



Speech by

Andrew Cripps

MEMBER FOR HINCHINBROOK

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REVENUE AND OTHER LEGISLATION AMENDMENT BILL

Mr CRIPPS (Hinchinbrook—LNP) (4.43 pm): I rise to make a brief contribution to the debate on the Revenue and Other Legislation Amendment Bill. The bill amends a number of revenue and financial statutes in Queensland, amongst them the Infrastructure Investment (Asset Restructuring and Disposal) Act 2009. This act facilitates the sale of a number of state owned assets, amongst them Forestry Plantations Queensland, Queensland Motorways Ltd, the Port of Brisbane Corporation, Queensland Rail's above- and below-rail coal network, and the Ports Corporation of Queensland's Abbot Point Coal Terminal.

The people of Queensland have made their feelings in respect of this proposal by the Bligh Labor government abundantly clear. They strongly oppose it. They oppose the sale of the state owned assets for a variety of reasons but, above all, because they are outraged at the duplicity and the dishonesty of Premier Bligh and Treasurer Fraser, who said one thing before the state election in March 2009 and did another after they had won another term on false pretences. For this duplicity and dishonesty, the Bligh government has lost the confidence and the trust of the people of Queensland.

The explanatory notes accompanying this bill state that these amendments facilitate the divestment of state owned assets by way of 99-year leases. The bill proposes to insert a section into the Infrastructure Investment (Asset Restructuring and Disposal) Act to deal with a number of issues relating to the change of status of government owned assets as a result of their divestment. As these entities will no longer be publicly owned, the bill proposes to insert a new section into the act to afford certain protections to the government and these entities. Without this new provision, it would appear such a change in ownership would otherwise trigger certain contractual rights as far as third parties are concerned where they may be required to give consent to the change of ownership.

I am particularly interested in this issue as it relates to the divestment by the government of Forestry Plantations Queensland. In 2006, Forestry Plantations Queensland took over from the former department of forestry within the department of primary industries as the manager of the Queensland government's softwood and hardwood forest plantations. The 2008-09 annual report of FPQ indicates that it presently has about \$1.17 billion in biological assets, being the trees themselves, on about 211,000 hectares of land. This is a significant amount of state owned land. The same annual report also indicates that the land those trees stand on is valued at about \$216 million.

FPQ carries out its forestry activities principally on crown land allocated for forest production purposes. FPQ is granted full and exclusive access to state plantation forests under a deed of profit à prendre to carry out its operations in accordance with the Forestry Act 1959. Only land controlled by Forestry Plantations Queensland is recognised as an asset on the balance sheet of Forestry Plantations Queensland in its annual report. However, FPQ pursues activities in hardwood plantation in joint partnerships with private landowners. FPQ has established several thousand hectares of hardwood estate that are mainly planted on private land accessed through land rental agreements. Forestry Plantations Queensland pays these private landowners a quarterly rent in advance in return for their access to this land.

Approximately 25 years is required to produce a hardwood sawlog crop, and FPQ establishes an agreement with the landowner that legally separates the trees from the land. The question I wanted to pose to the Treasurer today is exactly what are the implications for the divestment by the Bligh Labor government of FPQ for private landowners who have signed 25-year contracts with FPQ to establish hardwood plantations on their properties? There are obviously some implications, otherwise clause 87 of this bill would not be necessary. Would the Treasurer be able to advise the House if there are any other contractual rights third parties are able to exercise arising from a change of ownership of a formerly government owned corporation? If landowners who presently have a contract with FPQ for the establishment of hardwood plantations on their properties will be deprived of the right to withhold consent to a change of ownership, does the Bligh government plan to provide any compensation to these landowners if they are disadvantaged as a result?

What are the implications for the lack of certainty these landowners have experienced or may experience in entering into these contracts with FPQ? Should everybody be cautious about entering into contracts with a government owned corporation in Queensland when the Bligh government is clearly prepared to legislate to deprive contractual partners of certain rights to withhold consent to a change in ownership of a state government owned entity with which they have a contract? This is an interesting question. I invite the Treasurer to comment on it and especially on why it may not compensate those landowners if they are subsequently disadvantaged as a result of a change of ownership of an entity with which they have a contract.

The other issue I wish to canvass is the poor timing of the divestment by the Bligh Labor government of FPQ. As I mentioned earlier, the biological assets of FPQ were valued in its 2008-09 annual report at about \$1.17 billion. However, the Bligh government ought to recognise that it may not realise a windfall of this magnitude given current market conditions in respect of plantation forestry timber or land available for lease for this purpose. The recent collapse of plantation forestry operations—namely, the managed investment schemes such as Timbercorp and Great Southern—has put thousands of hectares worth of plantation forestry product, that is the timber, on the market and thousands of hectares of forestry land on the market. This means that the Bligh government is looking to sell Forestry Plantations Queensland when there is a glut in the market of both plantation timber and land.

The disposal of FPQ is the first of the Bligh government's proposed divestments of government owned assets to be progressed against the express will of the people of Queensland. So far we have landowners with existing contracts with FPQ possibly being disadvantaged without compensation and the prospect of an asset being sold when there is a glut in the market for both plantation forestry product and land. This is typical of the utter mismanagement of the affairs of this state by the Bligh government. What other failures can the people of Queensland expect with the other asset sales to follow, including such prized publicly owned assets as our major ports and Queensland Rail?