

Annexure 12

Community consultation brochure



AACO FOOD PROCESSING FACILITY

Australian Agricultural Company Limited (AAco) is proposing a new, state-of-the art food processing facility at Livingstone Valley in the Northern Territory.

The facility would process more than 1000 head of cattle a day at full capacity, producing export beef products, hides and rendered products for the export markets in the USA, Asia and Europe.

Stock would be sourced from the northern areas of Queensland, South Australia, Western Australia and the Northern Territory, supporting northern Australia's cattle industry where there are currently no processing facilities.

This new facility would allow cattle to be processed locally, reducing transport and freight costs, as well as carcass weight loss for northern producers who currently need to truck live cattle large distances to southern processing plants.

This would be a best-practice operation, using resources in an efficient, effective and ethical manner.

The Environment

As a state-of-the art food processing facility, it will use the latest technology and modern innovation to minimise environmental impact. Project planning is already taking into consideration environmental aspects of carbon, water, electricity, gas and waste within the site. All processing matter will be treated and contained within the site boundaries.

Location of the plant means there will be a minimum one kilometre buffer between the site and any neighbouring houses. All water used on the site will be from town supplies and will not be sourced from the local water table.

The Community

The facility would bring significant economic and social benefits to the Northern Territory, generating employment and creating opportunities for local companies. It would be the largest employer in the rural area of Darwin, employing 270 people working two shifts five days a week initially with the potential to increase to 300.

Plans for the facility also include a proposed community centre, which may include day care, medical and allied health services as well as training facilities.

For more information:

AAco Information Line on 08 8941 9161.
www.aacont.com.au



Jobs and Training

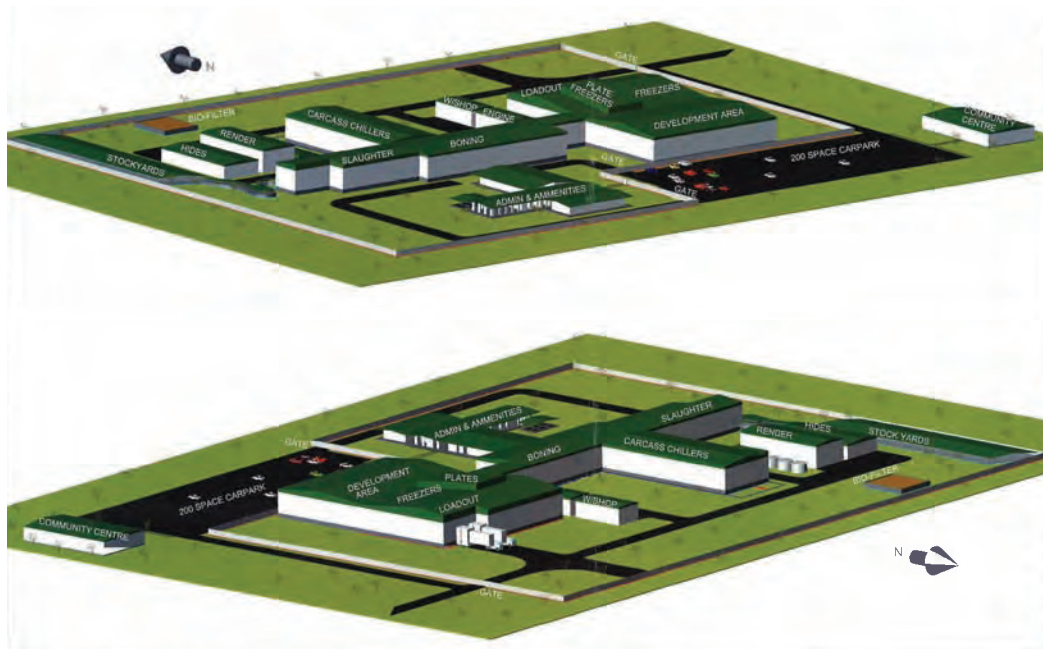
The facility will support 230 assembly jobs during construction, with up to 270 operational jobs being created as processing levels increase. This could expand if further development of the facility is undertaken.

AAco has a firm commitment to training staff with a view to employing local people to work at the facility. AAco's target is to employ at least 10 per cent Indigenous Territorians over time.

Timing

AAco is currently working with the Australian and Northern Territory Governments to establish infrastructure funding, feasibility and permit applications for this project.

Subject to government approvals and government infrastructure funding being granted, the Board will be in a position to consider the appropriate capital structure and to ultimately consider project endorsement. Construction could commence in early 2012 and commissioning by the end of next year.



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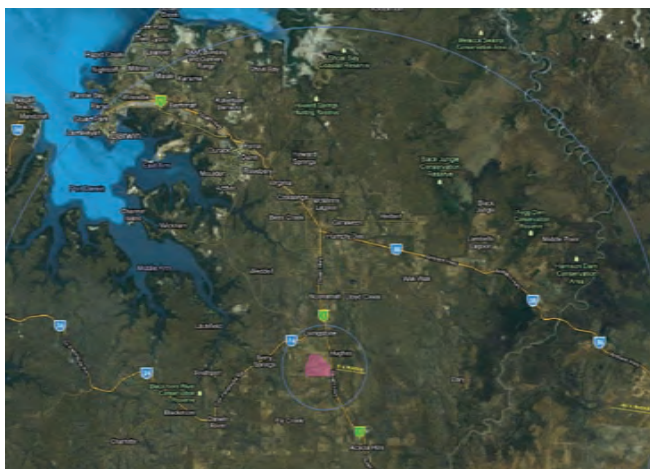
THE SITE

The AAco food processing facility would be situated at 360 Stuart Highway, Livingstone Valley, about 50km south of Darwin.

The site is an existing hay and cattle farm covering 600 hectares of which only four hectares will be used for the food processing facility and another 14 hectares for the waste recycling infrastructure. This will be 2.5 per cent of the total land area of the block.

The remainder of the site would continue to be used predominantly for irrigated feed crops with some livestock grazing. The site is also home to natural wetlands, which will remain undisturbed by the proposed development.

The location is well placed to take advantage of the nearby Port of Darwin. The railway line runs along the property border and the site is immediately adjacent to the Stuart Highway. There will be no need to use local roads or increase traffic in front of neighbouring properties.



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FUNDING AND APPROVALS

Australian Agricultural Company (AAco) is currently working through approvals, funding and feasibility processes with a view to starting construction in early 2012.

Funding

The final investment decision is contingent on governments upgrading public infrastructure to facilitate the project and service the broader community. Upgrades will be required to roads, electricity, gas and water access, rail crossings and sidings and facilities at the Port of Darwin.

There is also a need for local health facilities, with two registered nurses or paramedics and an ambulance available to the local community as part of the proposal.

Training rooms and programs are also required to ensure AAco can build a local workforce, while childcare would service the needs of both workers and surrounding parents.

A formal funding application has been made to the Australian Government and discussions are continuing with the Northern Territory Government about how these upgrades can be achieved.

Approvals Process

AAco is working through the approvals process with government and expects to lodge a development application with the Northern Territory Government at the end of September. The process includes environment and carbon management plans.

Subject to government approvals and government infrastructure funding being granted, the Board will be in a position to consider the appropriate capital structure and to ultimately consider project endorsement. Construction could commence in early 2012 and commissioning by the end of next year.

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INDUSTRY BENEFITS

The Project would contribute to and sustain regional economic growth primarily by adding an alternative source of income to the pastoral industry. As all meat is intended for export, the added production of value-added meat should strengthen regional economic growth greatly, along with associated industries such as hay and fodder production.

Quantification of benefits in the form of wages, construction work, increased consumption from utilities and the local multiplier effect of 1:4 will contribute to population growth, sustainability of incomes and new jobs at associated installations such as Port of Darwin, and in container handling and storage.

Industry benefits would include:

- Creation of new employment opportunities in construction and development during the construction period, with a preference to use Northern Territory contractors
- Creation of new employment opportunities in the facility and meat processing fields
- Creation of new employment opportunities in the stock transport, stock handling and fodder production fields
- Creation of a new vocational training facility operational in February 2013
- Enabling export of value added products, strengthening the Port of Darwin as a commercial hub and the region as a producer of a variety of beef products other than live cattle
- Opportunities for the development of associated business ventures in the local area
- Potential new housing development.

Industry would also benefit from the upgrading of public infrastructure, including:

- Road transport services
- 134 new refrigerated container points at Port of Darwin
- Telecommunications
- Electricity, water and gas services
- Community services and facilities, such as schools, playgrounds, medical and hospital services.

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COMMUNITY BENEFITS

The Australian Agricultural Company food processing facility would become one of the largest employers in the Darwin rural area, with 230 jobs during construction and up to 270 ongoing jobs.

This would provide a significant impetus to local economic development, stimulating demand for housing, community services and associated industries.

One of the key benefits to the local area will be the proposed development of health, childcare and training facilities available to the broader community.

Plans include:

- A sick bay and trauma room staffed by two registered nurses or paramedics
- A locally-based ambulance
- A training facility to Australia Skills Quality Authority standard along with a training program and apprenticeship program.

AAco has a preference to employ local people at the facility, particularly as its training and apprenticeship programs produce skilled workers and professionals.

Community Consultation

AAco is committed to working with the community to ensure there are broad benefits for the local community and other Territorians.

Community consultation is now underway to maximise the opportunities the facility will bring to the local area and explain how Territorians can benefit from the project.

Nearby residents and stakeholders will be contacted during this consultation program.

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THE ENVIRONMENT

Modern food processing facilities have well developed systems to minimise energy consumption, recycle water within the limitations of hygienic and safe food production, reclaim waste heat energy, and beneficially re-use effluent water for crop irrigation.

While the facility will have a significant consumption of water, electricity and gas, this will be minimised through efficient consumption practices, recycling and re-use. All discarded matter will be treated and contained within the site boundaries.

Carbon Footprint

A Carbon Management Plan is being developed for the project. The plan will deal comprehensively with the vital areas of water, energy and greenhouse gas. It will deal with direct and indirect emissions. The plan will comprise an entire life-cycle assessment including carbon footprint, energy use and water use.

The facility's carbon footprint will be reduced through a number of means. This includes efficient systems to lower electricity and gas usage as well as the use of solar power generation where viable. Lighting systems will be new ceramic lamp technologies which have enhanced performance with less energy consumption.

Cropping from effluent irrigation provides a carbon "sink".

Water

Water use and waste water collection and treatment systems will be assessed to provide for drinking water, cleaning and cooling, maintenance, general use, evaporation losses and fodder production.

Particular emphasis is on treatment ponds. It includes collection systems, use of green energy in circulation systems and gravity as an energy saving mechanism.

Water will be sourced from the town supply and supplemented with rainwater where possible. No ground water will be used.

Four water reticulation systems will be used to minimise consumption and heating energy.

Waste water will be recycled for re-use in non-food production applications such as yards wash, product flushing, hide transporting, landscaping and irrigation.

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Electricity

Hygienic food production for both export and domestic markets requires a boning processing room temperature of 8°C, chilled storage at 2°C and frozen storage at minus 18°C. Refrigeration is the main component of electrical consumption.

Refrigeration compressors will be controlled by variable speed drives for efficient load modulation. A high voltage supply will minimise distribution losses, while capacitive power factor correction will be installed with switchboards to minimise inductive loads on the supply network.

Low level lighting around the site will be provided by solar panels, and ventilation will be computer controlled for efficiency.

Gas

Gas will be used for thermal heating in the render process and waste heat from this will be used to supplement solar water heating for amenities and administration facilities.

Solar Energy

Consideration has been given to the best use of solar energy. The roof area of the plant offers an ideal position for solar panels. Solar power is proposed for all lighting requirements relating to the outside locations.

Solar power is ideal and cost effective for these areas, and efficiently ensures failsafe integrity in these localities, particularly during electricity grid interruptions – common in tropical areas with frequent thunderstorms and extreme weather events. Solar energy will also be used in parts of the effluent system.

Minimising Waste

Modern food processing uses very efficient systems to minimise waste. Manure and paunch content are collected, composted and used locally for agriculture and horticulture. Blood is processed in the rendering facility to a dry state with fat and bone processed to produce tallow and meal.

Salty washdown water from hides processing is recovered and evaporated for commercial re-use.

The waste effluent design uses natural bacteria controlled processes for effluent. The 'green' stream paunch, runner wash and ingestia areas will be handled separately. The blood red stream will also be kept separate. Separation screens, flotation tanks, and effluent ponds result in an effluent stream with nitrogen and phosphorus – ideal for on-site fodder crop irrigation.

An anaerobic, aerobic and holding pond treatment system is used for effluent waste. Effluent irrigation is balanced to crop uptake, and down gradient soil monitoring ensures there is no loss to waterways or groundwater. The irrigation system is designed by an environmental consultant.

Odorous non-condensable gases from the render process are passed through a bio-filter to absorb odour.

Finally, dust is minimised with sealed roads and parking areas as well as irrigation of surrounding pasture.

With a one kilometre buffer in place, operations are unlikely to be heard from neighbouring properties.

Animal Welfare

AAco is committed to the highest standards of ethical animal management. World's best practice approaches are institutionalised in the project's operational policies and procedures. Animal welfare practices will be audited as part of the project's quality management system.

Because the facility will be closer to production sources, transport times are considerably reduced. This brings significant animal welfare benefits.

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JOBS AND TRAINING

The Australian Agricultural Company food processing facility would provide significant training and employment opportunities for Territorians, beginning with construction from early 2012.

Construction Phase

Around 230 jobs would be created during construction from early 2012 through to the plant becoming operational later that year. It is expected much of the workforce would be accessed from local contractors, with some specialist skills sought from outside of the Northern Territory if required.

Operational Jobs

The facility would employ approximately 270 people during peak periods of production. As the facility grows, up to 300 jobs may be created.

The work will cross a wide variety of skills and professions including:

- Meat inspectors
- Butchers and boners
- Boning room operators
- Office administration
- Environmental and quality controllers and managers
- Tradesmen
- Transport
- Nurses or paramedics
- Childcare
- Export marketing.

There is a preference to employ local people, this includes a target of 10 per cent for Indigenous employees. Some skilled workers may be recruited from elsewhere if local people cannot meet demand.

AAco plans to structure its operations to maximise year-round employment and provide job security for workers:

- Mid-March to October – two eight-hour shifts processing 1000 cattle per day
- November to mid-January – two eight-hour shifts processing 720 cattle per day
- Mid January to mid-February – maintenance closure
- Mid February to mid-March – two eight-hour shifts processing 760 cattle per day

Training

AAco is committed to training staff. In the longer term it is expected that permanent Darwin region residents will be employed, resulting in a stable and committed workforce.

Part of AAco's funding submission to Government is for the development of a dedicated training centre for food production and associated industries.

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