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Forest information kit

Information Sheet no 1

BUSINESS EXIT ASSISTANCE

Business Exit Assistance is intended to provide reasonable financial assistance to help certain businesses leave, or scale down their involvement in the native forest-timber industry.

The assistance also aims to achieve long-term sustainability of regional timber resources and enable other businesses with good long-term prospects to remain in the industry and invest in downstream processing and value-adding opportunities.

Who can apply?

Sawmillers currently holding a sawlog supply contract of sale, logging contractors and transporters, and those businesses that derive at least 50 per cent of their income from directly supplying goods or services to the south-west native timber industry are eligible to apply.

Will my business qualify for assistance?

To qualify for Business Exit Assistance, business operators will need to show that:

- (a) for at least nine months in the 18 months leading up to 4 May 1999 (i.e. between 4 November 1997 and 4 May 1999), their business was either:
 - (1) directly involved in the native forest timber industry; or
 - (2) directly depended on the native industry for at least 50 per cent of their income from directly supplying goods or services to the industry; and
- (b) the exit of the business will assist in achieving long-term sustainability of the native forest timber industry; and
- (c) the adverse financial consequences incurred by the business directly and mainly as a result of the Government's *Protecting Our Old Growth Forests* policy mean that the business will not be economically viable, either in whole or in part.

How will applications be assessed?

The Government has appointed an experienced group of business valuers to assess the value of each business that applies for assistance. The Independent Assessors will review applications and determine the level of financial assistance that may be offered to each applicant.

In determining this level, the Independent Assessor will take into account what the value of the applicant's business would have been if the new policy did not apply.

When can businesses apply?

To encourage businesses to apply for Business Exit Assistance sooner rather than later, the Government has decided that a sliding scale will apply.

For example, applications received before 1 October 2001 will be offered 100 per cent of the valuation with the offer reducing by six per cent a month for applications received after that date. Applications received after 31 December 2002 will not be considered.

How do I apply?

Contact the Timber Industry Assistance Centre office in Bunbury (phone 9791 2040 or freecall 1800 805 394) or in Perth (phone 9327 5119 or freecall 1800 628 767).