

## **MEDIA RELEASE**

**For immediate release**

**Monday 3 April 2006**

### **Local Winners in first online Timber Auction**

VicForests says that the first on-line auction of native forest timber held in Australasia yielded a positive result and that both the organisation and native timber processing industry are well-positioned for the second auction, expected to be held in late April 2006.

Supplementary advice will be issued to bidders this afternoon, advising them of auction results and asking for feedback on the auction catalogue. VicForests will also ask bidders to report on their experience of using the auction technology.

Bidders from across Gippsland and the North East were able to attain timber in the auction. Highlights were:

- East Gippsland timber processors were clearly keen for the opportunity to develop their businesses and were extremely competitive when bidding at the auction. All the timber parcels from East Gippsland were won by local timber processors. Sawmillers were also able to source timber from other parts of the state.
- There was significant interest in East Gippsland's higher quality mixed species lots, which included Shining Gum, Manna Gum, Yellow Stringybark and Blue Gum.
- In the North East, high participation levels were also reported. Strong demand was reported for the region's prized Alpine Ash timber, including high demand from bidders across Gippsland. However, the majority of the timber from the region was sold to local processors.
- All West Gippsland timber lots were sold. There was significant interest from across the state in Central Gippsland Ash lots.
- Importantly, sales from this auction, particularly timber that will be delivered this season, will assist in keeping timber harvest and haulage contractors working in West Gippsland.

VicForests Chief Executive Officer, Dr David Pollard said that sales of timber parcels were both above and below existing administered prices. In particular, lower quality timber was awarded at prices below existing prices.

"VicForests offered about 172,000m<sup>3</sup> of timber in the initial auction and this was a very effective way for us to assess bidder behaviour and to ensure that sawmillers were comfortable with the use of the system," Dr Pollard said.

"We expect to auction significantly more timber at the next auction, with an emphasis on providing more security into the future.

"VicForests is satisfied that most bidders across the state were successful in winning timber parcels and almost all the timber lots received bids."

Only one lot of low grade sawlog timber was passed in at the auction which ran for five days. Participants progressed through a series of auction rounds as they continued to bid and win timber.

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Melbourne-based company BOMweb developed the auction system for VicForests, with the input and assistance of industry. BOMweb Auction Manager, Melissa Feldman commented that, from a systems point of view, the auction had run very well.

“From both a design and a technical standpoint, the auction went very smoothly. Judging from the number and type of calls received by our Help Desk, it is apparent that the bidders had very little difficulty using the Forest Auctions Online Auction System. BOMweb could not be more pleased with this.”

*VicForests is a State-owned business enterprise, responsible for the sustainable harvest and sale of timber from Victoria’s State forests.*

**ENDS**

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