

The hardwood sawmiller faces other problems in determining equipment selection, mainly trying to ensure that the equipment under consideration is capable of processing both hardwoods and softwoods since a change in resource is inevitable for many of the mills.

The decision to modernise or change a hardwood mill operation is seen by some to require the flexibility to cope with smaller log sizes and/or handle softwood conversion. A primary consideration for all hardwood sawmillers is the uncertainty of resource continuity. The outlook for significant investment in the hardwood sector under these circumstances is not very optimistic with the emphasis tending towards refurbishment on a modest scale.

The local sawmill equipment manufacturer has been oriented towards hardwood mill operations but with the challenges now confronting the miller in the need to integrate new technology into the operation, most of the manufacturers have established associations with overseas equipment makers producing complementary equipment, e.g. high-tech bandmills.

Where the outlook brightens visibly for equipment suppliers is in the softwood sawmill sector. The potential for large-scale softwood mills identified in the FAFPIC plan presents considerable opportunity for the equipment supply industry. Given the need for the Australian softwood sawmilling sector to match the expansion of resource availability this will open up more opportunities for Australian and overseas equipment suppliers.

2.4 DUTY RATES

Generally speaking, sawmilling and related equipment is entered into Australia under tariff item 8465 which refers to "machine tools for working wood, etc". Sawing machines would come under tariff item 8465.91.00 where the duty payable on these items is as follows:

From July 1, 1990 - 19 percent

From July 1, 1991 - 17 percent

From July 1, 1992 - 15 percent.

An additional 20 percent sales tax would apply on imported sawmilling equipment entering Australia.

An attempt to derive meaningful information on the amount of sawmill equipment imported into Australia from local statistics has not been successful. As happens in so many areas, imports of several commodities are lumped together which makes it impossible to glean useful and comparative data. Contacts in the trade are, naturally, reticent about their level of overseas buying. It is fair to say that the leading supplying countries of sawmilling equipment and related machinery into Australia would be Sweden, the United States and Canada.