

*This report produced by Forestry Tasmania for district office and field staff, is also available to forest workers, contractors and interested members of the community. It can be obtained electronically via email or www.southwoodresources.com.au.
Contact: Lyn Sullivan (03) 62 642766 or Peter Pepper (03) 6297 0012*

MILL AN INTERNATIONAL AFFAIR

Fifteen containers of machinery for Neville Smith Timbers Regrowth Sawmill at Southwood have arrived but not without incident. Six containers came from Turkey and the dunnage was barked wood which required quarantine in Launceston for a period of 7 Days .

The machinery was commissioned from France and is being unpacked at Southwood under the watchful eyes of Frenchman Mr Christian , who could not speak any English which saw hand signals and body language become a major form of communication . Installation is happening as the containers are unloaded .

Local firm Drysdale Engineering has been contracted to do part of the installation and make the conveyors . Three people have gained employment with Drysdale Engineering as a result of this contract.

Jim Bellamy ,Manager of Neville Smith Timbers Regrowth Saw Mill is pleased with the progress that is being made and with the efficiency of Site Supervisor Gary Fulton from Vos Constructions. Start up date for mill is still on track for April 2004.

PROGRESS WITH KOREAN MILL PROPONANT

Evan Rolley and Bob Gordon visited Korea to assess progress with one of the proponents for rotary veneer in Tasmania. Apart from the lengthy delays in the planning process for the two sites – Huon and Smithton, the main delay now affecting the Korean investment relates to the ever-increasing value of the Australian dollar.

Most people will be aware that the initial market for the veneers from the Korean project has been the construction area with formwork ply. The Korean company has now been exploring a range of higher value-add applications, which improve the product price in final market. This has obvious benefits to the viability of the project.

When the financing aspect of the project were first being finalised, the Australian dollar was trading in the range of 58 to 61 cents [US]. This week, the Australian dollar has been trading around 77 cents [US]. This is a significant difference, which dramatically effects competitiveness for all export-based industries [since products is bought in \$US].

The Korean proponents have been restructuring the financing of their project and reconsidering the equipment configurations, capital costs and other aspects . All of this takes time. Everything practical to assist companies to get over the line for these projects is being done.

We can't legislate for companies to invest. We have to accept that at the moment it is a much more difficult business environment than when FT began seeking proponents , but progress is being made albeit more slowly than we would like.

For more information visit the wood centre shop, 11 Main Rd, Huonville or phone Lyn Sullivan on 6264 2766

