

TIMBER QUEENSLAND MEDIA RELEASE

20 April 2010

FOR IMMEDIATE RELEASE

Historical agreement at risk: Industry reconsiders support of forestry asset sale

Queensland's \$4 billion per annum forest and timber industry employing 20 000 people is poised to withdraw support for the Government's sale of its plantation asset – Forestry Plantations Queensland (FPQ).

Industry peak body, Timber Queensland says it had supported the sale of the plantation asset given the disastrous management of the business under Government ownership and on the basis of certain commitments made by the Government regarding the sale, which now appear to be reneged on.

Timber Queensland CEO, Rod McInnes said these commitments included honouring the Governments' promise to establish 20 000 hectares of hardwood sawlog plantation by 2015.

"This commitment was part of implementing the historic South East Queensland Forestry Agreement and the Western Hardwoods State Wide Forests Process in which the Government, Conservation Movement and Industry agreed to transition out of native hardwood forests to plantations," said Rod McInnes

Industry believes the Government might be walking away from this commitment by allowing new hardwood plantings to replace existing softwood plantations (i.e. no real increase to the hardwood plantation estate and a reduction of the softwood estate) and over a longer time frame. This would be tantamount to the Government abandoning the landmark, internationally acclaimed Agreement.

"Another concern relates to the 30 000 hectares of freehold land included in the sale. Government gave a commitment to Industry that the new owners of this land won't be able to use it for purposes other than plantation forest activity. Industry is not convinced," said Rod McInnes.

Industry would like to believe previous Government assurances on the sale but believes the Government is being sneaky and has without any consultation with industry:

- retired over 2000 hectares of FPQ land for "conservation" purposes;
- provided Australia Zoo with a land swap of prime plantation land for farmland of uncertain quality.

"With one week until final bids for FPQ close, attempts to have these new and emerging issues clarified has not bought any comfort from Government statements," Rod McInnes said.

"Clearly the Government can't be trusted to deliver on its commitments to Industry in this process, forcing us to review our support for the sale process," he said.

ENDS - For further information contact:

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