

## **MEDIA RELEASE**

South East Region Conservation Alliance

GREENS COUNCILLOR KEITH HUGHES RESPONDS TO APPROVAL FOR EDEN CHIPMILL PELLET PLANT: "REJECT IT, OR AT LEAST STOP IT BLUDGING ON OTHER RATE PAYERS". 14<sup>th</sup> June 2001,

Greens Councillor, Keith Hughes wants a special levy on the woodchipping industry as a condition of approval for a wood pellet plant at the Eden woodchip mill.

In opposing the development application for the pellet plant in the Bega Valley Shire Council today, Cr Hughes said that the whole woodchipping industry is founded upon a million dollar subsidy from other ratepayers.

"No local government rates are paid on State Forests production forests," he said.

"If the industry paid the same rates as other Government owned business enterprises and private plantation operators, I doubt very much whether we would be asked to approve this pellet plant today. It would simply not be able to compete in the market place if it was on a level playing field with other sectors of the industry and other land owners," he said.

"State Forests account for 25% of the Bega Valley Shire but unlike other Government owned business enterprises or private plantation operators, they pay no rates on that land.

"I am proposing a levy of 1 cent for every 10 kg of wood received at the South East Fibre Exports (SEFE) chipmill from publicly owned forests.

"This is equivalent to \$1 per tonne and would generate about a million dollars each year for the Bega Valley Shire.

"Other ratepayers currently pay about \$15 million a year in rates for the 25% of the shire that they own, so my proposal is still more generous to the industry than the current rating regime is to most other land owners. However, it goes some way to removing this ratepayer subsidy to the woodchipping industry," Cr Hughes said.

The pellet plant is a pilot which is intended to enable SEFE to test and develop a market for wood pellets and bigger scale production.

"While it is small at this stage, it is a toe in the door, and it is obvious that SEFE sees the pilot plant approved today as just the beginning of a transition into energy production.

As the industry struggles to remain profitable against a background of a rising \$A and contracting markets, it is looking more to energy production as a means of survival.

"I am dead against this project, but if it is to go ahead, it should at least pay its way and not expect a free ride on other ratepayers," he said.

"I am also very disturbed by the fact that Council has approved this project with virtually no information on the noise and emissions that it will generate."

"SEFE has bought a cheap plant from China and admit it has no idea about noise and emission levels."

"It may be good enough to operate that way in China, but it should not be the way we do things in the Bega Valley," Cr Hughes said.

Cr Keith Hughes - 0466 338 742.