



MEDIA RELEASE

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VicForests Awards \$19M Timber Sales Agreement

Dandenong based, Dormit, the largest manufacturer of pallets in Australia, has been announced as the successful bidder in the first of three VicForests auctions this month.

The \$19 million contract awarded to Dormit will support the company's highly successful sawmilling operations at Dandenong and Swifts Creek, which directly employ more than 80 staff.

The value-adding processing of low value logs is undertaken by Dormit using state-of-the-art sawmilling technology. The company has invested heavily in the development of best practice safety management systems and has achieved the benchmark **Safety Map** standard for its operations.

VicForests CEO, David Pollard, said that this represents an excellent outcome for the industry. Following an open and competitive process VicForests has achieved a strong revenue result for the sale of Victoria's valuable native forest timber.

"VicForests embarked on an extensive fire salvage program in January 2007, which will continue for the next two years, and will enable the capture of significant value from these burnt forests," he said.

"Under this contract a large volume of logs from fire salvage operations will be delivered to Dormit, ensuring that the long-term impacts on sustainable yield are minimised and that economic activity in fire-affected communities is maximised."

VicForests' **online auction system** was developed as part of the implementation of the State Government's 2002 *Our Forest Our Future* policy statement which required VicForests to move commercial timber sales from State forests to a transparent, open and competitive sales system.

VicForests has worked closely with its customers to improve the auction system to ensure that a fair and effective means of selling Victoria's valuable timber is achieved.

Over the next two weeks VicForests will conduct two additional auctions which will include packages of timber for supply over the next four years.

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