



Carbon tax will challenge Queensland agriculture

Queensland peak farm group AgForce welcomes agriculture's permanent exclusion from the carbon tax, announced by the Federal Government today, but remains critical of the impact the tax will have on the profitability and competitiveness of Queensland producers.

AgForce president Brent Finlay said AgForce supports the National Farmers' Federation (NFF) position that acknowledges the measures taken by the Federal Government to reduce the cost burden for Australian farmers from the carbon tax and to assist agriculture in developing genuine carbon mitigation options through new R&D.

"AgForce is pleased to see agriculture included as part of the carbon solution, rather than part of the problem, and we particularly welcome the investment of more than \$400 million into agricultural carbon mitigation R&D and extension," Mr Finlay said.

"This, as well as support for primary food processors to move to a low emissions future and measures to support non-Kyoto compliant CFI credits and to reward on-farm biodiversity projects, are all positive carbon concessions for Queensland's producers."

Mr Finlay said despite these allowances, agriculture will still be forced to bear added costs that will impede the industry's competitiveness in domestic and international markets.

"AgForce is concerned that heavy-vehicle fuel will only be excluded from the carbon tax for two years, and we question what this will mean for the transport of key commodities such as grain and beef in Queensland," Mr Finlay said.

"We also remain cautious that any future reviews of fuel excise tax by the Productivity Commission could add additional costs into farm businesses.

"Regardless of agriculture's direct exclusion, producers will still bear additional costs from electricity and other indirect energy-related sources as a result of the farming tax, as independent research from the Australian Farm Institute has emphasised.

"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.

"AgForce supports NFFs sustained opposition of the carbon tax, and will work with NFF to continue our analysis of today's information so we can best represent Queensland's broadacre producers."

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