



## **MEDIA RELEASE FROM THE SOUTHERN WOOD COUNCIL**

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### **Southern Wood Council opposes increase in road user charges.**

**The Southern Wood Council has added its support to transport industry opposition for the latest increase in Road User Charges.**

Increases in the Road User Charge tax amount to 25 percent over the last 18 months, and this is affecting profitability in the forestry industry.

Council member and City Forests Chief Executive Grant Dodson said the latest increase comes on top of significant fuel related inflation, high foreign exchange rates, and high export freight rates.

Combined with the unexpected tax increases, the challenges facing the New Zealand forestry industry are substantial, particularly when considering the added uncertainty around the impacts of the proposed carbon emissions trading scheme.

"These provide serious challenges across the whole forest and wood processing sector, as we generally do not have an ability to pass these additional costs on to customers" Mr Dodson said.

The Road User Charge increase will add about 1.4 percent to trucking rates, and forest growers and processors will be the ones that have to pay for it.

"It's yet another blow to business in New Zealand, but the most disappointing aspect is that it is something that doesn't have to be there," Mr Dodson said.

"Fuel taxes have already been a windfall to the government over recent years as price and consumption increase, and members of the Southern Wood Council don't see why the government needs to increase Road User Charges at a time when business and consumers are hurting."

The sector would like to see the government delay increases until business conditions improve and the economy is back into a solid growth cycle. "The government needs to be in touch with the challenges facing manufactures and exporters viability," Mr Dodson said.

*The Southern Wood Council Inc was set up in 2001 to promote, encourage and coordinate the sustainable economic development of the forest products industry in Otago and Southland. One of a few truly independent groups of its type in New Zealand, it includes all the major forest owners within the region (ownership or management of over 140,000 hectares of production forests with an annual harvest of over 1.2 million m<sup>3</sup> of wood), the larger wood processing and manufacturing companies, the port authorities and each of the three economic development agencies from local councils.*

<http://www.southernwoodcouncil.co.nz>

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