



MEDIA RELEASE

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**FUTURE OF SOUTHLAND WOOD INDUSTRY JEOPARDIZED BY
UNJUST RATING POLICY**

The Southern Wood Council has serious concerns over the future development of forestry in Southland following the decision of the Southland District Council to implement a differential rating system, Southern Wood Council representative, Jason Syme, Regional Manager for Rayonier said today.

“The system was supposed to be based on the cost of actual roading usage but contains a number of serious flaws.”

“The decision is politically inspired, focused on the short term and appears to favour certain sector groups over others without any supporting analysis”

“Instead of assisting one of the regions low impact growth industries, the council is choosing to apply a flawed system that will be a serious financial impediment to growth.”

Forestry makes a significant economic contribution to the southern region. A recent Economic Impact Assessment found the industry directly employs in excess of 2,400 full time equivalent workers, and generated \$264 million in real GDP for 2003.

“Sustainable forestry is also of environmental benefit and is valued by central government as the corner stone of our commitment to Kyoto. - yet Southland District Council seems determined to undermine its viability.” Mr Syme said.

“Based on perception laced with political expediency, rather than substantiated facts, the differential proposed to be applied to forestry is double that of dairy farming.” said Mr Syme.

Southland District Council is using a model that requires regional verification before it can be equitably and confidently applied.

“That verification has not been undertaken- so the council has arbitrarily applied a number to the forestry industry. “

“To make matters worse it has then been inconsistently applied across the sector.”

Mr Syme said that the forest industry has undertaken its own verification exercise incorporating information from 93% of the forestry rated land in the Southland District Council.

“Our independent findings clearly show significant differences between the council’s models assumptions and reality.”

“Before any further differential rating changes are implemented, the industry requires the Council to undertake the collection and analysis of comprehensive regional data across all sectors to support any proposed changes. The Southland industry, as a whole is attempting to work with the District Council on this issue” said Mr Syme.

For further information please contact Jason Syme at Rayonier on (03) 214 2572. 0274346311.

- Further information on the region’s forestry industry and the Southern Wood Council can be found on www.southernwoodcouncil.co.nz