

## PROJECTS

# Economic and Financial Feasibility of the Hughenden Irrigation Project

Evaluating new water infrastructure

**LOCATION**

Brisbane

**CLIENT**

Department of Transport and Main Roads

COST BENEFIT ANALYSIS

FINANCIAL & COMMERCIAL

## Background

The Hughenden Irrigation Project is seeking to improve the sustainability in the Flinders region. Like many other parts of rural and regional Australia, North West of Queensland has suffered through years of extreme weather events, declining populations, and loss of services.

The Hughenden Irrigation Project is currently underway to assess the most suitable option to build a dam and associated irrigation infrastructure in the Flinders Shire, North West Queensland. This would provide sustainable economic development in the area.

The objective of the current phase of the project is to produce a Preliminary Business Case which addresses the economic viability of the best scheme for the Hughenden region, including all the regulatory approvals, economic and social indicators. The Preliminary Business Case will detail the options investigated and will outline, at concept level, the most suitable option.

## Our role

NineSquared worked with a team of consultants from other disciplines to assess the viability of the project and complete a Preliminary Business Case for consideration by the Australian Government. NineSquared undertook detailed economic and financial modelling and produced technical reports on both of these aspects.

The economic analysis comprised three main parts: an assessment of the regional economy and community services including historical trends and future projections; a cost-benefit analysis of the project and an economic impact assessment.

The financial analysis involved a 50-year Net Present Value assessment of the project, which informed several key project parameters, namely its financial viability as a stand-alone project, water pricing

(including costs of water allocations), and the range of potential government capital grant funding that might be required.

The economic and financial assessments assisted the project proponent, initially in scoping the optimal scheme size and location and subsequently in assessing economic and financial viability under different cropping scenarios. As a result of NineSquared's involvement, a successful Preliminary Business Case was delivered to the proponent, the HIPC board. In addition to delivering individual chapters of this business case, NineSquared provided standalone economics and finance reports which formed part of the appendices. The work also highlighted some of the key project risks which required further evaluation.

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## **FOR FURTHER INFORMATION**

For more information, find one of our experts at [ninesquared.com.au/people](https://ninesquared.com.au/people)