



PRIME MINISTER

FOR MEDIA

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The Commonwealth Government has provided South Australia with an interest free \$11 million loan for three years to enable the salvage of some of the timber burnt in the disastrous February bushfires.

The bushfires destroyed 19,000 hectares of pine plantations containing a substantial proportion of the State's supply of prime saw logs.

This meant that the long-term supply of timber to sawmills would be drastically reduced.

The South Australian Government has estimated that it would take 15 years to get log supplies back to pre-fire levels.

To help alleviate the impact on employment in the timber industry South Australia proposes to harvest as much as possible to the better quality fire-damaged logs.

These are to be stored under water and progressively released to mills to help maintain normal production over the next three or four years.

It is essential for the logs to be harvested quickly and stored in water to avoid insect and fungal attack which would downgrade and ultimately cause the fire damaged timber to be useless.

The Commonwealth Government appreciates the devastating impact which this unprecedented fire will continue to have on the State's timber industry.

We have therefore decided to accede to South Australia's request to provide loan money to assist in meeting the very large abnormal costs of the proposed salvage operation.

The salvage and storage will serve two purposes.

It will help to defer loss of employment in the timber industry as a result of the fires.

The controlled release of logs from storage will also avoid disruption of the national market which might ensue if log salvage was accompanied by an uncontrolled milling program.

The South Australian Government has given an assurance that there will be no extraordinary release of sawn timber onto the market in such a way as to cause disruption.