



National Association of
Forest Industries

Media Release

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Government Duds Forestry on CPRS - again

The Australian Government has once again shown its lack of real commitment to supporting small businesses and putting Australia onto a low carbon emissions path, according to the National Association of Forest Industries (NAFI).

“Firstly, the Government released the exposure draft for the Carbon Pollution Reduction Scheme (CPRS) which are unworkable and mean very few forest companies would want to ‘opt in’ to the voluntary Scheme,” said NAFI CEO Allan Hansard.

“Now we see the exposure draft legislation for the CPRS – Fuel Tax Adjustment Arrangements that exclude forestry, while continuing to include agricultural and fishing activities.

“The Fuel Tax Adjustment Arrangements are designed to off-set the effect of the CPRS on fuel prices for those businesses that currently have access to fuel tax credits. Forestry activities are currently able to access fuel tax credits so it is unclear why they have been excluded from the new arrangements.

“As with agricultural and fisheries activities, forestry activities, largely harvesting and haulage contractors, conduct their activities off road and are eligible for the fuel credit scheme. This sector of the forest industry is valued at around \$3 billion and employs thousands of workers in regional Australia. They are largely small, sole operator businesses and, unlike farmers and fishermen, their main asset is the equipment they operate. They generally do not own forest assets or other processing assets such as sawmills. Many purely harvest and haul logs for forest companies.

“Fuel costs are a major component of the operating costs of these small businesses, and with limited ability to absorb or transfer the additional fuel costs under the CPRS – amounting to \$14,000 a year, many of these small businesses will go to the wall.

“It is hard to understand the rationale of the Government in excluding these hard working Australians from the effects of the CPRS on fuel when the agricultural and fishing sectors will be protected. This amounts to nothing less than a tax on forestry operations and timber communities.

“NAFI has repeatedly sought a meeting with the Federal Climate Change Minister and the Agriculture, Fisheries and Forestry Minister seeking an explanation as to why forestry activities have been excluded but we have not received a response. We have also highlighted our concerns with the inequity of the CPRS fuel credit scheme in a submission to the Australian Government on this issue.

“NAFI is committed to working with the Australian Government to make sure the CPRS produces the best possible outcomes for the Australian economy and environment, but so far the Government does not appear as committed. Sadly, it’s hardworking Australians, particularly those in regional areas who will suffer the most,” Mr Hansard said.

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NAFI's submission to the Australian Government titled *CPRS Fuel Tax Adjustment Arrangements: Exclusion of Forestry from Fuel Credit Scheme* is attached.

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