

Monday, May 12, 2014

## Changes to supply to South East Fibre Exports

South East Fibre Exports (SEFE) has announced it will not be entering into a new contract with VicForests when its current agreement expires at the end of 2014.

VicForests' CEO, Robert Green, said the decision means SEFE will no longer purchase timber from VicForests at the end of its current contract.

"There has been uncertainty around SEFE's future as part of the Victorian timber industry for some time," Mr Green said.

"There is strong demand for the unique and highly sought after timber produced from our State forest in East Gippsland and we will continue to meet our commitments to our sawlog customers to ensure this demand is met.

"However, SEFE's decision to cease taking timber from Victoria will affect the market for residual timber produced from our harvesting operations.

"The challenge in front of us now is to build a different future for the timber industry in East Gippsland which continues to provide jobs and economic benefits to the region but may not include export woodchips," he said

"SEFE has been an important part of the Victorian timber industry for decades and we understand this is a commercial decision which has been made due to a range of external factors.

"Importantly, there will continue to be a timber industry in East Gippsland.

"The announcement offers the certainty necessary for us to get on with the job of looking to the future and identifying new opportunities for the industry.

"There are businesses that are ready to invest in the region. We will be working closely with industry, Government and local communities over the coming months to ensure we adjust to this change.

"The region will continue to benefit from the contribution made by the industry.

"We will keep the community up to date regarding any changes to VicForests' operations as a result of this announcement," Mr Green said.

For more information about VicForests' operations please go to – [www.vicforests.com.au](http://www.vicforests.com.au)