

VicForests posts profit for third year in a row

VicForests has posted a \$4.68 million profit for the 2014/15 Financial Year.

Speaking after VicForests' Annual Report was tabled in Parliament yesterday, CEO, Robert Green, said the result is the third year in a row the organisation has returned a profit.

"We have continued to demonstrate improved profitability over the last three years, reflected in increasing profits and dividends being paid to the State as a result of our operations," Mr Green said.

"A dividend of \$765 000 was paid to the Treasurer in July 2015 on the back of the 2013/14 year and following our 2014/15 result we are proposing to pay a dividend of \$1.5 million this year.

"In addition to again posting a profit, we have been able to reduce the amount owed on loans by more than \$7 million and have cash in the bank of \$7.5 million.

"We now have cash assets worth more than our outstanding loans. This a huge turnaround particularly after the Global Financial Crisis left us in a situation where we owed more than \$25 million against our loan facilities.

"We have placed a big emphasis on reducing our costs and we continue to work closely with industry to make our operations as efficient and cost effective as possible.

"Our financial performance has been closely scrutinised in recent times but the last three years highlight the profitability of our organisation and the native timber industry in Victoria.

"Our results are audited each year by the Victorian Auditor General's Office to verify their accuracy and compliance with Australian Accounting Standards, and provides an important level of assurance for the community," he said.

Mr Green said the contribution made by VicForests goes beyond its own financial results.

"VicForests is Australia's largest supplier of high quality hardwood timber and demand for locally grown, sustainable timber products remains strong," he said.

"Our industry contributes hundreds of millions of dollars to the Victorian economy each year.

"Our revenue from timber sales is up on last year and VicForests alone has injected more than \$85 million into regional economies through contracts with local businesses and wages.

"Our customers and contractors continue to ensure there is economic diversity in many smaller towns across the State. At times this contribution goes unnoticed but these are multi-million dollar businesses providing vital employment and outlaying significant amounts of money in local areas.

VicForests' 2014/15 Annual Report is available on the VicForests website – www.vicforests.com.au