

# ***MEDIA RELEASE***



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## **VICFORESTS STIFLE REGIONAL INVESTMENT**

Investment within timber communities has been stifled as a result of the recent VicForest tender process, claimed Timber Communities Australia today.

“Dozens of contractors have put their future on hold as they are forced to wait to learn on whether or not they have jobs in the second round of the VicForests harvest and haul tenders”, said Mr Scott Gentle, Victorian State Manager of national grassroots community organisation, Timber Communities Australia (TCA).

“The stress level on families, small businesses and the wider timber community is huge. This impact is not only affecting those directly employed within the forest contracting sector but also flows on to other community businesses that provide services in the way of trucks, machinery, equipment and services,” said Mr Gentle

“TCA has contacted 4 businesses today to learn that over \$6 million of investment is threatened by the uncertainty clouding the second round of forest tenders.”

“In the Gippsland community of Bairnsdale, companies such as Kennedy Trailers and Gippsland Truck Centre have over \$3,000,000 worth of equipment waiting for confirmation of purchase as a result of so many contractors missing out in the first round of tenders”, Mr Gentle said.

“Orders for up to 15 trailers were made by contractors so they could commence work in October as a trailer isn’t put together over night”, said Mr Gary Kennedy of Kennedy Trailers.

“Contractors who have worked in the bush for years running successful businesses honestly didn’t think they would miss out on a tender and placed their orders so work could continue. Now they have to wait for another couple of months before they can not only confirm their order but know whether or not they have a future”, said Mr Kennedy

“Why would the contractors think they wouldn’t be successful, when they have worked in the industry for decades and in some instances generations. They have run successful family owned businesses and have looked upon their work as a way of life and unfortunately as a result of the VicForests tender many now are looking at their jobs as simply that, a job!”, said Mr Gentle.

Gippsland Truck Centre Salesman Darren White agreed that the uncertainty has flowed over into other small businesses dependent on the timber industry.

“We have over \$1 million worth of trucks sitting here ready to hit the road but like Kennedy Trailers we have no certainty as to whether the orders will be filled”, said Mr White.

“Many of these families have been dealing with our business for years and we are dumb founded that these professional haulage contractors have been overlooked in the tender process”, Mr White said.

“The harvest and haulage contracting sector is unlike other businesses where you can go and buy your tools through retail outlets. Planning, budgeting and specifications need to be made to trucks and machinery to suit the bush conditions and to ensure the safety of the operators”, said Mr White

“TCA calls on VicForests and the government to recognise the outstanding service the current harvest and haulage sector provides to the timber industry and dependent communities.”

“The deciding factor should not be based purely on price, therefore TCA believes VicForests should stop with the 2<sup>nd</sup> round of tenders and relook at who missed out in the 1<sup>st</sup> round giving a stronger weighting to the non price criteria to reflect the true value of these people to their communities”, concluded Mr Gentle.

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