

SALE OF FORESTRY PLANTATIONS QUEENSLAND

FREQUENTLY ASKED QUESTIONS

20 April 2010

Why did Queensland's timber industry initially support the sale of Forestry Plantations Queensland (FPQ)?

Because Forestry Plantations Queensland (FPQ) (created in 2006) was not a well run business. FPQ used its monopoly supply power to gouge prices (royalties) and would not allow itself to be subjected to independent Arbitration. Its Owners (the State Government) would not direct it to act in a commercially conscionable manner. Industry believed a commercial operator, with suitable experience, would better manage the Plantation business.

Why is Queensland's timber industry reviewing its support for the sale?

Because we can't trust the Government to do what it promised Industry it would do at the beginning of the sale process. They said they would ensure that all land operated by FPQ for plantation activity would continue to be used for plantation activity by the new owner; and that the hardwood plantation establishment committed to by the Government (20 000 new hectares by 2015) occurs.

What brought about this review of Industry's position?

The Government has shut industry and other stakeholders out of the process. We are not briefed nor advised of developments and learn of them (e.g. Australia Zoo land swap) in the Media. The Government is avoiding clarification on the hardwood issue and is ducking and weaving on the freehold land matter.

With 10% of the Beerburrum Plantation being sold as freehold land and some misguided folk calling for all plantation land to be sold for development, the temptation to a new owner to sell freehold land would be significant. This would reduce Queensland's ability to meet its timber needs (we currently meet less than 80%), reduce the competitiveness of our industry and could result in mill closures and job losses. Failure of the Government to deliver on its commitment to the SEQ Forest Agreement & the Western Hardwoods State Wide Forest Process (20 000 new hectares of hardwood sawlog plantation by 2015) would be considered by industry as the Government breaking the deal and as a consequence industry would want to revisit the continued supply of hardwood logs from native forests.

What would the Government have to do to secure Industry's on going support for the sale?

Respond favourably to the questions put to Government on 15 April 2010, which sought the Government's commitment to:

- ensure all plantation land (crown and freehold) is provided to the new owners of FPQ for forestry use only for the duration of the Plantation Licence;
- fulfill the commitments made under the SEQFA & Western Hardwoods State Wide Forest Process i.e. 20 000 new hectares of hardwood sawlog plantation by 2015 either by the new owners of FPQ or by withdrawing the hardwood plantation issue from the sale process.

ENDS