

The Tasmanian Softwood Industry Development Program

The Australian Government is creating a \$10 million Tasmanian softwood industry development program, in cooperation with the Tasmanian Government, to support industry confidence and encourage industry to seek new markets.

The softwood development program will allow the Tasmanian softwood industry to retool existing mills and improve the efficiency and competitiveness of the softwood industry.

The program will supplement investment by the applicants. Applicants will normally be required to contribute a significant portion of project costs.

Grants will be awarded through a competitive assessment process, with successful projects being those that encourage a range of initiatives, such as:

- retooling mills and the modernisation of forest and haulage contractor equipment;
- adoption of new technology to add value to forest products;
- maximising recovery rates from forests;
- training for mill workers and harvesting contractors;
- research into improved silvicultural management of plantations; and
- upgrading existing transport linkages to support more efficient log cartage to existing processing facilities.

The Australian Pesticides and Veterinary Medicines Authority (APVMA) has recently announced a decision to restrict the use of copper chrome arsenate (CCA) for wood products that are subject to regular human contact. The softwood industry development program may assist existing mills to retool to produce environmentally friendly alternatives to treating wood with CCA if the APVMA decision requires a significant adjustment in production and marketing. In considering any applications that involve new treatment processes the Australian Government will assess the potential impact of the project on competitive equity with other Australian firms producing chemically-treated timber products.

The Tasmanian Government and industry groups will be consulted in coming weeks on guidelines and priorities for the program. Advertisements will then be placed seeking applications for grants.

The program will run until 30 June 2008.