

Media Release

REPORT FINDS CLUSTER FENCING TO INCREASE PRODUCTION BY \$25 MILLION ANNUALLY

An economic report on cluster fencing in south west Queensland has been publically released this week, with key findings indicating a significant increase to profitability and productivity for the region's agricultural producers. Through the establishment of 15 Collaborative Area Management clusters by South West NRM, the report suggests the project will generate an additional \$25.67 million in annual agricultural production and foster an additional 126 jobs.

"The report includes a number of findings including the extent of economic impacts experienced within the project area, cost efficiencies of the project, and the long-term potential for the agricultural industry through pest and competitive grazing pressure management", said South West NRM Project Manager and Economist, Jon Grant.

Phase 2 of the Collaborative Area Management project has provided pest and invasive animal protection to 1,885,690 hectares of agricultural lands across the shires of Barcoo, Balonne, Maranoa, Murweh, Paroo, and Quilpie. "The south west region has historically been a strong producer of sheep and other small livestock, and the report demonstrates the clear connection between the decline of this production, and the deterioration of the economic and social performance throughout the region", said Chair of South West NRM, Mark O'Brien.

The report estimates cluster landholders and the wider communities have experienced economic impacts of up to \$36 million annually as a result of lost production, management time, employment and community investment. Through the project's implementation, the analysis forecasts gross margins will increase by up to 345%, injecting up to \$25.67 million annually to the agricultural industry, and a further \$18.02 million to regional communities. It is estimated that over the next 30 years, the project will produce a net present value of up to \$427.5 million, and provide society a 3,419% return on its funding investment.

"Given that it's still early days in the project's life, economic analysis has been completed across a number of different scenarios of stocking sheep or cattle, and also at different levels of stocking. As we are seeing record prices for purchasing both sheep or cattle for restocking, as well as a persistent drought – the performance of the project will certainly vary depending on the market and environment. An important part of the report identifies that in all modelled scenarios, the project still shows a positive change to production and employment, and also that return on investment is robust", said Mr. Grant.

The full economic report is available for download from the South West NRM website at www.southwestnrm.org.au.

The project has established through the Queensland Feral Pest Initiative. This initiative has received funding through the Queensland Government to support the growth of a productive and prosperous food and fibre sector in Queensland. Funding has also been provided through the Australian Government Agricultural Competitiveness White Paper, the Australian Government's plan for stronger farmers and a stronger economy.



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