



Legislative Council

# MEDIA RELEASE

23 March 2011

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## **FORESTRY'S FINANCIALS UNDER SCRUTINY**

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Forestry Tasmania's financial performance is to come under scrutiny by a Legislative Council Committee inquiry.

Independent Member for Murchison, Ruth Forrest MLC, who will chair the inquiry, said today the Government Administration Committee would examine the state of Forestry Tasmania's finances in light of last year's review by the Auditor-General and the half-yearly financial report released earlier this year.

'The Auditor-General highlighted a number of matters of concern, especially the decline of operating cash flows, which are certainly not sustainable into the future,' Ms Forrest said.

'The minimalist half-yearly financial report released by Forestry Tasmania in recent months did not reveal any significant change in the cash flow situation nor any steps being taken to address the current financial challenges.'

'In addition, the on-going uncertainty about the future of the entire forestry industry in the State also raises serious questions about the future of Forestry Tasmania if it is to remain a profitable and vibrant Government Business.'

Ms Forrest said the Committee would also examine the financial and operational implications of the recent restructure of Forestry Tasmania resulting in the abolition of the Mersey District.

'The financial imperatives that apparently drove this restructure and the associated job losses, need to be scrutinized to ensure that the decision was justified and that there are no more hidden financial issues that could cost even more jobs,' she said.

'This inquiry is also an opportunity for Forestry Tasmania to reassure the taxpayers of Tasmania that it is a well-managed business with a solid, long-term future.'

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**Media Note: Inquiry Terms of Reference are attached.**

**FURTHER INFORMATION: Ruth Forrest MLC on 0418 879 524**



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**Government Administration Committee "A"**  
**Inquiry into Forestry Tasmania Financial Performance**

**Terms of Reference**

To inquire into and report upon:

1. The financial performance of Forestry Tasmania as reported in the Half Yearly Financial Report;
2. Actions taken by Forestry Tasmania to address the decline in operating cash flows previously reported and noted by the Auditor General (*see Report No. 2 of 2010, Vol. 3, pp 33-46*).
3. Factors impacting on the ongoing profitability of Forestry Tasmania.
4. Financial and operational implications of the recent restructure of Forestry Tasmania resulting in the abolition of the Mersey District.