



MEDIA RELEASE

For immediate release

Wednesday 1 August 2007

VICFORESTS' COMMITTED TO A SUSTAINABLE FUTURE

The functions of VicForests will be restructured to ensure the best public value from harvesting Victoria's State forests, VicForests CEO, Dr David Pollard, announced today.

The restructure follows a lengthy business review which highlighted a number of gaps in medium-term planning and customer service areas.

"In addition, the restructure will ensure staff are not subjected to the continuing speculation over their futures," Dr Pollard said.

The announcement comes on the day VicForests celebrates its three year birthday since being established as a state-owned enterprise on August 1 2004.

VicForests is responsible for the sustainable harvest and commercial sale of Victoria's valued forest timber. From the timber entrusted to the business and within strictly sustainable limits, VicForests' role is to secure the greatest financial value for all Victorians.

Increased competition from substitute products; increased imported products; cheaper imported copy paper and a projected competition increase from private plantations are factors contributing to the restructure. VicForests' decreased resource as a result of the 2006/07 fires has also played a major role in reassessing the VicForests long-term structure.

"We are committed to building a business which generates the best public value from harvesting Victoria's State forests and our timely restructure will address certain limitations that our current business structure places on us. Elements of that structure are no longer aligned with our core business," Dr Pollard said.

"VicForests must be commercially viable as an organisation and without productivity improvements, our profit outlook is bleak. The restructure is not about cutting job numbers but improving the way our business is conducted to ensure a secure future for our business, staff and our customers.

"VicForests currently operates across Victoria at a number of locations. Rationalising offices to two regions and the consolidation of staff is a sensible way to move forward and streamline our business operations to ensure a secure future," he said.

The sustainable harvest and commercial sale of Victoria's valued forest timber will remain a cornerstone of the work undertaken by VicForests.

The restructure will commence on 1 January 2008.

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