

Timber recycles carbon

TIMBER QUEENSLAND MEDIA RELEASE



19 September 08

For immediate release

NO NEW INVESTMENT IN PLANTATION PROCESSING

Government owned plantation company destroying industry

Forestry Plantations Queensland, a wholly Government owned plantation growing business responsible to the Treasurer and the Minister for Primary Industries and Fisheries is using its monopoly supply power to destroy Queensland's \$2.0bn p.a. plantation processing industry and the 20000 people it employs.

Over the last nine months Forestry Plantations Queensland (FPQ) has:

- Walked away from a contract with an International Forest Company to process and export logs from unused North Queensland Plantations.
- Refused to honour commercial agreements with the States' largest plantation processors and employers – after industry committed capital upgrades worth many millions of dollars.
- Slammed up royalties for hoop pine up by 9% to 14%, backdated the increases by 4 months and then refused to submit the Price determination to arbitration despite legal advice and Ministerial encouragement to do so.
- Left a North Queensland, family owned sawmilling company with a \$7.5million potential white elephant after FPQ refused to negotiate reasonable terms for wood supply, including trying to tell the sawmill what products it should produce and Increasing royalties by 60% over those which prevailed when the mills' feasibility was conducted. Both State and Federal Governments have supported the mill construction financially.
- Adopted forest management practices not utilised in plantation forestry elsewhere to save money whilst putting the future of the \$1bn of investment in plantation processing at risk should this risky practice fail.

Timber recycles carbon

TIMBER QUEENSLAND MEDIA RELEASE



- Withdrawn previously committed industry support funding of \$50000 pa in an act of petty, churlish retribution after Industry dared to challenge and criticise FPQ. FPQ makes \$100million pa from industry and puts nothing back.

Timber Queensland CEO Rod McInnes, outlining this sorry saga said FPQ was “out of control”.

‘This wholly owned government business is acting in an unconscionable and inappropriate way and its’ Government masters seem unwilling or unable to sort it out” Rod McInnes said. “Unless this business is brought to its’ senses quickly, not only will there be expensive and unnecessary legal action to protect industry’s current investments, no new investment is going to occur” Rod McInnes continued.

“This situation is doubly frustrating because with Queensland the country’s largest green house gas emitter, a developing and expanding plantation industry will assist in storing carbon emissions from Queensland’s other industries in plantations and the wood products derived from them. With no new investment Queensland’s timber needs will increasingly come from other states and countries increasing their carbon footprint from transport fuel consumed in getting them here”.

“It is time the Bligh government grabbed this out – of – control Government business by the scruff of the neck and forced it to negotiate sensibly and commercially with the industry that supports it” Rod McInnes concluded.

ENDS

For further information contact:

Rod McInnes CEO Timber Queensland: (07) 3254 1989 / 0419 704 028