



## VicForests' 2009-10 Annual Report

### Snapshot of Results:

- ~ VicForests has achieved Earnings before Interest and Taxes (EBIT) of \$5.3 million, an approximately \$10 million turnaround from the previous financial year.
- ~ We achieved a sales increase during 2009-10 of 1.4%, in a tight timber market.
- ~ Revenue also improved compared with the previous year, due to a slight improvement in the product mix towards sawlogs.

### Key Achievements:

- ~ Total sales revenue was \$131 million, an increase of \$6 million from 2008-09. This was achieved on a sales volume of 1.812 million m<sup>3</sup>, an increase from 1.784 million m<sup>3</sup> produced in 2008-09. Sawlogs attracted a higher value than pulp logs, making up 43% of the revenue stream, while comprising 32% of the volume produced.
- ~ The salvage program resulted in the harvesting of 1,091,000m<sup>3</sup> of salvage timber, at an estimated milled value of \$194 million, which would otherwise have been lost to the Victorian timber industry and wider community.
- ~ More than 3,500 hectares of forest area was treated and sown, with an additional 725 hectares self-regenerating.
- ~ VicForests submitted 5,400 hectares of forest area assessed as regenerated to the Department of Sustainability and Environment (DSE) for verification, approval and ongoing management.
- ~ VicForests was re-certified to the Australian Forestry Standard, which is aligned to the international Program for the Endorsement of Forest Certification Schemes (PEFC), the world's largest forest certification scheme.
- ~ Throughout 2009-10 substantially increased our investment in stakeholder engagement and improved communication with the public.
- ~ VicForests reviewed its organisational values to ensure that they were aligned with its vision and business strategy. Following staff consultation, the agreed values are:  
*Professional, Sustainable, Safe and Customer Focussed*
- ~ VicForests has committed itself to a zero harm target for our staff, contractors and any visitors who enter our workplace. Considerable work was performed to assist with contractor OH&S and monitoring of staff workplaces.
- ~ Following the expiry of the 2006 VicForests Enterprise Bargaining Agreement, an extension and variation of the 2006 agreement was offered and agreed to by staff and certified by Fair Work Australia on 31 December 2009.