

Monday, April 11<sup>th</sup> 2011

## VicForests' balance sheet 'healthy'

VicForests has confirmed it currently has a "healthy balance sheet" following another attempt by a journalist at The Age to suggest otherwise.

"The article '*VicForests has credit extended*' (11/4) shows a clear lack of understanding of how our business operates," Nathan Trushell, VicForests' Director, Corporate Affairs, said

"The fact is that VicForests maintains a short-term overdraft facility with the Treasury Corporation of Victoria.

"This facility works in exactly the same way as any overdraft held by a large business turning over \$145 million per year.

"The article implies that an extension to this line of credit has just occurred, despite the change taking place after the Black Saturday bushfires.

"It indicates nothing about VicForests' current financial situation.

"This is the fourth article written by this particular journalist in 2011 criticising either VicForests or the timber industry. All of these articles have misrepresented the situation in order to suit the position he has taken.

"In reality, VicForests has a healthy balance sheet and is again on track to make a profit for the 2010/11 Financial Year," Mr Trushell said.

The article also makes misinformed references to out of date information contained within a 2010 report commissioned by the Department of Treasury and Finance.

"The reference in the article regarding the regeneration of Victoria's forests is particularly misleading," Mr Trushell said.

"There has been no 'blow out' in forest requiring regeneration.

"It takes a minimum of three years for any harvested area to regenerate.

"Given that VicForests harvests approximately 5500 hectares of forest each year, the figure of 15 900 hectares is in line with VicForests' predicted regeneration target.

"The article also ignores VicForests' substantial regeneration efforts over the last 18 months including the successful regeneration of more than 5500 hectares of forest in 2010, despite the harvesting of only 5047 hectares.

"We now hold Victoria's largest supply of eucalyptus seeds to ensure this work to regrow our forests continues to be a success in the future," he said.

**Media Contact:** David Walsh

T: 03 9608 9562 M: 0409 571 580 E: david.walsh@vicforests.com.au W: www.vicforests.com.au