

Appendix 3 Benefits Register

1. Key points

The Benefits Register records the benefits identified during the detailed business case (DBC) for the Hughenden Irrigation Project (the project). The benefits reflect how the project responds to the service need. The purpose of the Benefits Register at the DBC stage is to ensure the project is designed to achieve the benefits sought, and stakeholder needs are incorporated into options design.

The project shows strong benefits relating to economic, social, environmental, cultural and financial outcomes.

2. Methodology

The development of benefits and the Benefits Register has proceeded throughout the development of the DBC. Details on benefit management are outlined in the economic, environmental and social chapters.

2.1 Information recorded in the Benefits Register

A quantitative benefit is superior to a qualitative benefit as the achievement of a quantitative benefit can be objectively measured; the benefit can be considered for the benefit–cost ratio (BCR) if it can be expressed in dollars.

Information is recorded in the Benefits Register under the following headings:

- Benefit—the benefit the project is anticipated to realise
- Description—a description of how the benefit will address the service need
- Service need—statement of problem/opportunity or proposed initiative the benefits relate to
- Related stakeholders—the stakeholders who are related to the benefit, either as beneficiaries or through implementation. Identifying the stakeholders is important so they can be considered in the project development to achieve each benefit. For example, the operator of the potential scheme will be responsible for the delivery of potential benefits into the future.
- Potential beneficiary—the party expected to receive the benefit. For example, water entitlement purchasers are the potential beneficiaries of the water they purchase.
- Relative importance—importance of the benefit, considering the relative importance of different elements of the service need.

We have considered the relative importance from the perspective of the Flinders Shire community (FFSC). Some benefits have a higher importance for the community than would be the case for a single group. For example, we expect the community will place a high importance on:

- Sustainable economic opportunities
- Regional population growth
- Provision of community services and recreational opportunities.

These benefits may have a low or medium importance for specific groups, for example water entitlement purchasers, who are potential funders of the project. However, other potential funders, such as the Queensland and Australian governments, as representatives of the Hughenden Shire community, would place a higher importance on the achievement of these benefits.

- Measure of realisation—the measure used to assess the realisation of the benefit and how well it responds to the service need.

- Baseline value (if known)—the measure of the benefit category in the base case; recording the baseline value allows measurement of the relative impact of the option
- Incremental target value (if known)—the incremental impact of the benefit on the baseline sought through the implementation of the project
- Metric – the unit of measurement used for quantitative benefits
- Chapter reference – a reference to the DBC chapter or appendix which provides additional information on the benefit.

2.2 Investment Logic Map process

An Investment Logic Mapping (ILM) process was conducted at the start of the DBC. Two sessions were held one in Brisbane and one in Hughenden.

One of the main goals of engaging with key stakeholders through this process was the identification of the key project benefits.

These workshops were fruitful in fleshing out the key project benefits with an ILM developed for this project. The benefits realised are listed below and are supported by meaningful and measurable KPI's that are documented in the Benefits Register.

To summarise the key benefits resulting from the project are:

- Drought proof and improve business continuity / risk management
- New businesses will emerge and grow
- Population growth and community diversity
- Growth in agricultural activity and value in Hughenden
- Reinvigorating the economy, community and employment sector in Hughenden
- Increased productivity, stability and long-term business continuity in the beef sector

Table 1: Benefits register

Unit	Benefit	Description	Service Need (problem or opportunity)	Related stakeholder/s	Potential beneficiary	Relative importance	Measure of realisation	Baseline value (if known)	Incremental target value (if known)	Chapter reference
Economic	Agricultural production	Increased agricultural production, value and economic activity	Increase agricultural production	Farm owners, workers, suppliers and consumers.	Farm owners, workers, suppliers and consumers.	High	Direct industry value add of agricultural production through net margins of each crop grown using MP & HP water allocations	\$625 million for Southern Gulf NRM region	\$763 million (30-year NPV) \$88.4 million per annum (undiscounted)	Economics, finance, and affordability
Economic	Reduce beef production variability / improved business risk management	Improve feed availability through development of medium priority feed crops for cattle	Boom bust economic cycle	Farm owners Farm employees FSC DRDMW	Farm owners Farm employees End product consumers	Medium	Increase in net margin for agriculture using MP water allocations	\$11 million per annum	\$11-\$22 million per annum	Economics, finance and affordability
Economic	Population growth	Reverse population decline in the Flinders Shire	Population, cultural and education decline	Local businesses Local employees FSC	Local businesses Local employees	High	Population	1,500 people	2,434 during peak construction 1,938 people during peak agricultural production	Economics, finance and affordability
Social, Economic	Mitigate impacts of drought / improved business risk management	Sustainable local economy with increased number of jobs	Boom bust economic cycle	Farm owners Farm employees Local businesses Local employees FSC DRDMW	Farm owners Farm employees Local businesses Local employees	Medium	Total New direct agricultural jobs	-	452 FTE's	Economics, finance and affordability
Social, Economic	Mitigate impacts of drought /	Sustainable local economy with	Boom bust economic cycle	Farm owners Farm employees	Farm owners	Medium	New supporting agri-business jobs	-	1,487 FTE's	Economics, finance and affordability

Unit	Benefit	Description	Service Need (problem or opportunity)	Related stakeholder/s	Potential beneficiary	Relative importance	Measure of realisation	Baseline value (if known)	Incremental target value (if known)	Chapter reference
	improved business risk management	increased number of jobs		Local businesses Local employees FSC DRDMW	Farm employees Local businesses Local employees					
Economic	New businesses will emerge and grow	New industries will emerge and flourish, including agriculture using high priority water	Declining business opportunities and employment	Farm owners Farm employees Local businesses Local employees FSC DRDMW	Farm owners Farm employees Local businesses Local employees	Medium	Increase in net margin for agriculture using HPA net margins	-	\$74 million per annum (as a component of total agricultural production)	Economics, finance and affordability
Social	Diverse community activities	Creative industries emerge in Hughenden & the region	Population, cultural and education decline	Local businesses Local employees FSC	Local businesses Local employees	Low	Value of creative industries		NA	Project context
Social	Diverse community activities	Increased education and training opportunities	Population, cultural and education decline	Local businesses Local employees FSC	Local businesses Local employees	Low	School attendance	170 Pupils	170 Pupils	Project context
Economic	Diverse community activities	Adventure activities emerge / boosting tourism	Population, cultural and education decline	Local businesses Local employees FSC	Local businesses Local employees	Low	Tourism expenditure	NA	NA	Project context