



Speech by

Andrew Powell

MEMBER FOR GLASS HOUSE

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APPROPRIATION BILLS: ESTIMATES COMMITTEE A

Mr POWELL (Glass House—LNP) (3.20 pm): Not having been a member of the committee, I note with interest that Estimates Committee A considered elements of the Bligh government's asset fire sale. My interest stems from the fact that the first cab off the rank happens to be Forestry Plantations Queensland. From the outset I am reassured to see that at least one minister in this government is semi-aware of the plight of Forestry Plantations Queensland. I say this because, in a recent response to a question on notice I put to the Minister for Primary Industries, question No. 599 asked on 17 June, it was very clear that the minister in question could not get out of the business of forestries fast enough, flick passing all responsibility to the Treasurer. To be honest, this is at the heart of my concern. It is very clear that, having made the decision, having rushed through the necessary legislation and gagging debate in the process, this government wants to wash its hands of one of its top-performing assets.

Why is this an issue for me? Because as the member for Glass House, my electorate is home to one of FPQ's largest plantations of exotic pines, the Beerburrum Forest Management Area, not to mention additional hardwood plantations and a plantation nursery. Aside from being a significant investment in the local economy, for Glass House and the greater Moreton Bay and Sunshine Coast regions, these plantations are an intrinsic component of the green belt that we are working hard to protect. Most importantly, individual constituents of mine, the staff of FPQ and other linked secondary industries are each directly impacted by this fire sale. I say 'fire sale' because, if latest reports are to be believed, the original plans to finalise the sale by April 2010 have been fast-tracked to ensure the deal goes through before Christmas this year.

Is the government giving any consideration to the wellbeing of FPQ staff in rushing this deal? Has it stopped to think about the adverse impact on their work environment? Yes, commitments have been made. In an earlier address the Premier put her hand on her heart and promised to commit to a fair process that involved the employees and their representatives, she promised that they will have the terms and conditions of their current enterprise bargaining agreement honoured for the life of that agreement and she promised that employment guarantees will be put in place for two years beyond the date of sale. I will hold the government accountable to those promises.

Even so, it is cold comfort for the FPQ staff who have been condemned to being the fire sale guinea pigs, not only because their corporation will be the first to be sold but also because their enterprise bargain will be the first to end. Whereas all the other assets up for grabs have only recently concluded EBs, FPQ staff are half way through theirs, meaning it will come up for consideration late in 2010. I call on the government to go beyond its original promises and, as part of the transition to private ownership of FPQ, commit to working alongside the employees and the union in negotiating an appropriate and respectful EB so that FPQ employees in my electorate and others throughout the state have greater certainty with regard to their employment, their salaries and their conditions of employment.

In my time remaining I would like to reflect a bit more on the finances of this fire sale. In its 2007-08 annual report, Forestry Plantations Queensland records its total asset base at 30 June 2008 at \$1.37 billion. What is the Bligh government intending to sell it for? I refer to a joint media release dated 2 June 2009 from the Premier and the Treasurer which states that FPQ will be sold for around \$500 million.

No wonder there is so much interest. The government is offering up, in its own words, an efficiently run business for less than half its value. But wait, there is more! In the same annual report for the year ending 30 June 2008, FPQ recorded an operating surplus after income tax equivalents of \$85.5 million. At that rate, any interested party would quickly recoup their initial investment of \$500 million in as little as six years. What bargain hunter would not be interested in such an offer? What is more, even without planting one more tree, the new owner has 25 years of timber available for harvesting.

Questions remain. Why is the Bligh government flogging off such a profitable and efficiently run corporation at the bottom of the market? Why is the asking price so low? Is there more to this than is being told to the House, the employees of FPQ and the general public? At a minimum, given it is clear that the Bligh government has vowed to proceed with this fire sale in the face of widespread public opposition, I call on the minister to ensure that the sale process is transparent, that the true value of the FPQ asset is recouped and, most importantly, that the ongoing wellbeing of the management and staff of FPQ is paramount in the government's negotiations.