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Road rage as councils ramp up charges

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Forest owners have had enough of local authorities extracting payments from them for road damage.

While councils say the trucks cost them in maintenance, the forest owners point out that they already pay rates as landowners and much of this money goes towards roading.

Rates build up to substantial sums over a period of 25-30 years while forests grow. To then be hit up by councils for one-off payments for roading maintenance at harvest time is double dipping, the owners say.

Local authorities counter that forest owners need to meet their fair share of roading costs.

Rob McLagan, CEO of the Forest Owners Association, says some councils also restrict the number of logging truck movements on a road per day and charge forest owners higher rates than other land users. All this adds up to a growing sense of irritation.

Taupo District Council wants to limit forestry truck movements to four into and four out of a site per day, says Chas Hutton, NZ Forest Managers' Turangi-based general manager.

"They're proposing to do this not just on their own local authority roads but also on state highways. That's really quite perverse because Transit NZ manages the state highways and is quite capable of dealing with those issues itself."

During harvest at a typical commercial-scale forestry operation, 60 truck movements a day are not unusual. Concentrated activity at any one site may last from a month to a couple of years while trees are harvested.

However, for years as the forest grows, truck movements are few.

"Over the 27-year lifecycle of a tree, forests are no more demanding on roads than any other land use," McLagan says.

Hutton maintains the council hasn't given explicit reasons as to why it wants to restrict logging-truck journeys. Forest owners suspect it's a mechanism to "gouge" contributions for road upgrades and maintenance.

Billy Brough, Taupo District Council's environmental and policy manager, says forestry interests and power generation companies have appealed against the proposal to restrict vehicle movements.

"Given the sensitive nature of the issue and the pending negotiations to resolve these appeals, it would be inappropriate for the council to predispose any negotiated outcome by commenting further."

NZ Forest Managers, Carter Holt Harvey and Fletcher Challenge Forests have taken the issue to the Environment Court and Hutton says mediation between the parties will take place before year's end. The council hasn't said how it would police the rule, he says.

Canterbury Regional Council also wants to limit trucks' use of roads, says McLagan. It proposes to make harvesting consents conditional on keeping to four the number of truck and trailer loads forest owners can move per day.

He reckons 20-25 a day are needed for the economics to stack up.

Forest owner Bob Deadman says he fought a near two-year battle with the Ruapehu District Council, which wanted a payment of about \$200,000 for road maintenance from his 130-hectare Kururau Forest.

"They wanted to do the road up but they were also getting road tax from the truckies - so they're double dipping," Deadman says.

"The council was trying to block us from getting a resource consent."

Having paid rates on the land for 25 years prior to the harvest, Deadman was unimpressed and took the council to the Environment Court. Seventeen months later the case was resolved and he ended up paying less than \$10,000.

Tim Davin, Local Government NZ's development and infrastructure manager, says harvesting forests can impose costs on councils. Often this is through the need to maintain roads to deal with the extra weight and volume of traffic generated by log extraction.

On rural roads these are often improvements not needed to meet other road users' requirements, Davin says.

"In these cases, it's right that forest owners should meet a fair share of the additional costs."

Gisborne District Council, meanwhile, is asking forest owners to pay four times more in rates than dairy and sheep farmers. Peter Clark, CEO of PF Olsen & Company Ltd, says this means forest owners' rates bills will rise by 40%-45% in the absence of any legitimate reason why forest owners should pay at such a differential.

Forest owners are especially irked because last October, Transport Minister Paul Swain directed Transfund to provide 100% funding for land transport projects that help regional development in the East Cape. Transfund is undertaking an audit of all councils which have received regional development funds.

Clark maintains there's no science behind the Gisborne District Council rates policy and it sends a negative message to forestry investors.

Forest owners in the Gisborne region are also paying a levy of \$2.50 per tonne for all exports and imports passing through Port Gisborne.

The forestry players will thus help to fund much-needed port development but they won't get any ownership stake in the port.

Gisborne's "weighted roading rate" aims to recoup expenditure where the council considers the specific use of council roads by certain sectors contributes to that expenditure.

Gisborne mayor Meng Foon maintains this doesn't necessarily mean forest owners will pay higher rates than they have in the past.

"The numbers are the same but the calculations have changed," Foon says.

Rating as an "alternative solution," Davin says, can spread the cost over the commercial lifetime of a forest rather than hit the forest owner as a one-off cost at harvest time.

There's a growing trend for councils to hit up forest owners for one-off roading payments, McLagan says. The highest one he has heard of is \$250,000.

Davin says one-off payments are allowed in certain circumstances under the Resource Management Act, as financial contributions to mitigate the effects of harvesting, and under the Local Government Act, as development contributions to a new capital work.

McLagan reckons councils often over-engineer roads to avoid accusations of operating unsafe roads. The fundamental problem, McLagan maintains, is the large number and poor resourcing of councils: New Zealand has 12 regional councils and 74 territorial authorities.

The Forest Owners Association has written to Local Government Minister Chris Carter, Forestry Minister Jim Sutton and Economic Development Minister Jim Anderton complaining about councils' actions. Carter's PR-man, Nick Maling, says the government is considering the issue. One possibility could be providing councils with best-practice guidance.