

# Jobs crisis

**As many as 40 Orbost timber industry jobs are in jeopardy because of increasing inaction from the State Government.**

The 40 jobs, at the local Auswest Sawmill, plus the secondary employment they create are part of at least 65 East Gippsland jobs on the line because the Andrews Labor Government hasn't been able to guarantee timber supplies.

Brickworks, the parent company of Auswest Timbers, which has mills in both Orbost and Bairnsdale, has threatened to close its East Gippsland operations due to "inaction" by the State Government on providing timber supply security.

Member for Gippsland East, Tim Bull, says the closure of Auswest Timbers "would have a devastating impact on jobs in East Gippsland and many more indirect jobs".

In its annual report, Brickworks stated: "After many years of negotiation, the Victorian state government continues to frustrate efforts to make the required investments in our East Gippsland timber mills, by denying certainty of log supply."

The report continues: "These operations now have only nine months' supply contracted, with no clarity being provided beyond that term."

"As one of the largest employers in this region, these investments would provide an important boost for the local community, as well as enabling Auswest to cost effectively meet the strong demand for product from these mills," the annual report states.

"However, if an acceptable log contract is unable to be secured, the East Gippsland facilities will be closed," the report concludes.

The area operations manager for Auswest Timbers in East Gippsland, Ben Hobson, confirmed the report and said he was "concerned about staff and the impact the uncertainty is having on them".

"These people need to make decisions about buying fridges and houses and that's difficult to do when you are unsure what the future holds," he said.

Mr Hobson said it was also difficult "to maintain the staff we have, who are now taking jobs that have certainty, in some cases outside of the region."

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# Mill closure a possibility

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Mr Bull said he had raised the matter several times in Parliament, but the Minister for Regional Development, Jaala Pulford, “would not take any action, simply saying she was waiting for her Forest Industry Taskforce (FIT) to make recommendations.”

“It’s time for action. If the Minister continues to do nothing, she will be responsible for the loss of 65 direct jobs and many more indirect jobs in East Gippsland, which would have a massive impact on our local economy,” Mr Bull said.

The Forest Industry Taskforce has been unable to reach consensus on various issues pertaining to timber supply security and has asked for an extension until April 2017.

Mr Bull claims the taskforce was meant to report back in July and he says the Minister “now needs to step in” to avert a crisis.

General manager of Auswest Timber, Jason Wilson, said he was “frustrated”.

“While we understand the industry taskforce

(FIT) is ongoing, it appears the process is taking longer than a business in a situation like us, with a log contract due to expire in June, would like,” he said.

“We need something in the interim, otherwise we will have to close.”

Mr Wilson said the Orbost plant, where the timber is processed, would be impacted quickly “as it will run out of logs first”.

He said the Bairnsdale operation, from where the timber is sold and dispatched, has about 18 months to two years of timber supply on site.

In a comment reflecting concern for his staff, Mr Wilson said: “Some of our people are loyal, long serving and valued employees.”

Mr Wilson said he “looked forward” to a meeting with the Special Minister of State, Gavin Jennings, later next month “to discuss the matter”.

The Minister’s office was contacted for comment on Thursday of last week, but her office has failed to respond to questions.