



Manufacturer on carbon tax 'hit list'

IN THE FIRING LINE: The Federal Government's hit list of 250 companies to face the full force of its carbon tax includes Kimberly-Clark Australia, which operates a pulp mill outside Millicent.



CHRIS
OLDFIELD

ALOOMING July 1 carbon tax will exacerbate the uneven playing field for manufacturers like Kimberly Clark, according to Wattle Range Mayor Peter Gandolfi.

He said KCA, along with the region's farmers, were already operating in a global marketplace on terms that were not equal with their international competitors.

The Federal Government's hit list of 250 companies to face the full force of its carbon tax include two of the region's largest employers - KCA near Millicent and Portland's Alcoa, just an hour's drive south east of Mount Gambier.

"This carbon tax actually provides a further disincentive for manufacturing to continue in Australia, particularly when it comes to environmental standards," Mr Gandolfi said.

"I understand KCA will be offsetting some of their emissions by their \$30m cogeneration plant.

"I can't speak specifically for KCA, but

there is no doubt the carbon tax is going to have a negative impact on manufacturing, businesses and all households.

"Transport, fuel and electricity are the most obvious costs and if you are an end user of anything involving those, then you will be paying the carbon tax.

"We all share the atmosphere, and we need a co-ordinated approach across the globe.

"To think Australia by doing something like this by itself will be followed by the super powers around the world, I think is being over-ambitious."

KCA corporate services general manager Ross Hearne said the carbon tax listing was expected as the Millicent Mill was classified as an Emissions Intensive Trade Exposed (EITE) unit.

"The listing, in itself, does not have an impact, however costs associated with the level of CO2 emissions do due to energy costs," Mr Hearne said.

"What the EITE classification means for Millicent Mill is that carbon permits are received for CO2 emissions related to our tissue operations at the 'moderate intensity' level of 66pc of the total.

"These help to offset costs of purchasing compulsory permits for carbon emissions

and assist KCA to remain competitive under a carbon cost regime.

"This reduces the cost of carbon significantly for KCA, but it remains a significant cost to the business."

He said a further reduction would be made when cogeneration at the Millicent Mill came on line next year.

"This will see a further significant drop in CO2 emissions related to mill operations at that time and help address the issue of soaring energy costs," Mr Hearne said.

"The main issue in the purchase of carbon permits is the fixed cost starting at \$23 per tonne of CO2 rising to \$25 in 2015 and then permits being traded, but with a floor price of \$15 per tonne of CO2.

"The current price in global markets is in the range of \$8-10 per tonne of CO2 and this is forecast to drop to possibly as low as \$5 by the time trading starts in 2015.

"Clearly, once again Australian industry is going to be at a disadvantage with global competition which either don't have a carbon cost or if their countries do, will be at a much reduced cost versus Australian countries.

"So again, companies like KCA will not be facing a 'level playing field' in this area as has been the case in so many others, for example dumping."

Federal funding supports cross-border work to revitalise wetlands on private properties

THE Federal Government has allocated \$2.2m in funding to the Nature Glenelg Trust in support of two cross-border environmental projects over a period of six years.

More than \$1.8m has been awarded to the Nature Glenelg Trust wetland restoration program on private land in the South East of South Australia and South West Victoria.

"Previously widespread and biologically diverse wetlands in South East South Australia and South West Victoria have been reduced in extent and condition by drainage and clearance for agricultural development on private land," Nature Glenelg Trust manager Mark Bachmann said.

"Not only has this reduced biodiversity values, but drainage has also exposed previously saturated, carbon-rich wetland soils (such as peat) to oxidation, creating a situation where stored organic carbon is now being converted to atmospheric CO2.

"This project complements existing programs in the region by negotiating individual agreements with land owners to return water to drained wetlands, undertake revegetation and monitor ecological recovery."

At least \$460,000 has also been awarded to the Growing our Future project, which includes the collection and germination of seed and the provision of workshops on revegetation techniques.

"In the region it is difficult to obtain understorey,

Previously widespread and biologically diverse wetlands in South East South Australia and South West Victoria have been reduced ... by drainage and clearance for agricultural development on private land

Nature Glenelg Trust manager Mark Bachmann

wetland and rare species for revegetation projects," Mr Bachmann said.

"Commercial nurseries don't stock them because they are uneconomical to collect and difficult to propagate.

"Perhaps the most pleasing aspect of these particular projects being funded is the fact that they fit perfectly with our vision for what we hoped Nature Glenelg Trust would bring to our region - namely, to work seamlessly on both sides of the state border, to work with local people, and to achieve results on the ground for our regional environment.

"Being awarded this funding is not only a really significant milestone for our new organisation, but most importantly is great news for our region because it will enable us to work alongside local people to achieve some great things on the ground."

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