

MEDIA RELEASE

Adrian Pederick MP JP

Member for Hammond

Opposition Whip

Shadow Minister for

Agriculture, Food & Fisheries and Forests

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Pederick points to contradictions on timber sale

State government plans to sell in advance up to 100 years growth of the state's timber put South East jobs and economy at risk according to opposition Forests spokesman Adrian Pederick.

Mr Pederick said the recent budget shows the 2009-10 return to the state coffers by the state-owned ForestrySA was \$44.7 million, with an estimated return for 10-11 of \$43.2 million.

'Dividends paid have been substantial and the idea of selling an asset that provides a good return seems short-sighted.

'The big risk in this is the sale's potential to devastate the secondary processing industry in the Green Triangle.

'If the base asset is owned by an overseas company, the value adding industry, which represents about 30 per cent of the South East economy, will be at risk as there is no guarantee the new owners will have their timber processed here.

'The government double-speak on the matter is also of great concern. Treasurer Foley was reported as having said last week that the government is "still deliberating" on the sale.

'Yet on radio soon after, Forests Minister Michael O'Brien said "government has made a decision we will be putting on the market either one, two or three forward rotations".

'So, not only are South East jobs and the regional economy at risk from the forward-selling itself, they are also at grave risk from a government that contradicts itself and a minister who clearly is either wrong or isn't in tune with his Labor colleagues.

"We need an open, high-level discussion with all stakeholders about this very soon.

'We need to know what the government plans to do with this state asset, what effect those plans will have on the local industry and economy and why the minister is contradicting his Treasurer.

'The government also needs to come clean on the real purpose of this proposal. Is it about the long term future of the South East or is it about this government's term of office?'