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14th June, 2006

The Hon. Steve Bracks
Premier of Victoria
1 Treasury Place
EAST MELBOURNE VIC 3002

Dear Premier

TIMBER COMMUNITIES FACE UNCERTAIN FUTURE AND NEEDS YOUR HELP

I am writing on behalf of Victorian timber communities in relation to the recent VicForests Online Auction OLA 2 – 2006 which was completed on the 2nd June, 2006.

At this stage the results of the auction have not been released, however the impacts are already reverberating throughout timber communities who have been hit hard over the past number of years. Since the introduction of your Government's Our Forests Our Future (OFOF) policy, communities dependent on the native timber industry have been dealt cuts of up to 30% of available resource, resulting in job losses in communities where new employment is hard to find.

We thought after OFOF that the industry could look and invest into the future with renewed confidence. However, we now have investigations into Old Growth, VEAC Goolengook Inquiry, VEAC Redgum Inquiry and continued studies into harvesting our Water Catchments and slowly but surely that feeling of confidence is fading away.

To make matters worse timber communities have been left high and dry with the VicForests Online Auction. Prices have hit record prices which have left the successful bidders with financial difficulties and unsuccessful bidders with an uncertain future.

TCA has continued to highlight the socio-economic concerns with the VicForests On-Line Auction. The system is purely economic driven, highest price wins the auction, however this doesn't look out for the needs of timber dependent communities.

In the recent round of auctions, I have already heard from sawmillers who have missed out on the auction as they couldn't justify the prices being paid. These mills now face an uncertain future and what's worse is the fact that many are the major employers within their timber dependent communities.

Processing mills in the electorates of Tammy Lobato, Ben Hardman, Geoff Howard, Craig Ingram, Ian Maxfield and Joanne Duncan's will be affected by the recent online auctions and they need the State Government and their local members to stand up and fight for their survival.

In 2000 your Government came to the aid of the Swifts Creek Community, which was in disarray due to the mill closing down. Your Government offered incentives and put in a lot of work to ensure that Dormit took over control of the mill, keeping it open and securing the future of the community.

The Age did a 4 part series on the Swifts Creek Story. Just as a reminder of the severity of the situation below are a few quotes from these stories:

*“A taskforce report to Bracks found its closure last year **“devastated the town’s social and business structure.”**”*

“The numbers seem so small. To many of us living in the suburbs or the city, 10 jobs sounds like something from the margin of the economy. But to the people of Swifts Creek in East Gippsland, the creation of 10 jobs at the town’s currently dormant sawmill, could well mean the rejuvenation of a community”

“It is always fascinating to see what politicians can do when their survival becomes an issue.”

“Political action, not hand wringing and sympathetic noises, will produce results.”

What is your Government going to do when you are hit with half a dozen *Swift Creek Scenarios*; that is, mills knowing they will be closing in the near future? Will the Brack’s Government offer support to businesses to continue to process their timber in these dependent communities or will you just allow high prices and an auction system to knock them out of the industry all together? Will your Government be required to put together financial packages for families relocating to seek new employment?

TCA believes the Government should act now to ensure Victorian timber communities don’t lose their major employers and that the Victorian timber industry can continue to invest into the future of their business and their local community whom depends on them.

We urge you to step in and review the outcome of the Online Auctions and ensure that prices are at a sustainable level. There is no use having sustainably managed forests with unsustainable prices which will result in the demise of Victoria’s native hardwood timber industry; an industry keen to be part of the States economy in the future. This industry is both a resource and manufacturing industry that employs thousands upon thousands of families and is helping solve the solution to rural decline.

Finally we call on your Government to stand by the native hardwood industry who has invested heavily into the future of timber dependent communities and produce policy in the lead upto the State Election that will secure the future of this great industry. If you wish to discuss this matter further, or would like more information on communities affected by the price hikes and the online auction system, please don’t hesitate to call me on (03) 5962 1874 or mobile 0418 331 465.

Yours truly

KERSTEN GENTLE
Victorian State Manager
Timber Communities Australia

Cc: The Hon. John Brumby, Minister for State & Rural Development
The Hon. Bob Cameron, Minister for Agriculture
The Hon. John Thwaites, Minister for Environment