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Continued investment needed to capitalise on plantation boom



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A3P, the peak national body for Australia's plantation products and paper industry, welcomes a new report showing Australia's plantation resource supplies two thirds of Australia's wood production, but warns further investment is needed to support new processing facilities.

The Bureau of Rural Science report, *Australia's Plantation Log Supply 2005 – 2049*, says the industry requires further investment in long rotation plantations to continue its significant economic contribution, particularly in regional areas such as the NSW South West slopes, Green Triangle region, and South East QLD.

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"Today's report once again confirms that despite a booming plantation wood supply, the wood resource available in a number of regions is still not large enough to support new investment in processing," said A3P CEO Mr Neil Fisher.

"It isn't just about the national numbers; it is about achieving the necessary scale in each region where plantation growing is significant. We need to increase the wood supply from long rotation plantations to support new investment in internationally competitive processing facilities such as sawmills and particleboard plants.

"The Government has implemented A3P's proposal for new taxation arrangements enabling immature plantations to be traded prior to harvest. A3P encourages investment companies to offer innovative investments in long rotation plantations based on a number of different investors buying and selling the plantation during its life and providing returns from the increasing value of the plantation during its life.

"The report also highlights a decline in Australia's softwood pulpwood supply from around 2020. A3P believes this supply decline could be topped up by establishing new long rotation plantations now. While the plantations wouldn't reach maturity by 2020 they would produce pulpwood in the required timeframe.

"Australia must capitalise on its investment in plantations by continuing to invest in an industry that provides greenhouse positive building materials; communication, hygiene and packaging materials; and a range of environmental services from Australia's sustainable plantation resource," he said.

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Further information

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