

TIMBER QUEENSLAND MEDIA RELEASE

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FORESTRY ASSET SALE – TREASURER’S GOT IT WRONG

Peak industry body Timber Queensland refutes Treasurer Andrew Frasers’ recent assertion that the plantation processing industry is “posturing” in the lead up to the sale of Forestry Plantations Queensland (FPQ) by highlighting concerns with supply contracts allowing the State owned company, which holds monopoly supply powers, to set any price they like for Queensland’s plantation resource.

Timber Queensland CEO, Rod McInnes said the Treasurer’s further assertion that Queensland’s plantation processors were likely purchasers of the plantation resource (i.e. FPQ) is also wide of the mark.

“The major processing companies in Queensland’s \$2.4 billion per annum timber industry haven’t indicated any interest in purchasing the forestry asset. In fact, those few companies that might be in a position to acquire the asset have specifically said they were not planning to bid,” said Rod McInnes.

“The Treasurer’s statement is a smokescreen to avoid having to deal with the commercial intransigence of the current operators, a 100% State owned company,” he said.

“Industry has been trying for two years to have the royalty (price) decision subject to a merit review by Arbitration – a fair and reasonable process which is vigorously opposed by FPQ and supported by their responsible Ministers – proving FPQ and the State Government are neither fair nor reasonable with regard to this issue,” he said.

With welcome signs of market improvement increasing timber demand, processors are looking to increase production and employment and invest in new processing capability but are reluctant to do so with no rights to ensure a fair price for their raw material.

“The Government’s response is to sell the plantation assets (FPQ), yet while they try to sell they have left their current Manager’s activities unchecked, perhaps in the mistaken belief that their current commercial activities will somehow increase the value of the asset.”

“Well, we think they are sadly mistaken. Multinational companies who have contacted Timber Queensland enquiring about our plantation processing industry have been horrified to learn of the commercial activities of FPQ and the deteriorating relationship with their customers,” said Rod McInnes.

The Forestry Asset Sale is not off to a good start.

ENDS

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