



Hon Andrew Fraser MP
Member for Mount Coot-tha



**Queensland
Government**

**Treasurer and Minister for Employment
and Economic Development**

TRX - 13221

27 JUL 2010

Mr Neil Laurie
The Clerk of Parliament
Queensland Parliamentary Service
Parliament House
George Street
BRISBANE QLD 4000

Dear Neil,

Thank you for your letter regarding petitions received by the Queensland Legislative Assembly 1417-10 and 1475-10. I note that the petitions raise concerns regarding the sale of Forestry Plantations Queensland (FPQ) including the freehold land that is held by FPQ and apologise for the delay in responding.

On 18 May 2010 I announced in State Parliament that that agreement had been reached with Hancock Queensland Plantations (Hancock), a company associated with the global Hancock Natural Resource Group. This completes a rigorous competitive tender process that involved strong interest from some of the world's most capable and experienced plantation forest managers and investors.

As you may be aware, the Government-owned timber business that grows and harvests plantation timber, FPQ, was set up in 2006. When FPQ was formed it incorporated the Crown Land on which forests were grown, dating back to early in the 20th century, as well as a small number of freehold lots of land that had been acquired in more recent years.

The Crown Land will remain in public ownership.

The total land holdings of FPQ are some 340 000 hectares – around 10 per cent is freehold land. This is not Crown Land – and not the land known as State Plantation Forests under the Forestry Act 1959.

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The Crown land on which the trees are grown will remain in public ownership – only the rights to the timber on this land is the subject of the long-term plantation licence being put to the market, not the title to the land. These Crown land areas are protected under the *Forestry Act 1959*. Public access for recreational activities such as sight-seeing, bushwalking, horse riding and car rallies **will remain the same as it is now**.

There are also areas within these plantations where many businesses undertake complementary commercial activities alongside plantation forestry, including grazing and beekeeping. **These agreements will transfer with the change in ownership – preserving current entitlements.**

The protection of the public right of access to State plantation forests has now been put in legislation that was passed by Parliament on 24 March 2010. **The rights for the public are protected by law** and will also be incorporated into the terms of the plantation licence.

FPQ's freehold land – previously purchased on the open market – consists of rural properties acquired for plantation expansion and also some office accommodation, depots and buffer zones. The acquisition by FPQ of freehold land is a matter of public record, and has been detailed in the Annual Report of FPQ tabled in the Parliament.

I must also re-emphasise that any pre-existing contractual rights whether for timber supply, joint venture plantation establishment or stock grazing, **will transfer with the change in ownership – preserving current entitlements.**

Finally I also advise that under the terms of the transaction, the Government requires that any purchaser of the plantation timber business is a company that has strong forestry credentials and a company that has the experience and capability to grow and develop the forestry plantation industry in Queensland. The Government believes that Hancock satisfies these criteria. As a condition of the licence, the licensee must continue to use the Crown land for plantation forestry purposes, must maintain accreditation under an internationally recognised plantation forestry standard and must protect the entitlements of employees for the duration of the Government's three year guarantee.

My office has responded to the petitions and I have attached a copy of the responses for your information.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Andrew Fraser', with a long horizontal flourish extending to the right.

ANDREW FRASER

Encl.

COPY

TRX - 13221

Mr/Mrs/Ms Firstname Lastname

Position

Organisation

Address

SUBURB QLD 4xxx

Dear Lastname

I refer to your participation in a petition received by the Queensland Legislative Assembly regarding the sale of Forestry Plantations Queensland (FPQ). As these matters fall within the portfolio responsibilities of the Honourable Andrew Fraser MP, Treasurer and Minister for Employment and Economic Development, your correspondence has been forwarded to this office for consideration, and I have been asked to respond on his behalf.

On 18 May 2010 the Treasurer announced in State Parliament that agreement had been reached with Hancock Queensland Plantations (Hancock), a company associated with the global Hancock Natural Resource Group. This completes a rigorous competitive tender process that involved strong interest from some of the world's most capable and experienced plantation forest managers and investors.

As you may be aware, the Government-owned timber business that grows and harvests plantation timber, FPQ, was set up in 2006. When FPQ was formed it incorporated the Crown Land on which forests were grown, dating back to early in the 20th century, as well as a small number of freehold lots of land that had been acquired in more recent years.

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I hope this information is of assistance.

Yours sincerely



SIGNED

Sharon Humphreys
Principal Advisor