

Forest Industry Development and Revitalisation

Tasmania's forest and wood products industry directly employs over 10,000 people, or about 5 per cent of the Tasmanian workforce. In 2000-01 the industry contributed about \$1.3 billion to the State economy.

The Australian Government has agreed to invest \$46 million over the next three years to help the hardwood timber industry continue to develop and adjust to changes in the future resource resulting from the RFA Supplementary Agreement. \$4 million of this will be quarantined for assistance to country sawmills (see Fact Sheet No.18). Assistance will also be available for the softwood timber industry under a separate program.

The Tasmanian Forest Industry Development Program will be jointly managed by both governments to assist the continued development of a sustainable and internationally-competitive forest industry in Tasmania that provides long-term employment opportunities and makes a significant contribution to the Tasmanian economy.

Individual businesses and organisations involved in the Tasmanian hardwood timber industry will be eligible to apply for assistance.

The program is intended to supplement investment by applicants. Priority will be given to commercial proposals from businesses in the hardwood timber industry who will be directly affected by the changes in timber resources resulting from the RFA Supplementary Agreement. Applicants will normally be required to contribute a significant proportion of project costs. Grants will be based on assessment of the project value to industry development and revitalisation on an industry-wide or statewide level.

Assistance will be provided for projects that:

- improve sawlog recovery rates and add value to forest resources (particularly regrowth and plantation grown logs) harvested and processed in Tasmania;
- develop new forest products that attract investment in the industry;
- will result in more efficient timber use;
- assist with adjustment to the changing nature of supply, particularly regrowth and plantation-grown logs;
- create wood processing capacity that increases export competitiveness;
- upgrade harvesting and haulage equipment to improve safety and efficiency and reduce its environmental impact;
- promote the Tasmanian forest and wood products industry, and develop links with similar marketing activities in other Australian states and internationally; and
- increase cooperation or collaboration among industry participants.

Grants will not be provided to buy land, to establish plantations, or for working capital, research or feasibility studies.

Government officials will consult with industry groups in coming weeks to draw up program guidelines and then advertise for grant applications.

The program will run until 30 June 2008.

For further information contact:

Forest Industries Structural
Adjustment Unit
Department of Agriculture
Fisheries and Forestry
Phone: 02 6272 4196