

MEDIA RELEASE: NEW WOODCHIP RATES SUBSIDY REVEALED.

New figures from the Bega Valley Shire Council this week reveal that the Forestry Corporation is avoiding a local government rates bill of \$6.38 million a year.

The figures were provided in response to a question by Greens Councillor, Keith Hughes.

Councillor Hughes says that the rates exemption is a relic of a time when the logging in NSW was managed by a Government Department and a tradition that one level of Government does not tax another.

However, if that approach was ever justified, it became totally invalid when the new Forestry Corporation was set up as a business and should pay rates like any other business, Cr Hughes says.

The calculation is based on levying rates on those areas of forest where logging is scheduled each year.

He says that if the Forestry Corporation paid just one year of rates it would more than pay for the new Bega Town Hall.

It could help a cash strapped Council provide better services for residents and ease the burden on other rate payers.

Councillor Hughes says that the rates avoided are just the latest revelation in a series of subsidies to the woodchipping industry

Taxpayers at every level of Government subsidise this industry: local, State and Federal and even after all that largesse it still manages to make a loss," he says.

If the Forestry Corporation had paid its rates like every other business and passed the costs on to its main customer, South East Fibre Exports, the chipmill would have made a loss of \$9 million rather than its reported after tax loss of \$2.6 million.

Councillor Hughes says that ratepayers also carry an unfair burden for road maintenance costs because log truck licences and fuel taxes do not cover the full cost of haulage damage to roads.

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