# **<Insert name of project>**

# Concept approval template

***Guidance: Concept Approval template (to be deleted)***

The purpose of this document is to provide an initial assessment of the idea or concept’s suitability for further consideration. It assists Council’s Project Decision Making Group to determine whether the concept should proceed to the Stage 2 (Pre-feasibility) of the Project Decision Framework.

The Concept Approval should be a succinct summary (no more than a few pages) of the concept being proposed and what service need it will meet.

Guidance boxes like these are designed to help the user understand what content should be included in each section. Guidance boxes are intended to be removed from the final pre- document which is submitted to the Project Decision Making Group. To remove a guidance box, simply select the text in the guidance box and press delete.

***Guidance: How to use this template (to be deleted)***

This template is structured so the user may assess each potential delivery option against standardised criteria.

The key questions of each criterion are *italicised* in the respective guidance box.

The user is required to enter text or information where form fields (such as this one) are placed. To insert text, simply select the form field and begin typing.

## Document control

Table 1: Document control

| Prepared by: | Name |
| --- | --- |
| Role: | Job title |
| Team | Team name |
| Local Government Authority | Council name |
| Version number | 0.1 |
| Version date | DD/MM/YYYY |
| Status | Initial Draft / Consultation Draft / Approved Document / Minor Revision / Major Revision |
| File / document number: | File number / document number |

## Document authorisation

Table 2: document authorisation

| Name | Signature | Date |
| --- | --- | --- |
| Requested by: Name (eg, Author)  |  |  |
| Reviewed by: Name (eg, Manager) |  |  |
| Endorsed by: Name (eg, General Manager) |  |  |
| Approved by: Name (eg, Chief Executive Officer) |  |  |

## Version history

Table 3: version history

| Version number | Date | Changed by | Nature of amendment |
| --- | --- | --- | --- |
| 0.1 | Date | Name | Initial draft |
|  |  |  |  |
|  |  |  |  |

# Key information

***Guidance: to be deleted***Section 1 of this document should provide a brief overview of how the proposed concept will meet a defined community or service need.

## Community service requirement

***Guidance: to be deleted***

*What community or service need will this concept address?*

Briefly outline the community service needs and provide any background to the proposal.

Examples of community service needs include:

* social and community services – aged care, library services, disability access, indigenous and multicultural services
* environmental services – water (collection, storage and supply), management of natural resources, coastal management, erosion control, waste management
* health services
* emergency management services – bushfires, flood, earthquakes, drought and dam safety
* planning and building services – economic development, transport, infrastructure, cultural and heritage management, urban and rural planning, recreational and sporting facilities
* transport and infrastructure – road networks, footpaths, cycle paths.

Etheridge Shire is large in area (39,332km²), low in population and situated in a region reliant predominantly on extensive cattle production. The ABS classifies the entire shire as ‘Very Remote'. Georgetown, the main urban centre in Etheridge Shire, is 400 km by road from Cairns and almost 2,000 km from Brisbane. At Dec, 2016 the Shire's population was 799 persons; down from 921 in June, 2014.

Etheridge Shire Council administers to a large, remote area from a low rates base.

Statistically the shire faces high disadvantage. On a Statistical Local Area (SLA) basis, compared nationally using the 2011 SEIFA Index, Etheridge ranks in the 3rd decile and 30th percentile of disadvantage. This means people living in Etheridge Shire face greater relative disadvantage than people living in 70% of other local areas throughout Australia.

As of the 2011 census the Shire's population had remained stable over the last decade, growing at 0.3% per annum. However this should be seen in the context of population growth of 2.1% per annum over the same period in Queensland as a whole. Etheridge Shire’s population will likely grow at 0.4% over the next 25 years, below Queensland at 1.9%. (Queensland grew at 1.5% in the last year to Dec 2016)

Etheridge has an old and ageing population, with an average age of 45 years compared to 38 nationally (2016 census). 54.1% of the Shire's residents are males.

Etheridge Shire has more one person households (41.7%) than nationally (24.4%). It is home to more Indigenous residents (5.5%) than nationally (2.8%). The median weekly household income in Etheridge is just $865, compared to $1,438 nationally. 38.2% of households earn less than $650/week compared to 20% nationally. (2016 census)

2011 census numbers show more than a third (37.7%) of Etheridge residents were employed in farming. While the cattle industry is currently experiencing a prosperous period, Etheridge Shire's farmers and residents had struggled with drought for four consecutive seasons until rain in the 2016/2017 wet season. In February 2016 unemployment was at 3.6%, it currently stands at 6.5%.



There are no high schools, TAFEs or universities in the Shire. The nearest high school is 250km away, at Ravenshoe. The movement of families away from the Shire once their children reach high school age drains skills and knowledge. 4.8% of people in Etheridge Shire have attended a university or tertiary institution compared to 16.1% nationally.

The statistics paint a stark picture; clearly the dynamic has progressed beyond platitudinous discussion about disadvantage. Etheridge Shire Council has a primary duty to shire rate payers, and the Region, to prioritise and vigorously pursue any initiatives that invigorate the region economically and socially.

If Etheridge Shire Council does not act then;

* Population will continue to fall
* That population will be increasingly old, male, unemployed and in ill health
* Droughts and cattle market downturns will continue to have disproportionate economic and social impact
* People will continue to leave the region to attain higher education and qualifications; and not return
* The region will become disconnected from technical advances. Not necessarily due to lack of communications infrastructure, but because it lacks the ability to take full advantage of the services it does have
* The Shire will continue to be disproportionately dependent on Government grants and contracts to maintain infrastructure and provide employment

## Preferred concept

***Guidance: to be deleted***

*What is the preferred concept and why?*

Briefly describe the concept and explain its benefits and rationale. Outline how this option will deliver on the stated community service requirement mentioned above.

While Etheridge Shire is demonstrably disadvantaged socially and economically, it does have a rich array of natural resources and attractions that indicate development opportunities in two sectors; tourism and irrigated agriculture. ESC is actively pursuing opportunities in both these sectors.

The effort to establish an irrigation scheme on the Gilbert River is not a frivolous or misconceived flight of fancy; there are demonstrable and compelling reasons to do it.

The Gulf of Carpentaria receives 25.6 per cent of the nation’s water run-off, yet less than one per cent of the Gulf’s water is allocated for town, mining, industrial and irrigated agricultural use.2 According to Gulf Savannah Development, hydrological assessments show that an average annual volume of about 23 million megalitres of water is discharged from the rivers of the Gulf.3  Compared with the Murray Darling Basin, where the volume of water is 23,734 gigalitres per year, the Gulf region’s catchments receive 95,615 gigalitres per year.

2 Australian Government, National Water Commission, *Australian Water Resources 2005*, available at: <http://www.water.gov.au/WaterAvailability/Whatisourtotalwaterresource/Runoff/index.aspx?Menu=Level1\_3\_1\_5> accessed 17/08/12

3 Gulf Savannah Development, Submission to the North Australia Land and Water Taskforce, 1, available at <http://www.nalwt.gov.au/files/2009/No09Macalister.pdf.> accessed 20/08/12

Underutilised Gulf Catchment water flows offer a huge opportunity for development. In 2000 the Gulf Regional Water Planning Advisory Committee identified the opportunity to develop an irrigation project west of Georgetown on the Gilbert River. Considerable effort and resources have been expended to further advance that endeavour.

The vast majority of that work is encapsulated in three documents:

1. The CSIRO *‘Agricultural Resource Assessment for the Gilbert River Catchment’* Report (Petheram *et al.* (2013)) (from here on referred to as the CSIRO report). This utterly relevant, comprehensive, $7 million scoping study of irrigated agriculture opportunities on the Gilbert River is absolutely essential reading for anybody even remotely connected to this endeavour. Without reference to this document the great extent of existing, robust and detailed technical information cannot be fully appreciated.
2. The 2009 version of the Gulf Savannah Development *‘Gilbert River Investment Report’.*
3. The 2014 version of the Gulf Savannah Development *‘Gilbert River Investment Report’.* The last two almost identical documents provide an excellent summary presentation of work done around this proposal

The CSIRO report provides a compelling case for irrigated agriculture in the Gulf region of Queensland if it is done appropriately. ‘There is more soil suited to irrigation in the Gilbert catchment than there is water to irrigate it. If the most prospective six instream storages were to exist, it would be possible to irrigate approximately 0.6% of the catchment’s irrigable soils. (Petheram et al. (2013))

The proposed ‘Green Hills’ site is identified as the most suitable dam site on the Gilbert River being geologically favourable and having a relatively high yield of 172 GL. Further, “an annual water take-off of around 200,000 ML for a dam at the ‘Green Hills’ site would represent about 4.5% of the Gilbert River’s annual discharge”. (Petheram et al. (2013))

In this context ESC proposes to take advantage of a 467gl water allocation and construct a 416gl dam at ‘Green Hills’ Station distributing 200gl to an irrigation area of approximately 20,000ha. The identified 28,471ha viable area is encapsulated in a 4km strip either side of a 100km section of the Gilbert River beginning at ‘Green Hills’ and stretching downstream to the ‘Chadshunt’/‘Strathmore’ boundary.

The CSIRO modelled irrigated production of an array of crops including cereal crops, pulse crops, horticulture, forage/fodder crops, tree crops and silviculture. It was determined that all enterprises were viable in the proposed area.

The 2014 Gulf Savannah Development Investment Report summarises available information into a range of compelling competitive advantages for a Gilbert River Irrigation Scheme:

* + The Gilbert River catchment has regular and reliable annual rainfall
	+ Gulf region projected to have steady/ increased rainfall as a consequence of climate change (unlike Southern Australia)
	+ Water allocations from the Gilbert River are currently very low and under-utilised
	+ Relatively benign environmental impact
	+ Growing conditions are highly suitable for a diverse range of crops
	+ Dry climate means reduced pest and disease loads
	+ Irrigation area highly suitable for organic production and establishment of an organic precinct
	+ The region’s early cropping season opens up market windows and the opportunity for premium prices.
	+ Additional suitable soils identified giving scope for future expansion
	+ Competitive land prices
	+ Opportunities to integrate cropping activities with, and add value to, the established beef cattle grazing industry
	+ Proximate to Asian export markets and counter seasonality with agricultural production in Asia
	+ Equidistant to the Ports of Townsville, Cairns and Karumba
	+ Gulf Development Road runs through the proposed irrigation area
	+ Does not impact the Great Barrier Reef
	+ Federal and State Governments support agricultural development in Northern Australia.
	+ No threat of urban encroachment
	+ Isolated from disease/pest incursions on coast (eg Panama disease in bananas)

**MARKETS**

While there is a lot of well-founded enthusiasm and expectation around the proximity of North Australia to Asian markets; Australian food and fibre markets, particularly expanding North Queensland markets, should be the priority at the outset. It is likely international markets will require more time consuming development.

According to 2016 census data, populations from 2011 to 2016 have risen at a steady rate in the adjacent shires of Cairns (3.9%), Mareeba (3.9%), and the Tablelands (1.8%). Despite recent setbacks the Townsville shire continues to grow (3.6%) and all are eclipsed by muscular growth in the Whitsundays (4.2%). These figures should be taken in the context of slowing growth in populations in the latter half of 2015. This trough has abated and there is strong reason to predict population growth will return to long term trend and align with national levels.

A recent May, 2017 positive Queensland Business Outlook from Deloitte Access Economics bodes well for the region. The report predicts the Queensland economy will grow annually at an average of 3.4% to 2020. International tourism arrivals are expected to grow at 7.4%/annum out to 2020.

Given the above forecasts, Far North Queensland’s urban, coastal population centres should continue to grow, augmented by increasing numbers of tourists. As these markets expand the feasibility of more localised irrigated agricultural production increases, both into retail and as inputs.

The report further predicts the Queensland beef herd will grow steadily at 2%/annum to 2020 and live export prices are expected to remain strong for the foreseeable future. A buoyant beef grazing industry in North Queensland provides a market for inputs derived from irrigated agriculture. Further, expanding populations in nearby coastal areas will make localised intensive, lot fed beef production increasingly more feasible.

None of this detracts from the opportunity to access Asian markets but, rather, provides the foundation from which to launch into those markets. The Queensland State Government is already assisting agribusiness in North Queensland to do just that. Recently Horticulture Innovation Australia entered into a partnership with the Queensland Government, through the Department of agriculture and Fisheries, to deliver a $16.5 million investment in the development of the state’s horticultural exports. In March this year the Queensland Government signed an agreement with the Japanese Ministry of Agriculture Forestry and Fisheries, providing new opportunities for growth in Queensland’s exports of agriculture and aquaculture industries. Clearly the Queensland State Government views access to Asian markets for North Queensland agricultural goods as a priority.

**THE GREAT BARRIER REEF**

Etheridge Shire Council has a strong stake in tourism. It is a body that understands the potential of tourism and its importance to the economic and social health of North Queensland. The Great Barrier Reef is the jewel in the crown of North Queensland tourism; its value is priceless. Accordingly, the impact of agriculture on the Great Barrier Reef has been the subject of much study and mitigation strategies on the part of Government and industry.

Etheridge Shire Council is proposing to boost agricultural production in North Queensland without impacting the Great Barrier Reef. This gives industry the surety to invest in a spirit of environmental responsibility without fear of increasingly tight regulation, and it enables government to support environmentally responsible development without expending time and resources implementing expensive regulatory frameworks.

**THE PROPONENT**

There are considerable advantages to Etheridge Shire Council implementing this project on the proposed scale.

Regardless of the proponent, the CSIRO report advocates a larger scheme where an owner of extensive water storage and delivery infrastructure sells water to irrigators making it more viable for those irrigators who don’t have to build their own water storage and delivery infrastructure. Conversely it transfers that cost across to the owner(s)/investor(s) which in this case will most certainly include the State and Federal Governments. In an economic sense this is entirely appropriate; it is part of the business of governments to undertake projects which, though of great benefit to society, have the potential to yield small ‘profits’ to the proponent.

ESC is not in the business of farming; ESC is mandated to operate and administer in the best interests of the rate payers of the Shire. That is to say; ESC approaches this project from an economic perspective, rather than a strictly financial perspective, and urges government to do the same. It is the anticipated economic and social benefits to the shire (and region) that is at the heart of ESC’s commitment to this project. All this is not to say ESC is completely bereft of financial rationale; as the scheme matures, any profit generated from the operation of the scheme will be invested in the shire.

There are tremendous advantages in ESC managing the project. At the outset it places responsibility for an irrigation area of 20,000ha in the hands of one entity that is subject to rigid ethical boundaries and is beholden to the community in the guise of rate payers. This will ensure appropriate consultation and engagement, an equitable implementation methodology and good governance.

ESC is a competent and experienced Project Manager. It employs approximately 60 people including a Director of Engineering, a Project Engineer, two construction crews and three maintenance crews. We already know that ESC operates over a large area from an extremely low rates base. Both in spite of this, and because of it, ESC has a long history of acquiring funding for, and the implementation of, large public works projects, notably the Einasleigh River Bridge and the Charleston Dam. This represents clear, current, demonstrated, strong experience managing and administering the construction of large infrastructure projects. Moreover, it demonstrates the contemporaneous experience of dealing with government funding bodies and associated project development frameworks. ESC is well equipped for budgeting, monitoring and evaluation, reporting and the statutory requirements related to environmental impact and management, indigenous heritage and culture, workplace health and safety and community engagement.

Attach Capability and Capacity statement

With particular consideration to the Gilbert River Irrigation Project the ESC has engaged the services of a highly respected and qualified technical consultant, Greg Stanford, who has extensive experience managing the construction of irrigation schemes throughout Australia, most notably Tasmania. Mr Stanford will direct activities through the recently hired Gilbert River Irrigation Project Officer. Attach Greg’s CV?

Further consulting will be acquired as required.

Public and private partnerships, joint venture/corporate experience?

Enter text here

## Source of concept

***Guidance: to be deleted***

*Who is the proponent, sponsor, or champion of this proposal?*

Identify the source of the concept. This may include:

* senior management
* head of the relevant council business unit
* elected members
* community group, or
* a member of the public.

Enter text here

## Alignment with strategic priorities

***Guidance: to be deleted***

*How does the preferred concept align with Council’s strategies?*

Indicate the driver of the proposal (eg, is it planned or unplanned?). ‘Planned’ projects are those that are usually part of a previously identified strategy such as Asset Management Plans, Urban Plans, Land Use plans, Corporate and Community Plans, Performance Plans etc. ‘Unplanned’ projects are usually unforeseen and not yet accounted for in any organisational plan such as emergent works, or ad-hoc community or elected member requests.

Are there other drivers? For example:

* Are there new legislative/regulatory or compliance requirements?
* Is the concept aiming to meet criteria for a State or Federal Government grant or subsidy program? If so, has grant funding been allocated and how much is the grant/subsidy? What are the terms and conditions of funding (eg, is dollar-for-dollar matching required, is the funding limited to specific parts of the project?).

Enter text here

## Alternate project options

***Guidance: to be deleted***

*What are the alternate options available to address the stated community service requirement?*

Service needs can potentially be met by a number of project options. Whilst you’ve stated a preferred concept earlier in this document, you should also list the other project options that have been considered. For example, *provision of library services* is a common service need for local governments but the solution may not always be the building of a library. Other options could include a mobile library service, an online service or a shuttle bus to transport remote residents to an existing library in a neighbouring town.

This preliminary list is intended to identify options to be assessed as part of the Pre-feasibility and (if applicable) Feasibility stages along with other options identified in these stages.

Project options are listed below.

Table 3: List of project options

| Reference number | Project  | Description |
| --- | --- | --- |
| Option A | Enter text here | Enter text here |
| Option B | Enter text here | Enter text here |
| Option C | Enter text here | Enter text here |

## Risks

***Guidance: to be deleted***

Identify the key risks (high level only – top 5) that will need to be considered at the Pre-feasibility stage. While a preliminary rating is provided here, these risks will be more comprehensively assessed in later stages of the Project Decision Framework.

Table 5: RISKS

| Risk | Description | Preliminary Risk Rating |
| --- | --- | --- |
| Name | Enter text here | Low/Medium/High |
| Name | Enter text here | Low/Medium/High |
| Name | Enter text here | Low/Medium/High |

## Estimated costs

***Guidance: to be deleted***

Provide an initial cost estimate of the preferred concept with information as to how the estimate was derived (eg, internal estimate, informal supplier quote, quantity surveyor estimate, formal quote, comparison with a similar project etc). Are the estimated costs just for the up-front capital investment?

Are there any existing sources of approved funding (ie, State and Federal grants, previous Council budget allocation?).

Enter text here

## Timeframe

***Guidance: to be deleted***

Provide an indication of likely timeframe for completion and key decision points.

Enter text here

## Other issues

***Guidance: to be deleted***

Describe any other important issues that may not have been captured by the above sections. These may include community consultation, stakeholder engagement, legal issues etc.

Enter text here

# Recommendation

***Guidance: to be deleted***

Insert the key decision required. An example is provided below.

It is recommended that the Project Decision Making Group **approve** the <Concept Name> for further consideration through a pre-feasibility assessment.

| SignedProject SponsorName: Enter text hereRole: Enter text here\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date: DD/MM/YYYY | SignedChair, Project Decision Making GroupName: Enter text hereRole: Enter text here\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date: DD/MM/YYYY |
| --- | --- |

# Disclaimer

Queensland Treasury Corporation (QTC) has prepared this template for use solely by Queensland local governments (the User) to assist in the consideration of project proposals as they progress through each of the Project Decision Framework stages. The template should not be used for any other purpose.

As use of this template is intended for Queensland local government only, it should not to be provided or disclosed to, nor relied upon by, any other party without QTC’s express written consent.

The accuracy of the template and its outputs is significantly determined by the accuracy, currency, completeness and applicability of the information entered by the User. It is also determined by the User's understanding of the template’s underlying methodology and its appropriateness to the User's business.  QTC is not in a position to review and verify the suitability of the template or its inputs to specific situations being examined by the User and, therefore, QTC accepts no responsibility for the incorrect application of the template by the User or the entry of incorrect information into the template.

The outputs of the template should be used as a guide only. Specific advice should be obtained before acting on the basis of any output of the template.

Neither QTC nor any of its employees or agents accepts any liability for any loss or damage suffered by any person as a result of that person or any other person placing any reliance on, or acting on the basis of, the contents of the template or any outputs generated by the template. To the extent permitted by law, QTC expressly excludes any representation or warranty in relation to the accuracy, currency and completeness of the template. To the extent permitted by law, by using the template you agree that any QTC liability in connection with the template will be limited to the amount of fees received by QTC in relation to the template.

QTC does not provide legal, tax or accounting advice. Such advice should be sought from an independent expert practitioner before applying the information contained in the template.

© Queensland Treasury Corporation