



Speech by

JEFF SEENEY

MEMBER FOR CALLIDE

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EIDSVOLD AND THEODORE SAWMILLS

Mr SEENEY (Callide—NPA) (7.02 p.m.): Eidsvold and Theodore are just two of the almost 20 communities in the Callide electorate which I am proud to represent. The economic future of these two communities will depend on the state government decision about the future ownership of the sawmills located in each town. Last week the state government called for expressions of interest from prospective buyers for both the Eidsvold and Theodore mills, which will be handed over to government ownership at the end of June as part of a government deal done with Boral, the mills' current owners, which made it possible for the South East Queensland Forest Agreement to be signed in September 1999.

It is critically important for the local economies of both Eidsvold and Theodore that the government ensures that both the sawmills are sold to new owners that can and will continue to operate in the local community. I have made that point in this House many times before, and I make it again tonight. It is not an exaggeration to say that the economic future of the Eidsvold and Theodore communities hangs on this decision, so the minister just has to get it right. Since the deal with Boral was announced nearly two years ago I have continually sought assurances from the government that the mills would be on-sold to new operators and not closed down. Now that the selling process has begun I am seeking an assurance from the minister that the government will consider the towns' future and the communities' needs when it selects the successful buyer from those who express an interest in the mills.

Eidsvold sawmill is to be offered for sale with a crown allocation of about 7,800 cubic metres, which will reduce to 5,000 cubic metres in year 2. Theodore will have a similar reduction in its allocation, with the allocations from year 2 onwards to be determined by the ongoing western hardwood study. Those reduced crown timber allocations are a concern for the whole community as they threaten the sawmills' viability if they ultimately mean a reduction in throughput for the mill. The government's approach in this sale process should be to facilitate the better use of that available timber resource through new technology and value adding with new timber products rather than allowing the amalgamation of these allocations, resulting in fewer and larger mills.

There is no doubt that the crown allocation for timber is becoming very valuable and the existing timber allocation held by these mills will be attractive to larger sawmillers. The worst possible result from this sale for these communities would be for the government to accept a high bid from a large sawmill operator interested only in the crown allocations that are attached to the mills. That would almost certainly result in the allocations being transferred to the coast and the closure of the local operation, with a devastating loss of jobs in the local Eidsvold and Theodore communities.

A number of options are available to the government that will ensure that the local mills continue to operate. A local joint venture has been formed between the Eidsvold Shire Council, the Theodore co-op and a sawmilling company with the intention of acquiring and operating those mills. This is an innovative response by the communities themselves to take control of their own future and secure some control over a business that is the biggest single employer in each town. I am also aware that there are some smaller specialist sawmills interested in acquiring the mills which can make—

Time expired.
