



NORTHERN TERRITORY CATTLEMEN'S ASSOCIATION

Media Release

10th July, 2011

CARBON TAX - FUEL - UNCERTAINTY

Today's announcement of the carbon tax framework, while appearing to in part acknowledge the importance of not messing with our food production sector, has left a high degree of uncertainty with the potential inclusion of heavy vehicle fuel in the tax within 2 years said Rohan Sullivan, President of Northern Territory Cattlemen's Association.

Were this package to be passed in its current form the exclusion of agricultural emissions and agricultural fuel will soften the blow across northern Australia with fuel and energy comprising up to 30% of production costs.

We remain extremely concerned about the treatment of fuel. While we have today seen that agricultural fuel has been excluded from the carbon tax, we are concerned that heavy-vehicle fuel will only be excluded for a two year period, and that any future review of fuel excise could add additional costs into farm businesses.

Northern Australia is dependent upon energy for transport, freight and the movement of goods and services as part of everyday life and their businesses.

Despite today's concessions, independent research by the Australian Farm Institute over recent months has highlighted that additional costs from electricity and other indirect energy related sources will remain embedded in the carbon tax for all Australian farmers

This research shows that even with fuel excluded, the average Australian farmer will still incur an additional \$1,500 a year in costs under a carbon price of \$23 per tonne, eroding their net farm income by 2.4 percent.

These costs will erode the competitiveness of the agricultural industry in the domestic and international markets on which we depend.

Northern Australia is currently reeling under the cash crisis induced by the live export debacle and any increases in the cost of living and production will have a dramatic impact on the future of families and business across the north.

For these reasons NTCA remain opposed to the carbon tax," Mr Sullivan said.

Enquiries:

Rohan Sullivan, NTCA President (08) 8975-4321, 0439 890 070

Luke Bowen, NTCA Executive Director, (08) 8981 5976, 0427 815 990

Jo Brosnan, 0488 656 668



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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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