



MEDIA RELEASE

For immediate release

Friday 15 September 2006

Next timber auction kicks off today

VicForests will conduct a sealed bid auction, as it strives to secure openness and transparency for the sale of native forest timbers from Victoria's State forests.

Due to the limited volume, the sale will be conducted via a paper based auction, and will include a range of lot sizes incorporating:

- small parcels of sawlog grade timber available for the current financial year;
- commercial scale firewood lots with minimum volumes of 250 tonnes per annum; and
- one pulpwood lot.

The sale follows on the heels of a sealed bid auction conducted earlier this year, as well as two successful online auctions in which timber processors from around Victoria bid on large volumes of timber from their homes and businesses around the state.

Sales of this valuable resource are now conducted through a competitive system, to ensure that the current value of the timber is determined in an open market setting, securing the best return for Victoria.

Bidders will be provided with a set of reserve prices for the timber lots, based on the cost of harvesting, haulage and administration plus a minimum stumpage value for the timber.

At the close of the auction VicForests will assess all bids with lots awarded to the highest bidders.

Firewood lots are available for purchase at any of 27 delivery sites around eastern Victoria ensuring that all regions within the VicForests operations area have fair access to commercial firewood volumes.

VicForests recently took over the management of harvest and haulage arrangements in Victoria, under a mill door sales arrangement, which took effect on 1 July 2006. One of the benefits of the system is that timber can now be delivered to buyers at an agreed location, inclusive of the costs of the harvest and haulage costs. We are now transitioning firewood through this same process.

Registration has opened for all interested bidders that meet the auction eligibility criteria, including financial capacity and business registration. Successful bidders are required to process the timber in Australia.

Key dates: *Bidding opens* *Friday 15 September*
Auction closes *2pm, Tuesday 10 October*

Information for interested parties is available at VicForests' website: www.vicforests.com.au

Enquiries can be directed to Dan Raymond, Acting Auction Manager on tel. 0427 869 197.

ENDS

Further further information or interview, telephone:

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