the Wet Tropics Management Authority have wished to see some of the impacts of tourism drawn off the Daintree/Cape Tribulation area
- Douglas Shire has adopted a policy of limiting growth in the Shire

efforts so far to develop tourism in the area south of Cairns have had limited success.

As Table #4 in Section 2 illustrates, although tourism is now the largest “base industry” along the Far North Tropical Coast overall, it is not in that position in Johnstone, Cardwell and Hinchinbrook Shires.

Although tourism is regarded as a service industry, what is not widely recognised is that it is a service industry that is “resource” based, just as much as farming and mining.

In the case of tourism along the Far North Queensland Tropical Coast, the “resources” are natural attractions like the reef and the rainforests. It is the combination and quality of these in a relatively small area that results in the area being a very major player in Australia’s domestic and international tourism.

A major difference to other industries is that in tourism, the customer comes to the product, rather than the product being taken to the customer. However, the same processes can be identified in tourism that occur in agriculture – retailers (travel agents in some markets), wholesalers (wholesalers and inbound tour operators), transport (airlines), processing/storage (hotels), field transport (tour buses/boats), paddock (selected reefs, rainforest, etc.).

The other major difference is that the final “paddock” is usually a select piece of natural environment. However, it needs to be recognised that substantial effort must be put into protecting that environment and in effect, farming it for tourism. Natural threats need to be removed (crown of thorns, pigs, invading weeds). The product needs to be packaged and presented through the application of technology (cableways, reef viewers, first class interpretative services).

Indeed, right along the chain, just as much investment in marketing, transport, infrastructure and the like is often needed, as in agricultural industries.

Prospects of tapping into tourism in a major way in the area south of Cairns are obviously heavily dependent on location and natural attributes.

The surveying clearly indicated that the southern Cairns/Babinda area is highly interested. It is close to the Cairns International Airport. The Bellenden Kerr (now Woonoonoran) National Park and adjacent Mulgrave/Russell Rivers, Russell Heads area provide an outstanding Cape Tribulation/Daintree type environment.

Currently, day tripping ex Cairns to the area south of Cairns fits into the following categories:-

- ⇒ highly specialised adventure activity (parachuting Mission Beach and white water rafting on the Tully River)
- ⇒ to the Innisfail area, where attractions have been developed
- ⇒ around the Woonoonoran Circuit – Babinda, Innisfail, Palmerston Highway, Southern Tableland.

There is a growing recognition in the area south of Cairns that tourism needs infrastructure in World Heritage areas and hopes for the \$7m canopy walkway on the Palmerston are running high. However, there are some frustrations occurring with confusion about which Department is responsible and about Federal funding.

One of the problems of Mission Beach developing as a Port Douglas-like major accommodation node is its distance from Cairns Airport.

One of the most important problems in the area immediately south of Cairns is connectivity with the sea and the Great Barrier Reef. Mountains/hills cut off the coastal valleys/towns from the sea.

3.11 Manufacturing, Transport, Nodes & Services – Larger/Smaller Nodes

Manufacturing in the area is closely related to the other base industries, especially through :-

- Primary product processing.
- The provision of inputs into these industries.

Unfortunately, only numbers of manufacturing establishments is available for most of the shires with no information published on turnover and employment.

As the following table illustrates, Cairns as the regional city dominates.

	<u>No.</u>
Douglas	19
Cairns	312
Johnstone	55
Cardwell	20
Hinchinbrook	35

Source : ABS Regional Statistics 2000.

However, the table also serves to illustrate the degree to which Innisfail/Johnstone Shire has developed as a significant manufacturing sub node along the Far North Tropical Coast, being the location of :-

- Two sugar mills.
- A major abattoir.
- Northern Iron & Brass Foundry.
- A number of significant engineering works.

Why? Innisfail is at the heart of the largest agricultural area (Innisfail is about equidistant up and down the Far North Tropical Coast). Very importantly, it has a good road link into the southern Tablelands and the west. Indeed, with limitations on the Gillies and Kuranda Range roads for heavy transports, Innisfail is currently in a better position than Cairns as a heavy road transport node.

The importance of manufacturing activity in making Innisfail the largest rural centre along the north tropical coast is not widely appreciated. Added to this is the location of a number of important services in the area – the radio station, the major DPI Far North Tropical Coast Research Station and the National Parks Office for the region.

In relation to the other shires, the traditionally larger coastal centre of Ingham has more manufacturing establishments than the previously smaller but fast growing Douglas and Cardwell Shires.

In a significant move that symbolises the shift to plantation forestry, the Forestry office has been relocated from Atherton to Ingham.

Johnstone College of TAFE also plays a supplementary role to the main College of TAFE in Cairns, along with a branch at Mossman. Tully and Ingham seem to be deficient in post secondary education training.

There were observations that all ports in the area, Lucinda, Mourilyan and Cairns, were underutilised compared with potential capacity and the investment in them.

Cairns airport's growing air freight capacity, especially with the commencement of Australian Airlines, gives the Far North Tropical Coast a growing locational advantage for production of high value air transportable products.

3.12 Geographical Variations

It is important to recognise that there will be strong geographical variations in the impact of the various threats and opportunities facing the region.

The following takes a look at these variations.

The surveying indicated Douglas Shire is the most environmentally conscious. This is understandable. Of all the rural shires, it is the most developed for tourism and comfortable in the prospects of on-going growth delivered by that industry. It is the least dependent on agriculture. Its tourism is highly oriented to environmental/nature based attractions. Its response to the question of the future of sugar has been to come up with highly environmentally attuned studies and proposals that link the mill with the production capacity of nearby areas in Mareeba Shire.

Mulgrave views are shaped by a proximity to Cairns in the first place and the encroachment of urban growth. Gordonvale Mill's proximity to Cairns seaport makes it a natural possible focus for further processing – refining, fibreboard manufacture, biodegradable plastics. Mitigating against this is the threat of urban encroachment to mill viability.

Views in the Babinda area are shaped by the economic vulnerability of sugar growing and milling in the super wet Babinda area. On the other hand, proximity to Cairns and the area's natural attributes opens up possibilities in ornamentals and tourism that are not likely to be available to the same extent in the other districts further south. There is a strong move in Babinda to address the relevant issues.

Johnstone Shire is the most “developed” as a rural entity. However, it is an area in which the issues facing and the opportunities available to the Far North Queensland Tropical Coast come together most intensely. The sugar industry in the area is vulnerable, but it is too large and important to contemplate it going out of existence. It shares with Tully, the vulnerability to any collapse of the banana industry.

Working in its favour as a sugar-milling centre is the size of production. Because of the Palmerston Highway, Innisfail mills are well placed to draw in cane from the Tablelands and potentially from the Babinda and Tully areas (although while prices are low, long distance haulage of cane is uneconomic). They have a nearby port for export of any outputs to markets overseas.

Johnstone Shire's rich soils make it well placed for other diversified cropping, eg. pawpaws and other tropical fruit. Its fairly well developed urban structure favours it for further manufacturing and activities like aquaculture. There are prospects also of participating in any southward expansion of tourism.

In the Tully Valley, the fact that historically, sugar was not developed as extensively in early periods (and that it did not participate as strongly in some of the early post-war expansions, a fact partly related to large areas of poorer soils in the shire) has been a weakness that is evident in the smaller size of manufacturing and service town development in the area. But it has also been a recent strength. Its sugar industry has not had the problem in recent years of having a small land locked mill area that was no longer appropriate to the economic structure of the industry, (a situation it shares with Arriga Mill at Mareeba).

Tully Mill has a throughput these days around the combined totals of South Johnstone and Mourilyan and of Babinda and Mulgrave Mills combined.

TABLE #11 – OUTPUT OF SUGAR MILLS – YEAR 2000

	<u>Tonnes Harvested</u>	<u>Tonnes Sugar</u>
Mossman	829,000	115000
Mulgrave	910,000	116000
Babinda	499,000	61000
Mourilyan	689,000	87000
South Johnstone	952,000	120000
Tully	1,538,000	196000
Victoria	2,191,000	279000
Macnade	611,000	81000

Source : Queensland Year Book 1959 – No. 20

There has been adequate land available for further sugar expansion and importantly for the development of :-

- bananas and other tropical fruit industries,
- plantation forestry around Cardwell, and
- aquaculture development.

The Family Group of islands has provided a special location for upmarket and niche market tourism development. The value of base industries (excluding manufacturing), in Cardwell Shire now exceeds those of Johnstone Shire and Hinchinbrook Shire.

With little obvious prospects of very strong benefits from tourism away from the coastal/islands area, environmental conflicts have been strong.

Hinchinbrook Shire's eggs are very very heavily in the sugar industry basket. The area is a highly efficient sugar producer and land has been available for expansion. Large plantation forest plantings of the 1960's and 1970's (combined with those of the Cardwell area) are maturing and potentially providing the basis of processing development. However, the shire has participated little in development of tourism and horticultural crops.

The demise of sugar in this area really is "unthinkable". The shire has little alternative but to address the problems of making the sugar industry more efficient.

With little participation or value derived from tourism, environmental considerations are not a high priority and conflict with attempts to restrain industry development for environmental reasons is heavy.

In summary, we thus have a range of issues, concerns and prospects ranging along the Far North Queensland Tropical Coast from north to south. The following seeks to summarise them.

Sugar Industry – Underlying Cost of Production Vulnerability :-

DOUGLAS	MEDIUM TO HIGH - (SAVED BY ABILITY TO DRAW CANE FROM MAREEBA SHIRE)
CAIRNS-GORDONVALE	MEDIUM – (SMALL MILL AREA, URBAN ENCROACHMENT)
CAIRNS-BABINDA	VERY HIGH – (SUPER WET, SMALL LANDLOCKED MILL AREA)
JOHNSTONE	MEDIUM TO HIGH – (SUPER WET AREAS, TOPOGRAPHY, SMALL MILL AREAS, ABILITY TO DRAW FROM TABLELANDS)
CARDWELL	LOWER – (SUPER WET AREAS, BUT LARGE MILL AREA)
HINCHINBROOK	LOWEST – (NOT SUPER WET AREAS, LARGE MILL AREAS)

Current Economic Vulnerability to Closing Down Of Sugar Production :-

DOUGLAS	LOW - (TOURISM)
CAIRNS-GORDONVALE	LOW – (URBAN DEVELOPMENT)
CAIRNS-BABINDA	HIGH – (LITTLE TOURISM, LITTLE OTHER CROPS)
JOHNSTONE	MEDIUM – (OTHER CROPS & ACTIVITIES)
CARDWELL	MEDIUM – (OTHER CROPS, TOURISM)
HINCHINBROOK	VERY HIGH - NIL

Consideration of these factors points to Babinda as being vulnerable on both cost of production and in economic structure.

Vulnerability to Collapse of Banana Industry :-

DOUGLAS	LOW
CAIRNS-GORDONVALE	LOW
CAIRNS-BABINDA	MEDIUM
JOHNSTONE	HIGH
CARDWELL	HIGH
HINCHINBROOK	NIL

Clearly, Cardwell and Johnstone Shires would feel the impact of a collapse of banana production if imports were allowed.

Tourism Opportunities :-

DOUGLAS SHIRE	ALREADY HIGH
CAIRNS	ALREADY HIGH
BABINDA	MODERATELY HIGH
JOHNSTONE SHIRE	MEDIUM TO HIGH
MISSION BCH/FAMILY GROUP	MEDIUM
REST OF CARDWELL SHIRE	LOW
HINCHINBROOK SHIRE	LOW

Prospects of expansion of tourism along the coast to the south of Cairns are driven by distance from Cairns Airport and natural attractions. The prospects are highest in the Babinda/Johnstone area, in the Mission Beach/Family Group area, low in the rest of Cardwell Shire and very low in Hinchinbrook Shire.

Future Opportunities Ornamentals :-

DOUGLAS SHIRE	HIGH
CAIRNS-GORDONVALE	HIGH
CAIRNS-BABINDA	HIGH
JOHNSTONE SHIRE	MEDIUM
CARDWELL SHIRE	LOW
HINCHINBROOK SHIRE	VERY LOW

This is driven also by proximity to Cairns Airport but also by natural attributes and again fades off to the south.

Future Opportunities – Non-Banana Fruit Crops :-

DOUGLAS SHIRE	HIGH
CAIRNS-GORDONVALE	HIGH
CAIRNS-BABINDA	HIGH
JOHNSTONE SHIRE	HIGH
CARDWELL SHIRE	MEDIUM
HINCHINBROOK SHIRE	LOW

This is mainly driven by rainfall and growing conditions and fades off to the south.

Future Opportunities – Major Field Crops Supplementing/Replacing Sugar :-

DOUGLAS SHIRE	LOW (ON COAST, HIGH IN TABLELAND SUPPLY AREA)
CAIRNS-GORDONVALE	LOW
CAIRNS-BABINDA	MEDIUM (SUPER WET TYPE)
JOHNSTONE SHIRE	MEDIUM TO HIGH
CARDWELL SHIRE	HIGH
HINCHINBROOK SHIRE	HIGH

This is heavily driven by land availability and land values determined by alternative uses.

We thus have a matrix of results that suggests that while there is a degree of commonality of challenges and issues. There is “no one panacea” for the area and solutions will be different in different areas along the coast.

3.13 An Overview – Moving to a New Dimension

The Far North Queensland Tropical Coast can be seen as the core area of Australia's northern frontier – a frontier whose development was initially slow and hard won.

In Section 2.3, we commented how in looking back over the past 30 years, the area's mainstay industry (sugar) had survived world competitive pressures through use of better technology, but at great cost in terms of jobs. Against this background, the economy of the area has diversified tremendously :-

- ❑ Large areas of land have gone from low value cattle to higher value sugar and from sugar to higher value bananas.
- ❑ The region has moved from fishing to fish farming.
- ❑ The area has moved from timber cutting to plantation forestry.
- ❑ Tourism has given value to the area's outstanding natural environment (reef and rainforest).

The area has moved from a virtual monoculture to multiple land use opportunities.

Clearly, looking into the future, the major base industries are again being threatened by competitive conditions, but again, ranges of opportunities are presenting themselves.

Many of these opportunities are niche opportunities that involve fine tuning of the use of the area's environment (niche crops, niche tourism and the like).

However, many of them involve further processing to get the most out of the basic output of the area. For instance, we are looking at using more sophisticated manufacturing and processing to secure a higher value from the sugar crop. Although in its infancy, we are looking at the same thing for bananas. Some involve a greater degree of integration between the different base industries in the north (sugar and banana industry products for stockfeeds for instance).

At another level, the area is moving from an emphasis on production of basic food ingredients, to production of final processed food. Apart from the stimulus of tourism for the restaurant trade/cuisine development/airline food preparation, a raft of small food preparation enterprises have developed (in dried fruits, confectionery, jams, sauces, pickles and the like), again in part stimulated by tourism, but also in part a function of the region's growing population. After a false dawn in the 1950's, permanent establishment of a cannery is being canvassed strongly again. The new protein factory at Malanda is part of this process.

This food processing in turn, is requiring more sophisticated local food testing facilities. The only NATA accredited facility in the region is the Cairns Water's laboratory, mainly aimed at water testing. A growing volume of food output is having to be sent to Brisbane or interstate for testing at substantial inconvenience. Lack of local testing facilities is a nuisance deterrent to local production/processing.

In another dimension, support manufacturing has also developed in the area based on its underlying successes in its industries based on its outstanding resources. While the area missed out on the development of cane harvester manufacturing in the 1960/70's, there is a lively inter relationship between the agricultural industries (including banana producers and aquaculture) and local engineering firms. The maritime servicing needs of a large fleet of tourism, fishing, trade and defence vessels has led to the development of Cairns as one of Australia's leading maritime servicing and shipbuilding centres. Cairns' aviation hub role is leading to development of a cluster of servicing firms at Cairns Airport.

The need for more sophisticated control of disease and pests related to :-

- the inward movement of people (mainly Cairns airport)
- the outward movement of product to overseas and even to Australian markets
- production itself

was canvassed in a previous section.

Many of these activities, especially those based on biological resources, are requiring a much higher degree of research and specialist service skills within the region than have existed in the past – a level and diversity of skills that is only exceeded in the State by Brisbane/South East corner area.

The major point coming out of this is that future primary industry development along the Far North Tropical Coast will be requiring a degree of development of and integration with manufacturing and other higher order research and services than in the past.

A further consequence of the changing economic structure of this Far North Tropical Coast relates to industry organisation and marketing.

While the region's few major primary industries were but an extension of major industries located throughout the State, skills in organisation and marketing were not heavily required at a local level. The growth of a range of industries only located in the Far North or dominated by the Far North has been a different matter requiring a different approach. Over the last 30 years, the growth of tourism in the area has required strong development of management, organisational and marketing skills at a local level. (Latest figures indicate that the region's tourist industry now has a turnover about equivalent to the whole of the State's sugar industry.) By and large, the banana industry has "grown like topsy". The question is can it survive if it is like "topsy". Aquaculture, other fruit, ornamental industries and forestry are in a similar position. Are the local organisational and marketing structures ready for the future?

4. ORGANISATIONS & INITIATIVES

4.1 Organisations in the Promotion of Development

The following lists, by location, organisations identified as being active in the promotion of development.

Douglas Shire

- Douglas Shire Council with input by CSIRO.
- Port Douglas Daintree Tourist Promotion Organisation.
- Mossman Sugar Mill.
- Mossman Canegrowers.

Cairns

- Cairns City Council.
- Tourism Tropical North Queensland.
- Cairns Regional Economic Development Corporation.
CREDC –
 - Professional Services.
 - Nursery Group.
 - Tropical Foods.
 - Bio Industries Cluster.
 - Aviation Cluster.
 - Cairns Regional Engineering Network.
 - Cairns Infotech Enterprises.
 - The Film & Television Association.
 - ECO Fish.
 - Super Yachts.
 - Study Cairns.
- Cairns Chamber of Commerce (includes Cairns International Trade Centre in its structure).
- Queensland Department of State Development.
- FNQ Employment.
- Advance Cairns.
- Cairns Port Authority.
- Department of Primary Industries.
- Fisheries Centre.
- Centre for Food Technology, Cairns.
- BSES – Meringa.
- Stanwell Power Corporation.
- Department of Natural Resources & Management (including various River Trusts).
- ATSIC (Federal Aboriginal & Islander Body).
- DATSIP (State Aboriginal & Islander Body).

Babinda

- Cairns City Council.
- Babinda Taskforce (Babinda District Community Association).
- Babinda Chamber of Commerce.

Johnstone Shire

Johnstone Shire Council (employs a full time Economic Development Officer).
Cassowary Coast Development Bureau (Tourism Information Centre and Promotion Organisation).
Innisfail Chamber of Commerce.
Innisfail Canegrowers.
Department of Primary Industries (South Johnstone Research Station).
DSD Business Advisor (Mission Beach).
Banana Growers Association.
Mission Beach Tourism Organisation.

Cardwell Shire

Cardwell Shire Council.
Tully Chamber of Commerce.
Cardwell Chamber of Commerce.
Australian Commercial Bamboo Corporation.

Hinchinbrook Shire

Hinchinbrook Shire Council.
Hinchinbrook/Cardwell Development Bureau.
CSR Sugar Mill.
Herbert River Canegrowers.
Forestry Office.
Ingham Chamber of Commerce.

Tablelands

Private Forestry NQ – Kairi.
DPI – Atherton.
DPI – Mareeba.

Austrade – Townsville.
Queensland Ports Corporation (Mourilyan & Lucinda) – Brisbane.

In summary, there is a range of approaches in the different parts of the Far North Tropical Coast to the promotion of development.

Throughout the area, there are Chambers of Commerce representing the business communities on local issues and at times playing an important role in focussing on critical developmental issues. Only Cairns Chamber has a full time Executive Officer and staff and its role will be addressed under comment on the Cairns organisations.

There are Canegrowers' offices in Mossman, Cairns, Innisfail, Tully and Ingham.

Hinchinbrook and Cardwell Shires have long cooperated to fund the Hinchinbrook Cardwell Development Bureau, which organisation is currently acting as the anchor point for the Great Green Way promotion from Ingham to Gordonvale (mainly aimed at servicing car-borne visitors moving through the area from the south). The Development Bureau maintains an Information Centre at Ingham.

Reflecting the growing importance of plantation forestry, the lead Government Forestry office in the area has been shifted from Atherton to Ingham.

Cardwell Shire maintains a Visitor Information Centre at Tully. There seems to be no full time officer of the banana industry in the area.

Mission Beach's Tourism Association maintains a Visitor Information Centre. There does not seem to be any strong coordination between the island resorts of the Family Group and the Mission Beach and Cardwell communities associated with the "Island Coast" area.

Located at Mission Beach but covering the whole area from Ingham north is a Small Business Advisor funded by DSD.

The old Cassowary Coast Development Bureau appears to have become little more than a Tourist Information Centre in Innisfail. Johnstone Shire employs a full time Economic Development Officer. DPI's South Johnstone Research Station is an important institution.

The Queensland Ports Corporation is an important player in the area because of its responsibility for Mourilyan Harbour (as well as Lucinda at Ingham).

Babinda has been feeling vulnerable to sugar industry changes and its Task Force has received funding from various sources. But continuing funding seems to be in doubt.

Following a number of years of concern about fragmentation of effort, a new group with a full time Executive Officer was recently formed in Cairns – Advance Cairns – funded by the Cairns City Council and Port Authority, but with representation on it also from CREDC (primarily funded by the State Government), the Cairns Chamber of Commerce (self funded) and TTNQ (mixed funding), the State Government (represented by DSD), the Federal Government (represented by FNQ Employment) and a number of independent directors.

The role of Advance Cairns will be to take on major issues where a whole of community approach is needed at top level.

CREDC has thrown its major effort behind the creation of industry groups (clusters) with ability to diversify the region's outside earnings. It has spawned and is in the process of spawning, a series of groupings.

The major role of the Cairns Chamber of Commerce is to address issues facing the city. Apart from internal city facilities, it seeks to play a role in pushing for major regional infrastructure development including Cairns Seaport and Airport, Roads (especially relating to heavy transport) and water supplies. It also sees a major role in pushing for the development of Cairns' role as a regional servicing centre in the wider area. Its Cairns International Trade Centre sub group has been active in developing trade, business and tourism links in the Papua New Guinea/Pacific area.

TTNQ is possibly the strongest and most successful non-government tourist organisation in Australia. It is heavily self funded but heavy funding also comes from the Cairns Port Authority, City Council and State Government.

DSD's presence and influence in the city is strong. It co-ordinates well with CREDC. The fishing industry is closely aligned with CREDC through Eco Fish.

FNQ Employment is one of the most active Federal ACC's in Australia with strong co-ordinating links with CREDC and through it with DSD.

As a general statement, Douglas Shire "paddles its own canoe" in general development although major tourism players in Port Douglas have strong affiliation with and influence in TTNQ. It also has a local tourism association with full time staff. The Shire Council has developed a particular alliance with JCU and CSIRO with a very strong "environment friendly" approach.

4.2 Current & Desired Initiatives

The interviewing/surveying resulted in a great deal of information on recent reports that have been generated, initiatives underway or planned and initiatives respondents felt needed to be undertaken.

The following provides lists by topics.

PRIMARY INDUSTRY

Reports

- The Hildebrand Report into the Sugar Industry. Over 200 submissions were received from a wide range of organisations and individuals. Final report due mid June 2002.
- Regional Strategic Plan (covers Babinda & Innisfail areas) by Bundaberg Sugar, growers and MacArthur Agribusiness (Brisbane). Should be completed 30 June 2002.
- Pilot project into harvesting/transport in the Mourilyan area. One workshop completed, more workshops to follow.
- Far North Q'ld Industry Taskforce (into the sugar industry). Contact Neil Sing DPI.
- Sugar Industry Rescue Package. Due to some departments not signing off, money was not released. Package was to be used by farmers to produce individual farm plans.
- Master Land & Water Management Plan for Hinchinbrook Shire (incorporates Northern Thuringowa). Released Jan 2002. Lead agency Department of Natural Resources.
- Lower Herbert River Management Plan released May 2002. Lead agency Department of Natural Resources.
- Q'ld R&D Strategy Issues Paper (April 2002) includes submission by NQ Bioindustries Cluster Group.
- Kleinhardt's initial market research study into bamboo due for completion July/August 2002.
- Last study on kenaf carried out in the Burdekin in 1980's (Dick Steel DPI).
- Sugar Solutions Program (DPI) – Contact Neil Sing.
- Notes on the implementation of the Australian Food Trail Initiative (Judy Noller DPI).

Initiatives Underway Or Planned

- Plans to import local fertiliser product through Mourilyan Harbour (Johnstone Shire Council).
- Development of a Banana Wine Industry by Mary Lancaster using second grade bananas. Benefits through increased local employment & improved farm profitability.
- Mulgrave Mill – installed bagging plant for niche market.
- Taro Cooperative presently being incorporated Babinda (DPI).
- Varietal trials into sweet sorghum varieties – seed had to be imported from overseas, current trials carried out by Mossman Agricultural Services (the extension service of the mill and growers).
- Douglas Shire Agroecosystems Study – new CSIRO/James Cook University proposal March 2002.

- Optional Futures For Sugarcane Farm Families – draft concept proposal – Douglas Shire – funding sought from Federal Regional Solutions Program by joint venture partner’s agricultural futures co-ordinator.
- Agricultural Futures is a joint venture between Douglas Shire Council, CSIRO Division of Tropical Agriculture and the farming sector in the Shire. This Agribusiness Strategy will ensure better integration between the agricultural and tourism industries whilst protecting the natural environment. The proposed Agribusiness Strategy also includes linkages with the Australian Greenhouse Office (Greenhouse Gas Abatement Program) and the development of a collaborative resource information centre which will co-ordinate information currently held in a variety of databases and institutions to create one simple user friendly database.
- Mossman Central Mill is carrying out a major logistics review looking at ways to streamline transport costs.
- Mossman Central Mill is working on harvesting schedules.
- Canegrowers will use their own resources to carry out farming “best practices” studies into :- (a) drainage, (b) minimum tillage, (c) reduction of chemical usage.
- “Primary Green” proposal by the Natural Resource Management (NRM) Board for funding through the National Heritage Trust. “Primary Green” will set up a “Primary Green Wet Tropics Board” to implement negotiated outcomes for environmental and economic benefits.
- Centre for Food Technology Cairns and FNQ Employment submitted a funding application through the Federal Government’s Sustainable Regions Program for a central packaging shed for bush food. Likely location Tarzali but draw product from the region.
- Developing a Bush Tucker Association – meeting 15 June 2002.
- Looking to develop a Tropical Fruit Wines Association in North Queensland (Judy Noller DPI).
- Rural Industry Research & Development Corporation grant just approved for research into washing taro. Taro is very labour intensive and to be competitive must be mechanised in areas of washing, planting and harvesting. Priority area for funding is washing taro.

Initiatives Need To Be Undertaken

- Need to diversify sugar industry, eg. plastics, cogeneration, chemicals, pharmaceuticals.
- Increase usage of TAFE College at Innisfail (currently two-thirds under-utilised). TAFE has a nursery that could be used for bush tucker.
- Ethanol as it stands is not a money earner for canefarmers – need to adopt similar practices to Brazil.
- Debate re single desk issue for the sale of sugar.
- Rationalisation of cane farms – 30% crop grown by 70% of farmers. To buy out small farmers need low interest loans or consumption levy.
- Ethanol production produces dunder – need to research markets for dunder as stockfeed and/or fertiliser.
- Need research into how to make ethanol – mixtures of what? Ethanol can be made of anything with starch.
- Support for industries in slump to diversify.
- Support for industries to replace old ones.
- Support for industries to improve environmentally.
- Greater rare tropical fruit industry.
- Diversification of farms.
- Match agricultural product with available air freight.

- Sugar Act needs to be more flexible. Not advocating removal of single desk, just flexibility to allow individual mills to sell into niche markets, eg. Mossman produces premium sugar.
- Environmental reports need to be backed up with scientific proof.
- Need to develop cluster groups, eg. for industrial hemp industry.
- Canetech is a world first private industry venture with an investment prospectus. Canetech produces natural wax (lipstick), rind fibre (paper manufacture), pith fibre (animal feed and human dietary fibre) and trash (fertiliser) from cane. Needs DPI/Government to find investor. Canetech requires \$750 000 in stages over 2 to 3 years. Canetech needs a supply of 200 000 mt cane.
- Consistency between government departments in the regulation of agricultural industries, particularly in the environmental area.
- Possible motorcade by banana industry to southern regions rather than Cairns.
- Employment/retraining initiatives as traditional industries decline.
- Push Q'ld Government to change legislation to price domestic sugar at import parity not export parity. Request in submission to Hildebrand (Canegrowers).
- Full feasibility study into bamboo production, marketing & processing – Bamboo Industry Viability Study.
- DPI Timber Taskforce to include bamboo industry. Although it is a grass, it has the same end use.
- Investigate bamboo as a source of carbon credits ie. could be the fastest growing carbon credit.
- Build a Microbiological Laboratory in Cairns to test for pathogens. Must be NATA accredited. Australia New Zealand Food Authority (ANZFA) legislation states that you must prove your product is safe for consumption in Australia, New Zealand and overseas. Woolworths and Coles abide by ANZFA. Cost of certification is borne by the supplier. Cost is high and timing/ results of sample testing is often a problem due to time taken to travel and test in Brisbane or interstate. Testing problems are a huge disincentive for businesses trying to maintain regular quality product to domestic and overseas markets.
- Structural Adjustment Programs eg. financial support to exit industry and farm debt restructure assistance.
- Assistance for cooperatives & business clusters.
- Facilitate development of harvesting contracts with better incentives for capturing industry requirements in relation to cane quality and cane loss.
- Reform payment system (pricing formula) to reduce conflict between sectors in supply chain.
- Develop cane pricing that reflects the value of a wider range of attributes in cane supply than ccs eg. sugar quality, fibre content, co-products.
- Education & training to build the capacity of the industry to implement change.

FARMING PRACTICES

Reports

- Research on nitrogen & water undertaken in the Wet Tropics under the RAAL program. Funded by Land & Water Australia.
- Alternative Farm Systems – contact Robert Sutherland, Mossman Central Mill. This study looks at growing sweet sorghum for ethanol production, ie. benefit canegrowers, mill and whole community.

Initiatives Underway Or Planned

- Attending GBRMPA Subcommittee to update industries on latest issues affecting reef, eg. revegetating river banks could help reef and provide timber.
- Tully Mill looking at ways to improve harvest and transport efficiencies
- Douglas Shire Council Water Quality Program – initially concentrate on the primary water quality criteria of sediment, nutrients and pesticides. Sampling by trained volunteers under supervision of a local co-ordinator based at Mossman who reports to the joint venture. Mossman Agricultural Services (the extension service of the mill) should identify the levels of inputs (notably fertilisers and pesticides) and the possible location of sediment origins. This could form the basis for targeted “best practice extension” and the recording of changes in practices for corrective actions have been recommended. Eight high priority projects have been allocated by Professor Brian Roberts (James Cook University) and the following will require farmer participation:
 - 1 Land & water audit and codes of practice.
 - 2 Water pollution and land use practices.
 - 3 Cost sharing policy for public good works.
 - 4 Adoption of alternative energy systems.
 - 5 Eco efficient buildings & retrofitting.
- Framework for Sustainable Farming Working Group – levels of accreditation.
 - 1 Sustainable Farms
 - a) Conservation Practices – soil & moisture conservation, crop rotation, legumes.
 - b) Environmental Practices – as above but with habitat protection – biodiversity increase.
 - c) Chem-safe Practices – as above but uses only chemicals which are non-persistent and do not enter the ecosystem.
 - 2 Organic Farms – as above but uses no synthetic chemicals.
 - 3 Biodynamic Farms – as above but uses biocatalysts in addition to other organic requirements.
- Douglas Shire Council administered \$26000 of National Heritage Trust funding to local landowners requiring help with capital expenditure on areas of high conservation value. This addresses a very common complaint that farmers have to protect a “community” asset at their own cost, eg. tree planting benefits the whole of the community yet landowners, not the community, pays.
- Douglas Shire Council & Daintree Rainforest Foundation has won \$26800 National Heritage Trust funding for 1999-00 and recurrent funding for 2000-01 for conservation works on rural lands.
- Drummaster encourages the recycling of agricultural chemical containers and bulk buying of chemicals. Good support by farmers. Practical example of farmers and community working together to care for the environment.
- Sugar industry has an initiative called Compass, a voluntary self-assessment program of 9 modules that was developed by BSES/Canegrowers. Farmers believe they are not receiving credit for “best practice” farming.

Initiatives Need To Be Undertaken

- Farmers (unlike aquaculture) currently do not need to be accredited through the Integrated Planning Act (IPA). Professor Brian Robert’s projects could be the foundation of how to accredit farmers for the IPA, eg. Mossman Mill standards not good enough for green status for ecosugar, ethanol and cogeneration.
- Implement effective institutional arrangements for sugar industry sustainability.
- Specific incentives for training and environmental innovation.
- Co-fund implementation of environmental remediation/revegetation work.

- Assistance for industry based independent monitoring and independent analysis.
- in Ingham area is to form 25 groups of farmers and 3 officers. Group farmers with similar type farms. The role of productivity officer would be to promote "best practice" farming methods. DPI could fund initiative and call them extension officers.

FORESTRY

Reports

- Forestry/milling proposal prepared by the Development Bureau of Hinchinbrook & Cardwell.
- Private Forestry NQ Strategic Plan April 2002 prepared by Kleinhardt
- Expression of interest by Private Forestry NQ to the Foundation for Regional & Rural Renewal February 2002
- Funding application by Private Forestry NQ to Rural Industries Research & Development Corporation December 2001

Initiatives Underway Or Planned

- Plans to import Papua New Guinea timber product through Mourilyan Harbour and value add in Johnstone Shire.
- Investigating export of sawn and log timber (concerns low labour force timber industry will replace high labour force banana industry).
- Private investor looking at teak plantation (Cardwell).

Initiatives Need To Be Undertaken

- Farm Forestry – growers not responsive in current economic climate.
- More research into farm forestry.
- Certify North Queensland timber as green, this would be a world first. At present 80 percent of tropical timber trade is illegal.
- Find investors. It has been identified that there is 80 000 ha of land available in a 200 km radius of Cairns (excludes cropping/dairy and urban land). Private Forestry NQ only looking for 10 000 ha. It is believed this could be achieved by 2008 with the right incentives for investors and landowners.
- Continue discussions with power companies/government re carbon credits

FISHERIES / AQUACULTURE

Reports

- Hinchinbrook Plan of Management – currently in draft stage. Prepared by National Parks - about island only.
- Hinchinbrook Marine Plan – currently in draft stage. Federal project.
- Reef Protection Taskforce Report carried out 4 months ago – puts high level of accountability on land users.
- Great Barrier Reef Marine Park Authority (GBRMPA) Water Quality Action Plan – on GBRMPA Website.

Initiatives Need To Be Undertaken

- Need to expand/protect fishing industry.
- Continue to explore aquaculture opportunities, particularly in light of plans to designate another 30 percent of reef.
- Government departments need to work together, eg. aquaculture promoted by Department State Development and then Environmental Protection Agency/National Parks almost actively discourage.
- Need access to Innisfail Harbour at any tide as this affects fishing vessels and yachts (tourism)
- More research into aquaculture.

PROCESSING

Reports

- Stanwell Corporation Mossman Mill Cogeneration Report (confidential)
- Stanwell Corporation Rocky Point Cogeneration Report (confidential)
- Mossman Mill Ethanol Report (confidential)
- Stanwell Corporation's ongoing studies into further cogeneration opportunities (confidential)
- Full Business Plan for Microbiological Laboratory (analytical facilities) in Cairns (confidential)

Initiatives Underway Or Planned

- Studies by Stanwell Corporation into cogeneration opportunities with sugar mills using other materials to supplement cane. Key to cogeneration is volume, profitability improves with all year operation.
- Tully Mill looking at ways to improve harvest and transport efficiencies.
- Centre for Food Technology Cairns (CFTC) looking to value add bush tucker into confectionery for export and domestic markets.
- Centre for Food Technology Cairns looking to develop taro chips for export and domestic markets.
- Production of banana wine

Initiatives Need To Be Undertaken

- Need to use Food Innovation Centre as business incubator, eg. value adding bush tucker, taro (chips), banana (wine), bamboo (timber and food).
- Study into the transport options for materials used in ethanol production. Cane train rail gauge different to state rail gauge. Transport study to include sea, road and rail links with potential ethanol sources eg. various grains and sweet sorghum from central Q'ld/Tablelands. Include in the study the potential for the export/domestic consumption of the ethanol by-products of stockfeed and fertiliser.
- Mandate a certain percentage of Australian ethanol in fuel.
- Value adding research for local produce should occur in Far North Queensland as this stimulates a more enthusiastic response from fledgling processing industries and farmers.
- Increase mill profitability through cogeneration and the diversification of products, eg. ethanol, fibres, waxes.
- Legislate support for ethanol fuel mixes.

TOURISM

Reports

- Collection of statistical information regards tourism (Department of State Development).
- Great Green Way Tourism Strategy.
- CSIRO Tourism Futures Simulator – 7 surveys run by CSIRO over 5 survey periods in 1999 & 2000 targeting 20 000 visitors. The data indicates that there is a high economic value to be gained by protecting the natural environment.
- Agreement: Douglas Shire Council with Australian Cooperative Research Centre for Sustainable Tourism (CRC), the Centre of Integrated Environmental Protection, Griffith University and the Q'ld Environmental Protection Agency in Oct 2000. This collaborative partnership was designed to facilitate ecologically sustainable environmental and business best practice with an emphasis on the travel and tourism industry.

Initiatives Underway Or Planned

- Applied for Regional Solution Grant to build New Visitor Information Centre (Hinchinbrook Shire Council). Current centre in wrong location.
- Great Green Way Tourism Strategy.
- Utilisation of nurses quarters building (Babinda) as youth/visitor accommodation centre and training venue.
- Innisfail Frogarium Study.
- Hinchinbrook Tourist Association – beautification & streetscape funding approved.
- Number of workshops on farm tourism held in the Cassowary Coast area.
- Ecotourism – Misty Mountain Walking Trails - \$4m walking track strategy involving coast & Tablelands & Tully Gorge.

Initiatives Need To Be Undertaken

- Indigenous involvement in Palmerston Canopy Walk.
- Better access/facilities at natural attractions, eg. bitumen road for all year round access to Wallaman Falls.
- Food Trail concept to be expanded to include Babinda area. Food Trail should investigate value adding fruits (chutney) and taro (chips).
- Cassowary Coast Development Bureau requires greater funding for promotion as relegated to information centre only at present.
- TTNQ should promote entire region not just Cairns/Port Douglas.
- Tourism needs to be promoted and existing tourism infrastructure to natural attractions upgraded, eg. roads.
- Need to capture tourists, promote local festivals, eg. Ingham Italian Festival.
- No follow through on farm tourism workshops – now need to discuss public liability and effects on farm tourism.

COMMUNITY

Reports

- Peter Kenyon Workshop at Babinda.
- Babinda Taskforce Survey 1998
- Douglas Shire Sustainable Futures Strategy- this strategy will form the foundation for the new shire planning scheme, the new Douglas Shire Council Corporate Plan and many others.

Initiatives Underway Or Planned

- Establishment of a Rural Transaction Centre (Babinda).
- Establishment of our (Babinda) identity – umbrella town.
- Streetscape (Babinda) with public art.
- Possible float of public company for new cinema (Innisfail).
- Local government is familiarising itself with a raft of new environmental protection agency regulations and Councils' obligations to the new regulations.

Initiatives Need To Be Undertaken

- Indigenous involvement in bush tucker.
- Reduce average age of farmers.
- Education, retraining & health support (particularly mental health) for farmers.
- Educate farmers on how to access government services.
- Set up community banks.
- Become a minister in cabinet.
- Increasing participation of farmers in town/community planning.
- Break resistance to change cycle.
- Support for young farmer groups.

- Upgrade farmers' business skills.
- Come up with results from all these endless meetings & reports. Community is being worn down and participation is at risk.
- New government (particularly EPA) regulations give burden of responsibility to level of government least able to handle it.
- Need impartial department to drive controversial changes.
- Need to address the question as to how to impart/manage change.
- Government departments need to work together, eg. aquaculture promoted by Department of State Development and then Environmental Protection Agency/National Parks almost actively discourage.
- More communication between government departments preparing reports in the same interest/geographic area, eg. federal sponsored Hinchinbrook Marine Plan was unknown to Cardwell Shire until its release.
- Government departments need to build a bridge, communicate more effectively with both community leaders and general community.
- Need to have Environmental Protection Agency officer based in Cardwell Shire to foster better communications/quicker response times.
- More financial counsellors. Presently 4 – 6 week waiting time (Ingham area). Too long in current climate. One suicide already.
- Hold a “big bang” event. Bring together stakeholders to pose questions like, “What will your country town look like in the future?” Start process now before it runs down to unsalvageable state.
- Research to better understand the relationship between industry and the ecosystem and the environment.

BUSINESS/ INDUSTRY AND OTHER

Reports

- Action plan to enhance business opportunities in regards flow-on effect from Australian Airlines (Department of State Development).
- Coastal Management Plan.
- Cairns Chamber of Commerce Infrastructure Plan.
- State Infrastructure Plan.
- Australian Airlines Freight Study (CCC).
- Innisfail & Surrounds Pilot Project.
- Cairns City Council Integrated Transport Study.
- FNQ 2010.
- Base Industry Report by Cummings Economics (Johnstone Shire & Cardwell Shire).
- Strategic Plan (1996) for Mourilyan & Lucinda Ports.
- Memorandum of Understanding – Douglas Laboratory is the name given to the co-operative research program proposed by James Cook University and the Douglas Shire Council. The Douglas Laboratory will encourage both partners to offer and seek preferential co-operative research projects with each other. The Shire has recently completed a comprehensive sustainable futures strategy from which 230 preferred actions have been recommended. These have been arranged into 40 research topic groups and from these 8 priorities programs have been offered to James Cook University for consideration.
- Memorandum of Understanding (Oct 2000) – Douglas Shire Council & Environmental Protection Agency. In March 200, extended Memorandum of Understanding to include the development of a sustainability strategy.
- Daintree Futures Study.
- Rural Opportunities Forum March 2001 run by NQ Economic Development Board and Development Bureau of Hinchinbrook & Cardwell.

- Global Trends booklets – series of booklets by DPI explaining the economic, social, environmental and political implications and opportunities of globalisation to rural communities.

Initiatives Underway Or Planned

- Review of delivery of Office of Small Business Workshops (Department of State Development).
- Cairns City Council half way through Town Plan. Town Plan necessary due to Integrated Planning Act.
- Website for Babinda.
- Innisfail Chamber of Commerce Strategic Plan.
- Federal Department Transport Regional Services Joint Study into the Economic, Environment & Social Issues of Johnstone & Cardwell Shires.
- Douglas Laboratory (a joint venture between JCU and Douglas Shire and employing an adjunct Professor (Brian Roberts)) is seeking funding for 8 high priority programs. The following 8 projects have been allocated high priority by the Douglas Laboratory (Professor Brian Roberts) :-
 - 1) Land & Water Audit & Codes of Practice.
 - 2) Self Sufficiency of Indigenous Communities.
 - 3) Water Pollution & Land Use Practices.
 - 4) Cost Sharing Policy for Public Good Works.
 - 5) Local Benefits From Tourism Products & Services.
 - 6) Adoption of Alternative Energy Systems.
 - 7) Tourism Impacts – The Triple Bottom Line.
 - 8) Eco Efficient Buildings & Retrofitting.

Professor Norman Palmer, PVC (Research & International) has indicated that seed funding of around \$5000 per project would be made available for up to four projects in 2002. This funding would be conditional on an undertaking to make a major grant application to support the ongoing project.

- Douglas Shire selected as pilot to assist in the development of the “Green Globe” certification process for communities. It has since progressed to become the first “Green Globe” benchmarked community in the Asia Pacific region.
- Douglas Shire has achieved milestone 1 & 2 for the cities of climate protection program with the support of the International Council for Local Environmental Initiative and the Australian Greenhouse Office. Five milestones in total. Douglas Shire Council is working on milestone 3.
- Continued participation by community leaders in Queensland Government Regional Forums held every quarter.
- Discussions between Gordonvale and Edmonton businesses on the formation of a Cairns South Chamber of Commerce.
- Steps Ahead Program Inc formed to attract business (mainly tourism) to Gordonvale

Initiatives Need To Be Undertaken

- Financial advice to farmers on the long-term viability of their individual farms. What are farmers’ options when there are no buyers for their farm, the farm has decreased to half its previous value (farm is their main asset and their superannuation fund) and they have no experience in other crops?
- Lead agency system not working ie. lead agency cannot get other departments to sign off – stalemate.
- Sort out problem of non-rateable land, eg. 70% of Cardwell Shire is non-rateable. Ratepayers can’t make a living from the land. Cardwell Shire losing rateable land to wildlife habitat eg. mahogany gliders.
- Cost/benefit of major infrastructure projects.

- Job creating projects to absorb unemployment generated by the decline of traditional industries.
- Innisfail Chamber of Commerce to set up website.
- Need to be proactive to attract developers/businesses (Innisfail). Chamber should work together with Council (Johnstone). Different roles working towards same outcome.
- Need to restart/complete Cardwell Hinchinbrook Coastal Management Plan.
- Investigate the use of bamboo in bioremediation, ie. treatment of tertiary water.

4.3 The Role of QDPI

Clearly, the challenges of the current situation along the Far North Queensland Tropical Coast (especially in its rural areas) are challengers for QDPI if it is to remain of key relevance to the area as an organisation.

Impact of the Sugar Crisis

Because, in the past, a robust sugar industry has taken on its own shoulders most of its own research, extension, milling, transport, management and marketing, there is a legacy in the area of QDPI not being the prime support agency for a great many farmers.

Clearly, there are some issues to be solved here.

- a) The first is the previously mentioned state of the industry and its financial ability to support the same research, organisational and marketing system as it did in the past.
- b) The second is efficiency. Canefarmers have a number of organisations visiting them from :
 - (i) The Mill.
 - (ii) BSES.
 - (iii) Canegrowers organisations.
 - (iv) DPI (in various roles).
- c) Third, increasingly, cane farmers are looking at other crops to be supplementary to sugar along the Far North Tropical Coast.

To meet the challenges of the area, it is clear that individual sugar farmers, the sugar industry organisations and DPI need to work together in harmony.

For instance, one suggestion received was that canefarm productivity improvements could be achieved by similar farms being grouped together and a productivity (extension) officer employed to help them achieve increased productivity and possibly other sources of income. However, the point was made that the industry itself would find it difficult to meet the cost.

The Banana Threat

Even if the banana industry succeeds in keeping out imports on quarantine grounds in the short run, it is clear that the industry will still be operating into the future with a "sword of Damocles" over its head.

The question is – can technology be introduced that will get costs down (or by-product income up) sufficiently for the industry to compete on world markets. The sugar industry has been able to achieve this in the past. The tobacco industry did not succeed. Clearly, DPI has a role in this.

Role Beyond the Farm Gate

The banana situation serves to introduce another theme. The big productivity increases likely to be achieved in bananas would appear to lie in mechanisation and development of processed by products.

Much of the work that needs to take place in relation to sugar is in relation to processing and developments like cogeneration, ethanol and other by-products with heavy input of bio-chemistry and engineering involved.

The point made about moving from food ingredient production to processed food production fits into the same general picture.

Our impression is that, DPI has traditionally seen its major role as being in the paddock and as far as the farm gate.

Is it prepared for a more wholistic approach to dealing with the issues facing primary industries in the area, which means being involved very strongly "beyond the farm gate"? For instance, there was a suggestion that DPI should concern itself with ethanol and that it should lead the taskforce.

The Environment

Individual farmers, farm groups, community groups and local authorities along the coast are all experiencing frustrations with environmental restrictions.

Their frustrations arise from a feeling that :-

- a) Actions by the environmental authorities are not technically sound but the local community groups do not feel knowledgeable enough to effectively argue back.
- b) They cannot see gains from environmental restrictions (as commented before, this varies depending on relative tourism income).
- c) Environmental authorities are riding roughshod over and not listening to their opinions.
- d) Insufficient recognition is given to existing achievement by farming and tourism industries in this direction.
- e) Environmental protection authorities are causing crippling delays in getting projects underway because of slowness in dealing with applications.
- f) Environmental protection authorities are making a welter of charging for approvals, etc.

There was a clear stream of thought that DPI has a strong role to play in providing technical input and support for the primary industries in this field. On water quality, there was a call for a neutral tester, not EPA. Some of the attitudes are summed up in the comment, "DPI consult, EPA dictate".

On the other hand, given current wider community views, environmental pressures are not going to go away and on-going development will need to take place in this context. Substantial Federal funding is available through the Australian Greenhouse Office and there may be on-going marketing advantages in being recognised as being "Green" industries. The "Primary Green" initiative would appear to be a move that recognised QDPI's need to involve itself in this question in a positive way.

Community Development & Working With Others

Because of the type of person contacted, there was some comment about the role of DPI in the rural communities and on working with others.

As a general statement, the surveying indicates that DPI's image with farmers throughout the area is good. It has a good reputation, is seen as impartial, has depth and breadth of presence and is seen as able to handle a wide range of rural issues.

Its general image in the rural towns could do with some improvement. One centre in which it has taken a strong proactive role, has been highly appreciative. On the other hand, there was criticism of lack of follow up on some reports, eg. Innisfail & Surrounds.

Although Cairns is probably the largest regional support city for primary industries in northern Australia and in Queensland outside of the south east corner (with the largest combined value of agricultural, pastoral, fisheries/aquaculture and forestry production in its region), there is a perception that apart from in fisheries, QDPI's profile and presence in the city has been low.

Although there is scope for different industries to have different approaches, it is possibly constructive to reflect on how other industry related departments interface with the region and regional organisations.

In tourism (now clearly the largest outside income earner along the coast), there is no government office in the area. Tourism Queensland works with the region through providing substantial financial support for the regional tourism organisation, TTNQ, which, in turn, works very closely with TQ and at Federal level, with the ATC.

DSD, which has generally been seen to cover manufacturing and commercial businesses, has a mixed approach. DSD have an office in the area that has grown in size over the years. However, it has strong programmes of financially supporting CREDC and through Hinchinbrook Cardwell Development Bureau, in supporting a Business Adviser in the Cassowary Coast area. It has a number of programs that development bureau type organisations, community and industry organisations can tap into.

In contrast, DPI tends to have extensive local offices. But it could not be said that it has had a seamless integration with the local communities. Within QDPI, there are elements of an "us" and "them" (meaning the community) attitude.

There is a strong desire in the region for locals to make local decisions. However, by and large, there is also a desire on the part of the region's development and community organisations for DPI to have a strong co-operative presence and to work with them. There is some feeling that DPI has at times seen the emergence of some organisations as a conflict with what they are doing. On the other hand (as already commented upon), in one instance where DPI has come in heavily behind a community organisation, with financial and other support including workshop facilitation, it has been much appreciated. There was a suggestion that DPI could help in marketing "areas", as well as "crops". The need for funding for Community Development Organisations to invest in critical new ventures was raised.

A comment that QDPI failed to engage the community early enough, in relation to some of the Tableland programs that reacted to restructuring needs, is significant.

In summary, just as the current situation seems to require a more “wholistic” approach to industry development beyond the farm gate (to include mechanisation inputs, processing and marketing), it seems to require a more “wholistic” approach to the rural communities involved.

Management, Workforce & Skills

As noted in Section 3, there were substantial concerns about :-

- a) Ageing farm management/workforce.
- b) The severely weakened financial resources of farmers.
- c) The need for farm size restructuring and reducing the number of farms.

There are existing programs in place to assist farm rationalisation. There were some comments that in the current situation, the interest rate charges need to be lower and that even outright financial assistance might be needed.

A concern for developing young farmer organisations and skills was a common thread and some favourable comment was received about the Building Rural Leaders program.

The question of financial advice was commented on, but with some varying views about how close advisers should be to farmers because of confidentiality aspects/trust factors.

Marketing

Comments in this field were mixed and there was no clear view.

While there was some feeling that DPI needed to be involved in market assessment and marketing, there was a degree of ambivalence about its role which was probably seen to be more one of being a facilitator and networker (eg. through trade missions) rather than giving marketing advice.

There was significant sentiment that DPI had a role in carrying out market research into alternative crops but the view was expressed that this needed to be linked to the realities of current transport infrastructure and services. The role needed to include the question of marketing processed product and to help increase the knowledge of farmers in this field.

Forestry

There are some conflicts taking place in this field.

- a) Concern by local government that farm forestry will reduce economic activity in the area. They are not convinced that it is a good thing.
- b) A feeling that DPI was conflicting with, rather than allying with, private forestry groups.

Nurseries

The nursery/ornamentals industry is looking for organisational support.

Douglas Shire

Historically, Douglas Shire's agriculture has been heavily sugar based and has not had a strong history of DPI involvement.

Being on the tropical coast, it would naturally look to South Johnstone for support. Mossman Mill is becoming increasingly involved with the Tablelands covered by Mareeba office.

The Shire has brought in JCU on the environmental side and CSIRO on the tourism side to play a role in assessment of future moves. Clearly, DPI needs to work through in consultation its role in this area and the applicability of the highly environmentally conscious studies taking place in that area, to other areas along the coast..

Tourism

There is a need for DPI to recognise the growing influence and importance of this industry and develop closer liaison. Points of common interest are :-

- a) The desire of rural communities to tap into this industry (especially those south of Cairns).
- b) Aircraft freight capacity generated by tourism.
- c) Food production/manufacturing/preparation aimed especially at visitors. (Note : It is approaching a situation where there are as many visitors (and they are strong spenders) on the ground along the Far North Tropical Coast as there are residents in the North West Statistical Division.)
- d) Special interest tourism trails, eg. food/nurseries/gardens.
- e) Farm stays.

For the existing tourist industry in the region overall, most of these aspects are of marginal concern. As the lead State Government agency in rural areas however, DPI needs to consider how it can best use its resources to help these communities realise their ambitions to achieve greater tourism growth.

**APPENDIX 1
LETTERS WRITTEN & QUESTIONNAIRE/
INTERVIEW TRACKS USED**

CUMMINGS ECONOMICS

38 GRAFTON ST (PO BOX 2148) CAIRNS Q 4870 ABN 99 734 489 175
TEL 07 4031 2888 FAX 07 4031 1108 Email cummings@austarnet.com.au



17 May 2002

Dear Sir

We are currently carrying out for the Queensland Department of Primary Industries a review of the Far North tropical coast (including the Shires of Hinchinbrook, Cardwell, Johnstone, Douglas and the City of Cairns) covering :-

- Developmental trends and needs in the area.
- The range of actions already being undertaken to promote development by local, state and government agencies.
- The existing and possible future role of QDPI in the area.

In the process, we have been seeking to interview community leaders and key agencies in the area.

Attached is an outline of the subject matter we have been covering.

The research has been commissioned through Principal Rural Development Officer (North), Gerard Byrne, who has asked us to contact you during the process and seek your advice on any of these matters and also about other persons relevant to the work.

I would be grateful if you could review the matter and if you can fax or e-mail back responses to any parts of it, certainly do so. However, in any event, we will ring to obtain your input at an appropriate time.

Comments made by individuals will of course remain confidential.

If there are any aspects you would like to discuss, please do not hesitate to ring us on 40312888 or contact us by fax or e-mail.

Yours sincerely

W S Cummings

FAR NORTH TROPICAL COAST SITUATION REPORT

1. What are the major issues facing your area/industry/agency in the promotion of the region's development?

2. What agencies (local, state, federal, other) are active in your area in the promotion of development?

3. What recent reports/initiatives have been completed in this field over the last year or so?

4. What initiatives are currently under way or planned?

5. Are there areas in which initiatives need to be undertaken?

6. Are there areas in which you feel Queensland Department of Primary industries can play a special support or cooperative role through its different functions ranging from research through to marketing?

RESPONSE ADDRESS :-

**CUMMINGS ECONOMICS
PO BOX 2148, CAIRNS Q 4870
T : 4031 2888
F : 4031 1108
E : cummings@austarnet.com.au**

APPENDIX 2
LIST OF PERSONS/ORGANISATIONS RESPONDING

<u>NAME</u>	<u>ORGANISATION</u>
<u>DPI STAFF</u>	
▪ JUDY NOLLER	MARKETING OFFICER, CAIRNS
▪ CHRIS HORSBURGH	TRADE DEVELOPMENT OFFICER, MAREEBA
▪ NEIL SING	PRINCIPAL AGRICULTURAL ECONOMIST, INNISFAIL
▪ BOB WILLIAMS	PROGRAM LEADER, Q'LD HORTICULTURE INSTITUTE, INNISFAIL
▪ DICK STEEL	PROGRAM LEADER, FARMING SYSTEMS, MAREEBA
▪ BRETT WEDDING	CENTRE FOR FOOD TECHNOLOGY, CAIRNS
▪ MARK O'SULLIVAN	GENERAL MANAGER, BUSINESS STRATEGY UNIT, BRISBANE
▪ GREG MASON	FINANCIAL COUNSELLOR, CAIRNS
DARYL KILLIN	SECONDED TO PRIVATE FORESTRY NQ
CR PAUL GREGORY	COUNCILLOR, CAIRNS CITY COUNCIL
DAVID FARMER	CEO, CAIRNS CITY COUNCIL
CR TIP BYRNE	MAYOR, CARDWELL SHIRE COUNCIL
IAN ADCOCK	ACTING CEO, CARDWELL SHIRE COUNCIL
BRIAN ROBERTS	DOUGLAS SHIRE COUNCIL
CR KEITH PHILLIPS	MAYOR, HINCHINBROOK SHIRE COUNCIL
CR BARRY MOYLE	MAYOR, JOHNSTONE SHIRE COUNCIL
GARY HOPKINS	ECONOMIC DEVELOPMENT OFFICER, JOHNSTONE SHIRE COUNCIL
SANDY WHYTE	EXECUTIVE OFFICER, CAIRNS CHAMBER OF COMMERCE
PAT BORGGILD	SECRETARY, CARDWELL CHAMBER OF COMMERCE
BILL WHITEMAN	PAST PRESIDENT, CARDWELL CHAMBER OF COMMERCE
TERRY WALTERS	MEMBER OF NOW DEFUNCT GORDONVALE CHAMBER OF COMMERCE
PIERA DELROY	PRESIDENT, INGHAM CHAMBER OF COMMERCE
FELIX REITANO	PUBLICITY OFFICER, INGHAM CHAMBER OF COMMERCE
PETER PARAKAS	PRESIDENT, INNISFAIL CHAMBER OF COMMERCE
DOUG OLSEN	MEMBER, INNISFAIL CHAMBER OF COMMERCE
JEAN VALLIANOS	PRESIDENT, TULLY CHAMBER OF COMMERCE
CAROL STROUD	BABINDA TASKFORCE (ADMINISTRATOR/COORDINATOR)
BETTY GRAHAM	CASSOWARY COAST DEVELOPMENT BUREAU
BILL CRISTALDI	MANAGER, DEVELOPMENT BUREAU OF HINCHINBROOK & CARDWELL
TRACY SCOTT	MANAGER, CREDC
RIMINGTON	
TOMAS VIEIRA	CEO, FNQ EMPLOYMENT INC
BILL CALDERWOOD	CEO, TTNQ
GARY CAMPBELL	PORTS CORPORATION, QUEENSLAND
TYCHO BUNINGH	PORTS CORPORATION, QUEENSLAND
WAYNE THOMAS	MANAGER, CANEGROWERS INNISFAIL
STUART LOVELL	MANAGER, CANEGROWERS MOSSMAN
PETER SHEEDY	MANAGER, CANEGROWERS INGHAM
PETER LUCY	MANAGER, CANEGROWERS TULLY
BRUCE JENNER	MANAGER, CANEGROWERS GORDONVALE
ALAN JOHNSTONE	MANAGER, MOSSMAN CENTRAL MILL
ROBERT SUTHERLAND	MOSSMAN CENTRAL MILL
ROY GELLWEILER	REGIONAL MANAGER, CSR, INGHAM
MICHAEL LINNAN	DIRECTOR, STATE DEVELOPMENT CENTRE
GARRY REES	PRINCIPLE STATE DEVELOPMENT OFFICER, STATE DEVELOPMENT CENTRE
SHEILA LAWLER	BUSINESS ADVISOR, STATE DEVELOPMENT OFFICE
SONYA MALEY	DIRECTOR, AUSTRALIAN COMMERCIAL BAMBOO CORPORATION
IAN WOLHUTER	PROJECT MANAGER, STANWELL'S COGENERATION PROJECT