Woodchip Memorandum bringing economic stability for Tiwi

3 August 2016

Tiwi Plantations Corporation and Mitsui Bussan Woodchip Oceania Pty Ltd (MWO) have today signed a woodchip Transaction Memorandum for the supply of 14 vessels, approximately 500,000 green metric tonnes of woodchip, to Japan (Daio) over a three-year period.

At today's prices and exchange rates the total export value, over three years, is in excess of AU $47 million.

Chief Minister Adam Giles said the agreement would provide a huge boost to the Territory economy and the Country Liberals Government is looking forward to continuing to work with the Tiwi People.

“The signing of this memorandum will create real jobs for local people, while injecting millions of dollars into the Territory economy,” Mr Giles said.

“This project is an excellent example of how economic development can and should occur on Aboriginal land, with Tiwi's now working in a multi-national environment, contributing to international supply chains.

“This project is expected at full production, including replanting, to provide jobs for up to 80 Tiwi locals.

“We expect the industry will only continue to grow, leading to even more export opportunities on a global scale.”

Chief Minister Adam Giles said this agreement also demonstrates why the Asian Engagement, Trade and Investment Strategic Plan 2015-2020 identifies Japan as one of our core partners alongside China, Indonesia and Timor-Leste.

“This government greatly values its relationship with Japan and its corporations and we look forward to a mutually beneficial relationship over the next 100 years,” Mr Giles said.

The NTG signed a Memorandum of Understanding with the Tiwi Land Council and Land Trust in December 2013 outlining a partnership approach to economic development.

The harvesting of woodchips started in June 2015, following the purchase of harvesting and ship loading equipment through an Australian Government Aboriginal Benefits Account Grant and a commercial loan from Commonwealth Bank Australia.

Two woodchip shipments were sent out in November 2015 and February 2016, both demonstrating that Port Melville could successfully export high volumes of woodchips to the international market.

Media Contact: Michael Gorey 0437 249 003