

## Timber harvesting in Victoria's Central Highlands worth \$573 million annually

A newly released study has found timber harvesting in Victoria's native forests north-east of Melbourne generates \$573 million worth of economic activity each year.

The study was undertaken by Deloitte Access Economics (DAE) and focussed specifically on the Central Highlands Regional Forest Agreement area which covers 623,000 hectares of public land to the north-east of Melbourne.

VicForests CEO, Robert Green, said \$573 million in revenue is generated as a result of timber harvesting operations on 0.3% of the public land in the region each year.

"This study is a fact-based analysis of the economic benefits provided by any part of the native timber industry in Victoria and the findings highlight the important economic contribution the industry makes to our economy.

"DAE found native timber harvesting in this specific region of Victoria alone supports more than 2,100 direct jobs.

"Other studies suggest there are thousands more jobs in secondary processing and further downstream manufacturing that rely on timber from this region in addition to the direct jobs recognised in this latest report." Mr Green said.

Mr Green said DAE modelled the impact of the native timber industry in the Central Highlands RFA area on Victoria's economy using its Regional General Equilibrium Model (DAE-RGEM) which predicts changes in measures such as GDP, employment, export volumes and investment.

DAE is Australia's pre-eminent economic advisory practice and this study used conservative assumptions to ensure the findings were robust and can be widely distributed.

Another report recently released by Price Waterhouse Coopers (PwC) suggested it costs \$5 million to create a single job in the native timber industry in Victoria.

Mr Green said that this report ignores the revenue generated by primary processing of native timber in Victoria, as well as the thousands of associated jobs that are required for processing timber after harvesting and haulage operations.

"Without these mills, and without the significant demand for our local timber, there would be no need to cultivate trees or engage forestry support services.

"The PwC report was drafted relying only on selected publicly available information and no clarification or further detail was sought from VicForests or any timber industry body.

"However, the report did acknowledge that VicForests operates profitably.

"Our own public reporting shows that VicForests has recorded a net profit of more than \$20 million since being created in 2004.

"Our focus remains on the long term economic returns to Victoria, which includes maintaining thousands of regional jobs and the associated businesses that generate hundreds of millions of revenue dollars annually," Mr Green said.

A full copy of the DAE report is available to view at [www.vicforests.com.au/about-vicforests/economic-report](http://www.vicforests.com.au/about-vicforests/economic-report)