



The Hon Katrina Hodgkinson MP

Minister for Primary Industries

Minister for Small Business

MEDIA RELEASE

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FORESTS NSW TO BECOME A STATE OWNED CORPORATION

The NSW Government will make Forests NSW a state owned corporation (SOC) the Minister for Primary Industries Katrina Hodgkinson said today.

Forests NSW will remain publicly owned and the nature of the business and business relationships will remain largely the same but the governance structures will change to improve the organisation's commercial performance.

"The decision to corporatise reflects the Government's recognition that there is much room for improving the financial performance of Forests NSW and delivering better returns to the community," Minister Hodgkinson said.

"As a state owned corporation under the direction of a skilled commercial board, Forests NSW will be able to focus sharply on its core business of growing and harvesting timber to meet the community's needs for hardwood and softwood products while still providing recreational opportunities for the people of New South Wales.

"The Government recognises the important 'public good' roles of Forests NSW as a fire fighting agency, a provider of recreational opportunities and the part it plays in feral animal control.

"The structural changes will not diminish these roles," Minister Hodgkinson said.

The changes are similar to those introduced into other publicly owned trading organisations such as Sydney and Hunter water corporations. There are no employment level changes proposed as a result of the organisational change.

Under the proposed SOC all the current wood supply commitments of Forests NSW will be transferred to the new corporation and will continue to be underwritten by the Government.

"The Department of Primary Industries will handle all policy matters related to forestry and together with the Environment Protection Agency and Office of Environment and Heritage will provide an effective regulatory framework for the State's forestry industry, including Forests NSW," Minister Hodgkinson said.

"There will be no reduction in the regulatory oversight of Forests NSW and the Government will ensure that the State's commitments under the Regional Forest Agreements are met and that the expected environmental benefits are realised."

The NSW Environment Minister Robyn Parker said the Environment Protection Agency would not waiver from its obligation to ensure compliance was maintained.

“The EPA will continue to maintain an active compliance program in NSW state forests,” Ms Parker said.

The Minister emphasised that the proposed structural changes would involve consultation with relevant stakeholders.

Key Facts:

- There are almost 540 State forests in NSW, which cover an area of around 2.2 million hectares.
- Forests NSW is planting around 10 million trees across NSW in the 2012 planting season, which will ensure an ongoing timber supply for its customers and a strong long term future for regional communities which depend on the timber industry.
- Forests NSW’s obligations under wood supply agreements will continue to be guaranteed by the Crown.
- Forests NSW will continue to provide high quality services and products to its customers, clients and continue its good relationships with local councils.
- Forests NSW’s Fire Fighting Agency role will continue and its road network will continue to be maintained.