



MEDIA RELEASE

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Online Timber Auction Nets Wins for West Gippsland

VicForests today announced the results of its successful online auction, with timber processors in West Gippsland among the big winners. VicForests is a Government Business Enterprise responsible for the sale of timber from Victoria's state Forests.

Director Sales, Mr Matt Crapp commented that the auction has delivered an outstanding result for Victoria.

He said: "The results of the auction mark a significant point on the path to a sustainable and secure long term industry driven around adding value to timber harvested from Victoria's state Forests, securing regional jobs and providing a good return to the Victorian economy.

"VicForests has delivered significantly on implementing Government policy and more specifically, on the requirements of the 2002 *Our Forests Our Future* policy paper, which aimed to introduce transparent, market-based arrangements for the sale of Victoria's valuable native forest timber.

"The Victorian native timber processing industry responded to this technological development with high participation in the first two online auctions."

The majority of West Gippsland auction lots were sold to the region's existing sawmills. The auction, which closed on 2 June, offered for sale more than 700,000 cubic metres of timber. Timber won at auction includes timber lots for supply until 2015.

The winners include the regions largest sawmill Neville Smith Timber Industries Pty Ltd at Heyfield. NSTI was successful for large volumes of high quality logs that will supply the company's value adding investments.

Other local successful bidders were:

Bright, McConachy, Green and Eaves Family's Powelltown Sawmilling Pty Ltd at Powelltown
Denise and Larry Broxam of Warburton Timbers Pty Ltd at Warburton
David Taylers of Taylers Timbers at Hill End
Frank and Ralph Stellato of Nalas Pty Ltd at Longwarry
Graeme Brown of Browns Sawmill Pty Ltd at Noojee

The development of the auction system was completed following extensive consultation with the native timber processing industry. It is the first in its kind to be used in Australia for this purpose.

A key feature of the auction system was the inclusion of harvest and haulage costs in the displayed timber lots. Dynamic, real time data available to bidders during the auction was matched to their delivery address.

Other sawmills in West Gippsland will see no reduction in the supply of current logs until 2010 and will have other opportunities to purchase timber on the secondary market or at future auctions. Additionally, some mills also purchase timber from plantations and from interstate.

ENDS

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