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\$10 million commitment for Caboolture sawmill welcomed

The Australian Forest Products Association (AFPA) has welcomed today's \$10 million pledge by Prime Minister Malcolm Turnbull towards a \$50 million expansion of AKD Softwoods' Caboolture sawmill, which will create 100 new jobs and more than double the mill's capacity.

AFPA Chief Executive Officer, Mr Ross Hampton, said the commitment was a significant endorsement of Australia's forest industries' potential to create new jobs and investment in regional Australia.

"Australia's renewable forest Industries contribute about \$24 billion to the economy each year and employ around 120,000 people across the full value chain. With record global demand for quality timber products like those made at AKD Softwoods' Caboolture operations, we must ensure that the policy settings are right to capitalise on this opportunity," Mr Hampton said.

AKD Softwoods is a privately-owned company with a proud history of 60 years in the forest industry, employing around 600 people nationally across six separate sites. AKD Softwoods' Caboolture operations processes approximately 215,000 cubic metres of sawlog into a range of timber products for the Queensland and Northern NSW markets, which will double to around 450,000 cubic metres by 2022.

Mr Hampton said with record global demand for timber, sawmill expansions such as this could be replicated around the country if Australia can urgently address the growing shortage of plantations, which is preventing our sawmills from expanding to global-scale operations.

"Australia is currently importing more than 780,000 cubic metres a year of sawn softwood a year – the equivalent of 65,000 new house frames, which in turn increases construction costs and fails to capitalise on the record global demand for timber.

"That is why AFPA is calling for national policy leadership to drive investment in new forest plantations of the right trees, in the right places and at the right scale.

"AFPA will continue to push the case with both the Coalition Government and Federal Labor Opposition to make sure that our policy needs, like getting 400,000 hectares of new plantations in the ground, are committed to by both sides of politics as we head towards the Federal election," Mr Hampton concluded.