

MEDIA RELEASE

VicForests to support native timber sector transformation

The Victorian Government's long-term plan to end harvesting of timber in State Forests by 2030 will drive VicForests to transform its business and support diversification and innovation in the native timber sector.

The Government's plan provides a clear decade-long timeline for VicForests to continue to supply timber to native timber processors and to negotiate new sales and supply contracts to reflect the transformation timeline.

VicForests' total harvest levels will be maintained at around current levels to 2024, then reduce by around 25% in 2025, and a further 25% from 2026 to 2030.

This will provide clarity for VicForests' harvest and haulage contractors and timber mills and processors during the transformation period and enable them to retain highly skilled employees.

VicForests CEO, Monique Dawson, said that, while challenging, the decision provides opportunities for VicForests to develop and trial new species for plantations and new approaches to growing trees to support better timber products and respond to the future impact of climate change.

"We plan to play a significant role in carbon farming and to contribute to the development of new products to make the most of our high-quality timber and the unique and valuable skillset of VicForests' workforce," Ms Dawson said.

"In the short to medium term, the Government has provided the certainty needed by industry with a long lead time for change. The reform package also provides significant opportunities for the sector to diversify into new sources of timber, new products and new markets."

Ms Dawson said VicForests was already contributing to this gradual shift through the establishment of new Blue Gum plantations.

"The announcement earlier this year that VicForests is supporting a major new plantation program in the LaTrobe Valley – overseeing the planting of 250,000 eucalyptus seedlings as part of the Government's \$100m program – is an important part of our future," she said.

VicForests' role will expand to include direct support for the continued expansion of private plantations, from large industrial scale plantings to tree crops managed and sold by farmers.

"There will continue to be strong growth in demand for high value, locally grown and manufactured timber products to drive and support continued economic growth. Our people are highly skilled in forestry silviculture, seed management, and forest product development.

We are excited about the role we will play in supporting the future development of the Victorian timber industry."

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Background:

- There is 7.1 million hectares of public native forests across Victoria, about 94 per cent of which is protected in parks, reserves or is unsuitable for native timber harvesting.
- VicForests harvests around 3000 hectares per year

- VicForests is committed to the highest standard of regeneration and replants all harvested areas with local native seed.
- VicForests is a plantations manager, having this year planted 250Ha of Blue Gums under the State Governments \$100m plantations program.