

# **TIMBER QUEENSLAND MEDIA RELEASE**

## **Government Can't Shirk Responsibility on Yarraman Job Losses**

"The Minister for Primary Industries reported statement that the Government isn't responsible for the recent loss of 35 jobs at the Yarraman Pine Saw Mill is wide of the mark, says industry peak body", Timber Queensland CEO, Rod McInnes.

"The 100% Government owned plantation company – Forestry Plantations Queensland (FPQ) – has two shareholding Ministers, the Treasurer and the Minister for Primary Industries, so DPI Minister Mulherin should know exactly what his corporation is up to', Rod McInnes continued.

"FPQ slammed Hoop Pine Royalties up between 8 and 15% in South East Queensland late last year (almost 15% to Yarraman Pine) despite there being no justification for the increase other than for FPQ meeting its Treasury imposed rate of return by using its monopoly supply power to ramp up prices to cover its operating inefficiencies", Rod McInnes went on to say.

"Indeed, at a meeting with the shareholding Ministers before last Christmas, Timber Queensland was told that the Ministers would not intervene to suggest continued commercial negotiations and told industry to take legal action under the provisions contained within the sale agreements between the Government and industry."

"Well, we're taking that legal action but whilst this expensive process is being played out in the Courts, industry players like Yarraman Pine have to stem their operating losses somehow. Other Hoop Pine processors will be considering their position. There could be another 500 jobs at risk."

"All this could have been avoided with on-going commercial negotiation."

"The Government created the problem and will have to live with the fall out", Rod McInnes concluded

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