



MEDIA RELEASE

For immediate release

Thursday 13 September 2007

VicForests Deliver Supply Security

VicForests met with key customers and the Victorian Association of Forest Industries yesterday to discuss concerns about the upcoming auction system and the impacts of the 2006/07 fires.

The Great Divide fires over summer burnt around 673,000 hectares of State forest east of the Hume Highway, and VicForests has worked with the Department of Sustainability and Environment to develop preliminary estimates of the long-term impacts of these fires. Combined with the 2003 Alpine fires, this has resulted in over 47% of the State forest in Eastern Victoria being burnt over the last five years.

The result of this is an anticipated substantial reduction in future high quality log availability for the Victorian timber industry. VicForests is working with the Government and industry to identify ways to reduce the future impact of these losses. 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 stands.

The industry has been informed of VicForests' recently completed preliminary assessment of the fire impacts and sought this week to review the next timber auction event in light of this new information.

VicForests is working with customers and VAFI to reconfigure this and future auction events to enable the industry to move forward with greater security.