



## NORTHERN TERRITORY CATTLEMEN'S ASSOCIATION

# Media Release

24<sup>th</sup> February 2011

### **Carbon Price Could Burn Cattle Industry**

The northern Australian food production industry could be devastated by the federal government's impending carbon tax to be introduced in 2012.

The carbon debate reignited after the federal government's recent release of a carbon farming initiative (CFI) which it heralds as a saviour and a new stream of income for Australian farmers, allowing them to engage in carbon capture and carbon markets.

However the carbon farming initiative was deemed irrelevant to northern Australia at an NT Cattleman's Association workshop that assembled a panel of experts and industry, Territory and federal government representatives in Darwin this week.

The workshop was addressed by Mick Keogh, Chief Executive of the respected Australian Farm Institute, which was established to conduct research into public policy issues that impact on the Australian farm sector.

NT Cattleman's Association President Rohan Sullivan said while it has been perceived that the carbon farming initiative may be some sort of compensation for a carbon tax, it seems that for northern food producers, it is nothing but a smoke screen.

"The Australian Farm Institute has clearly demonstrated that northern Australian producers have nothing to gain from the carbon farming initiative, and we will simply be belted by a carbon tax to be introduced in July next year," Mr Sullivan said.

"Be in no doubt, a carbon tax will drive up costs for every day Australian families in every aspect of their budget from food to entertainment. It will disproportionately impact northern Australia, its cattle industry and everyone else in the bush as we use energy to get around, generate our electricity and just about everything we buy or sell must be transported over long distances," said Mr Sullivan.

Mr Sullivan said industry was alarmed by the federal government's climate change advisor, Professor Ross Garnaut's comments urging the government not to listen to the concerns of interest groups.

He also pointed out that the high level of optimism around carbon offset programs is unfounded as they predominantly deal with non-Kyoto Protocol compliant offsets such as soil carbon which could only be sold onto voluntary carbon markets. Typically, the market price for these carbon offsets is around \$2-\$5 per tonne, although in the US the market has virtually died, and the Chicago Climate Exchange closed down at the end of 2010, due to a lack of trades.

#### **Attachment**

For more information follow link to the NTCA's federal submission to the Carbon Farming Initiative (CFI) in January 2011.  
[http://www.ntca.org.au/assets/1101\\_NTCAFinal%20SubmissionCFI.pdf](http://www.ntca.org.au/assets/1101_NTCAFinal%20SubmissionCFI.pdf)



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### Background information

#### NTCA Darwin carbon forum February 21, 2011

The Northern Territory Cattlemen's Association (NTCA) and Meat and Livestock Australia (MLA) facilitated a gathering of minds to put the real facts about issues around carbon abatement and carbon taxes / emissions trading. Northern Australia is unique, so untangling the fact from the fiction and the possible from the ridiculous was the objective of the day, as our nations policy makers consider the issues around a national carbon tax, international carbon negotiations and carbon abatement.

It was attended by the major cattle producers in the Northern Territory and northern Australia as well as the nation's authorities on savannah burning. It was also attended by other key stakeholder groups from government and conservation.

The forum was addressed by a federal government representative from the Department of Climate Change and Energy Efficiency DCCEE, who unfortunately returned to Canberra after presenting, missing the day's proceedings and a valuable opportunity to engage with northern Australia.

Other presenters included Mick Keogh, Director of the Australian Farm Institute, Jeremy Russell-Smith and Peter Whitehead from North Australia Indigenous Land and Sea Management Alliance (NAISMA) and a range of technical experts in soil carbon and carbon markets.

#### The Northern Territory Cattleman's Association (NTCA)

The Northern Territory Cattlemen's Association is the peak primary industry group in the Northern Territory representing over 90% of the Territory's cattle herd. With over 220 pastoral leases, our industry manages a landmass in excess of 620,000 square kilometres and a herd of over 2 million head. Annual turnoff is around 600,000 head to live-export and domestic markets.

The pastoral industry is the Northern Territory's third largest GDP earner, accounting for more than 50% of primary production in the NT and generating over \$400 million in direct income. In 2010, over 300,000 cattle were exported live through the Port of Darwin. Live cattle exports are of critical importance to the northern pastoral industry and the northern Territory economy as a whole.

The industry directly provides in excess of 1800 jobs, mainly in rural areas of the Northern Territory. By area, employment and economic contribution the pastoral industry is the dominant industry in land management in the NT, with a predominant focus on long-term sustainable production. Over 85% of all NTCA members are active participants in Conservation, Environmental and Landcare groups throughout the Northern Territory and the Association encourages members to join their local groups.

NTCA members include all of the country's largest beef producers including the Australian Agricultural Company (AACo), Consolidated Pastoral Company (CPC), S Kidman & Co, Heytesbury Beef, North Australian Pastoral Company (NAPCO), Georgina Pastoral Company, The Indigenous Land Corporation (ILC) and Paraway. These companies operations extend beyond the Northern Territory to cover vast tracts of northern, eastern and western Australia.

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**'Advancing and protecting the interests of the cattle producers in the Northern Territory'**