

## **Is Heffernan right? What is the real potential for pastoral and agricultural development in North Australia?**

**Neil MacDonald<sup>1</sup>, Robyn Cowley<sup>1</sup> and Steve Petty<sup>2</sup>**

<sup>1</sup>Tropical Savannas CRC and NT Department of Primary Industry, Fisheries and Mining, Katherine

<sup>2</sup>Northern Development Pty Ltd

Correspondence, email: [Neil.MacDonald@nt.gov.au](mailto:Neil.MacDonald@nt.gov.au)

With extended droughts in the south and projections for worse to come under climate change, the focus of Australian agriculture has clearly turned to the tropical north. The practical implications of this are already being seen, with a major increase in the value of farms and pastoral properties over the last few years and in the number of development applications submitted.

This paper sets out to look critically at the real potential for northern development, particularly in the pastoral area. This assessment will be based on the findings of the TSCRC project “Developing Grazing Management Tools to Improve Savanna Condition”, which set out to extend our capability to objectively estimate safe carrying capacity, and also on the Pigeonhole Project which looked at alternative models of intensification.

Pasture growth models are based on historical rainfall effects, and that poses a dilemma because rainfall in some of the main pastoral zones of the NT has increased markedly over the last 50 years especially over the last 15 years. There is also the question of climate change. Companies moving north and west often quote climate change as one of their main reasons for doing so, and the paper will discuss whether that is justified.

Over the last few years the value of NT land has been rising faster than any other part of Australia, to the extent where there is concern that current prices may be unsustainable. From 1999-2007 the index for NT agricultural land has risen by 14% pa and the index for NT grazing properties by 27% pa. However this is from a low base. A recent North Australian land value survey still quotes NT pastoral land as the best value in the north, on a price-productivity basis. Implications for pastoral production and land use are discussed.

Although the talk and the CRC project are based on the pastoral sector, reference is also made to alternative land uses such as agriculture, irrigation and forestry.

It is argued that there is a role for a future CRC or alternative body in providing sound scientific land use assessment so the community can make an informed choice about suitable levels of development across the North Australian savannas.