

TIMBER QUEENSLAND MEDIA RELEASE

3 December 2009

For immediate release

PLANTATION ASSET SALE: GOVERNMENT IGNORES INDUSTRY

Potential Bidders should seek Industry Briefing

Peak industry body Timber Queensland are offering to brief potential bidders for Forestry Plantations Queensland (FPQ) on Queensland's Plantation Processing Industry to ensure they are aware of the likely issues they will confront before they engage in the formal bidding process.

Timber Queensland CEO, Rod McInnes said potential bidders should be aware of the current hostile relationship between Industry and FPQ and understand the reasons behind the bad blood.

"Queensland's \$4 billion per annum timber industry and the 20 000 jobs it supports, which are mostly in the Plantation Sector, are bitterly disappointed at the lack of consultation between the Industry and the Government over the proposed sale of FPQ," said Rod McInnes.

"We welcomed the news of the Sale of FPQ when it was announced almost 12 months ago and believed the Government when it committed to consult with Industry regarding the Sale," he said.

Timber Queensland said despite this and apart from a couple of broad brush discussions, the Government has ignored Industry while they have:

- Negotiated with the Unions to shore up a few hundred jobs at FPQ for 3 years, but ignored the many thousands of jobs in plantation processing that rely on an acceptable commercial relationship between the plantation grower and the processing and value-adding industry.
- Done a dirty deal with the Greens to retire over 2500 hectares of plantation for conservation without any discussion with Industry and in the full knowledge that Queensland needs another 100 000 ha of plantation to meet Queensland's future timber needs and avoid importing timber.
- Created new legislation to ensure the current offtake agreements between FPQ and Industry are enforced with the new owner despite Industry's constant advice to Government over the last two years that the agreements are unconscionable and unacceptable because they do not allow a dispute resolution process to establish a fair price from a monopoly supplier.

Industry believes these issues will diminish the value of the FPQ asset and result in a less than optimum outcome for Queensland taxpayers.

"We encourage potential bidders to contact us to discuss these issues in more detail before they lock themselves into a formal bidding process," said Rod McInnes.

ENDS

For further information contact:

Rod McInnes CEO Timber Queensland: 07 3358 7902 / 0419 704 028

Timber Queensland Ltd

500 Brunswick Street, Fortitude Valley, QLD 4006
PO Box 2014, Fortitude Valley BC, QLD 4006
Ph: (07) 3254 1989 Fax: (07) 3254 1964
Email: admin@timberqueensland.com.au
Website: www.timberqueensland.com.au