THE HOUSE OF ASSEMBLY SELECT COMMITTEE ON AGLAND MET IN ROOM 308, RIVERS EDGE, INVERESK CAMPUS, UNIVERSITY OF TASMANIA, LAUNCESTON ON THURSDAY 5 NOVEMBER 2026.

Sam Bye, CEO carbonFAIR

The committee met at 12.32 p.m.

CHAIR (Mr Ferguson) - Thank you for your attendance, particularly to my colleagues, to my left, Deputy Chair of the committee and inquiry, Dr Shane Broad, and to my right, Mr Carlo Di Falco, SFF member for Lyons. And we expect that during the afternoon, subject to another hearing, that our other colleague, Cecily Rosol, Greens member for Bass, will be joining us at a later time.

I welcome Mr Sam Bye to the committee hearing today. Could you please state your name and the capacity in which you're appearing before the committee.

Mr BYE - My name's Samuel Craig Bye. I'm the CEO of carbonFAIR and an independent agribusiness consultant, locally based.

CHAIR - Thank you. Can I confirm that you've received and read the guide sent to you by the secretary?

Mr BYE - Yes.

CHAIR - This hearing is covered by parliamentary privilege. This allows individuals to speak with freedom without fear of being sued or questioned in any court or place out of parliament. This protection is not accorded to you if statements that may be defamatory are repeated or referred to by you outside the parliamentary proceedings. This hearing is public. The public and the media may be present. Should you wish aspects of your evidence to be heard in private, I would ask that you please make this request to us at the committee at the time that you may wish to make any confidential or private remarks.

Mr SAM BYE, CEO, carbonFAIR, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR - Would you like to make a short opening statement, speak a bit about your work and the submission that you've provided to the committee?

Mr BYE - Yes, I'll try and keep it brief. I've had a long involvement - well, I grew up in north-east Tasmania so this is a really important issue for me. Being in the agribusiness industry as well, and my experience with the carbon markets, especially over the last five years as an independent consultant, has really brought this to my attention. I'm grateful that this committee's been formed and that I've been able to submit my views.

CHAIR - We've read your submission and thank you for it. We're going to move to some questions. I might begin by asking if you could speak to that part of your submission which describes the FullCAM process and the method for calculating carbon capture for a plantation project. If you could speak to the background of that and also then bring that to life in terms of the point that you're seeking to make where you're arguing that it's - and I think I'm quoting

your submission, 'the model is notoriously inaccurate'. Dr Broad may be a little different to me. I possess no expertise in this space and I'd like you to explain it to us, help us understand the point that you're making and the evidence for that.

Mr BYE - The full carbon accounting model was really developed in the early to mid-2000s. It's had some small adjustments. But the original group of scientists that developed it actually left the employ of the federal government and formed their own company to build a better version of it, and attempted to commercialise it after that. None of those improvements ever made it into the actual FullCAM model. But it is a way of telling us how much carbon is being stored - in this case, we're talking about trees - without having to go there and measure them, but it's done across the whole country. Obviously, you're not going to be able to get the resolution to be able to be accurate everywhere. Because I've been working directly with farmers, individual farmers, I've been going to that very granular level and applying the model. The example that really sticks out in my mind is I ran the model over a block at Legerwood, so, 12 to 1500 mils of rain, maybe two metres of rain in some years, and very, very good tree-growing country, a big commercial plantation area. That had a lower timber yield and carbon yield according to FullCAM than some places in central New South Wales. When you really start to do that and piece that together, and run the model on different places, it's quite different to what you would actually see on the ground when you go to these areas.

It's more of a tool to guarantee the income, and the ACCU issuance than it is a tool to tell you how much carbon will actually be stored. How successful that carbon project will be from an actual carbon-storage perspective.

CHAIR - Which would have been its original intention and purpose, right, and should still be its purpose? Is that the point that you're trying to make - that that's precisely what it should be trying to measure?

Mr BYE - Yes, exactly.

CHAIR - Alternatively, what do you believe it's being used for? Just to get ACCUs credited to a business?

Mr BYE - Yes, because it is the thing that drives what the ACCU issuance is. There's nothing else, really, in trees. In a soil carbon project, there's a lot more measurement done, so we'll go out and take soil samples and measure time 1, 2 and 3, and compare them, but with trees, there's not. There's just an audit, which looks at how many of the stems have survived, basically. They don't even really look at how much they've grown and how well they've established. It's more about how many have survived.

CHAIR - So does that imply some major assumptions that should not be relied upon for the FullCAM model, the full carbon accounting model?

Mr BYE - Well, it depends from what perspective you're asking the question, I guess. If you're looking to support the safeguard mechanism, you're best not to ask too many questions of those sorts of things, But many scientists have, particularly of the other methods like human-induced regeneration, landfill gas and the vegetation method that was very popular in New South Wales and Queensland - the avoided deforestation, sorry. Yes, so it really depends who's asking on that question, I guess.

CHAIR - If you could speak to the point that you've made in your submission that you believe that the ACCU scheme is in serious trouble, and you're forecasting that the market price could skyrocket and the scheme collapse - if you could briefly speak to what you mean and what the evidence for that would be, and how that relates to an enthusiasm by, let's say, the federal government, to really crack the whip and make the Rushy sale process part of its agenda through its various agencies?

Mr BYE - So the data is all available to be able to see what's happening with the ACCU scheme. It's all publicly - or it's more publicly available data than it was, but most, the vast majority of the carbon credits have been coming from methods that are now cancelled, which is human-induced regeneration, avoided deforestation, a bit of landfill gas. That's the biggest chunk of the graph. Those projects are coming - they started issuing credits from about 2012 onwards for their 15 years. So, they're starting to taper off and get to the end of their crediting period between now and 2030. So, their line graph's going down, so there's going to have to be something else to come in to pick up those things that have actually been - those methods that have been cancelled.

Really, all the bet is going onto the tree methods, including the new state government-based native forest management method. So, they're the bet really, because you've got the beauty of your FullCAM model guaranteeing how many ACCUs will come through the system and it's something that you can see, which everybody seems to like, rather than soil.

CHAIR - Just to finalise this part of my questioning, which is - I'm not putting words in your mouth, but could you just articulate, are you making the point that the federal government, therefore, have been actively making decisions in, let's say, the CEFC, their plantation incentives and the approval of the ACCUs through the federal Agriculture minister's process. Are you saying that their fear of the scheme collapsing has driven those other actions by government to get the set-up and the incentives for Rushy in train?

Mr BYE - Well it's just difficult to deduce anything else. I mean, there's such huge interest in making this safeguard mechanism work from the gas companies - who now incidentally own a lot of the carbon projects. So, it's hard to see that there's any other scenario that would drive this kind of decision.

Mr Di FALCO - According to local knowledge, the soil types in far north-east means that the trees will never reach their proper potential. Where have they tried the plantation model before?

Mr BYE - So, I spoke to a contact of mine that actually went out there and harvested a pine plantation. I don't know when, because I haven't got access to all of the records to show when that was, but yes, it was a very, very poor result.

Mr Di FALCO - Yes.

CHAIR - On Rushy Lagoon itself?

Mr BYE - Yes.

CHAIR - Could you possibly just speak to that a little more deeply? What was the feedback that you received and any information that goes to the background of that? Please share it with us.

Mr BYE - Yes. So, this extremely experienced forest manager and the majority of what was harvested didn't make pulp grade because it couldn't get the fibre density.

CHAIR - Was it softwood?

Mr BYE - Yes, pine.

CHAIR - And you're not sure how long ago that was?

Mr BYE - No, but it would there - it would be recorded somewhere.

CHAIR - And what was it about the quality of the stems or the trees? Were they windswept? Were they impoverished growth? How would you describe? What's the point you're trying to help us understand?

Mr BYE - Any or all of the above.

CHAIR - Okay. Were they on an angle, or -?

Mr BYE - Yes, and there's been definitely failed hardwood plantations in that region as well, much more recently that went in that MIS scheme period. I was out there, went to the beach one day, drove through a hardwood plantation and then on the way drove back out and it was gone because they'd chained it and it looked like a paddock. The trees were so poor. There was no root ball at all. It would have been basketball size at best, so they really struggle. And the native forest out there is very poor anyway, but it does grow good grass and there are some other kinds of species that are quite happy there, but it doesn't seem like trees go particularly well. In saying that, there would be areas that they would be fine, I'm sure. Is it 9000 hectares? According to the local knowledge, it doesn't sound particularly strong.

CHAIR - Do you just want to complete your line of questioning?

Mr Di FALCO - Yes. Would that be, in part as well, because there's drainage all over the place? So, obviously, it's waterlogged, so that would have impacted on the root growth.

Mr BYE - Yeah, I don't know, Carlo, but I'm not sure that anybody really does. I'm not sure that the appropriate level of soil survey has been done out there to find out if this is actually going to work. Does anybody actually know is my question; I'm not sure that anyone really does.

Mr Di FALCO - I thought the fact that there's extensive drainage is probably a giveaway.

Mr BYE - Yeah, well, that's right. There's a whole lot of this is just by deduction and that's one of those things, you think, well, why are we doing this?

Mr Di FALCO - Cool.

Dr BROAD - Have you had a look at the pine plantations that you can find all along Waterhouse Road, even right outside the boundary of Rushy Lagoon? They don't seem like they're struggling.

Mr BYE - No, that's right. That's what I mean. There are some areas that it will probably be fine, and the people that have planted those pine plantations know their properties, so they've gone out and found a spot that the soil will hold up those trees. Yeah, has anyone gone to that granular level across Rushy? I'm not really sure. But I mean we also, on the way out to Rushy, drive past a lot of viable dairy farms, so I'm not sure why one's a problem and one isn't in regards to the dairy farms on Rushy Lagoon.

Dr BROAD - The evidence that we've received is they tried to sell the dairies, and they couldn't get a conforming bid.

Mr BYE - Yes.

Dr BROAD - There's a lot of talk and anecdotal-type evidence -

Mr BYE - Yes, absolutely

Dr BROAD - you know, 'old mate says'. But what evidence do you have that pine trees won't grow there or what evidence do you have that due diligence wasn't done? If I go through your submission, you're talking about things, you're making assertions like you've done there in your evidence, saying that the CEFC must have had an ulterior motive to okay the carbon project on Rushy Lagoon, but what actual evidence do you have? You're making conclusions.

Mr BYE - Well, I'm an independent consultant. I don't have a team behind me. I don't have a budget, so I can only really lead you guys to water effectively. You are paid by the taxpayer to have all these resources to research those sorts of questions, so for me to put the meat on the bones and have full references of all that stuff is just beyond my capacity, but probably not yours.

Dr BROAD - Right, so the issue that you're raising about the carbon accounting method, that's not an issue specific to Rushy though, is it?

Mr BYE - No, that's right.

Dr BROAD - That's across the spectrum.

Mr BYE - Correct.

Dr BROAD - So, what are you suggesting that they should use? Like, if you don't use this model, what model should they use? Is there literature behind it, or is there some sort of scientific backing, or what? What should they use instead?

Mr BYE - It's almost like a theological question. I mean, how far into it do you want to go? Because if you get 10 scientists to stand in front of a full-size gum tree, for instance, note they will not agree on how much carbon is in it. You just can't get something accurate. So, I guess -

Dr BROAD - But you can measure the trunk and the height, and you can make some assumptions.

Mr BYE - Yeah, you can chop it down, take it over the weigh bridge. That's probably the best way to do it.

Dr BROAD - But you can do stuff, like you can measure the height of a tree, you can measure the girth. I'm sure there's some assumptions you can make.

Mr BYE - Yeah, of course, but it's not so much about the model, it's what's the point of the model? Like, why are we bothering? What are we trying to prove to ourselves by doing it?

Dr BROAD - But if there's a policy decision that the federal government has made, that they're going to create a market for ACCUs, then what should be the tool that we use to measure the carbon?

Mr BYE -Well, they're using the tool that they've chosen. So, from what I've looked at modelling - actually, this again comes from one of the people that I met that was involved in the original FullCAM building of it - he said that the best model that you can use is the one that you did your PhD on: there's just going to be no consensus on it, yeah.

Dr BROAD - But I mean, I've done modelling; I've developed models. The models are never the real world; they're always a series of assumptions packaged up at a bigger scale. But, again, the question is if this model is inaccurate, what model should they use?

Mr BYE - Well, you could measure it much more accurately if you wanted, but that's not really -

Dr BROAD - Obviously, measuring every tree on 9000 hectares is quite a job, but what model should they use? It'll always have to be a model question. So, you've proposed that the FullCAM model, it doesn't work, but is there an alternative? Or maybe should they develop an alternative?

Mr BYE - I'm not proposing it doesn't work. I'm pointing out that it is highly inaccurate when I have gone through and tested it in various locations. The question of what model you choose, that's not up to me, I don't have an opinion on it. I only have the informed view that the modelling is only part of the story of the accuracy of what's actually happening. But honestly, you and I could have this debate about modelling for the next six months non-stop and it would not end. So, we're just not going to get an answer to that question, I'm sorry.

Dr BROAD - Because a model is always just an approximation.

Mr BYE - Exactly. An educated guess.

CHAIR - Is it worth asking you then, Mr Bye, if the Clean Energy Regulator ought to be doing some cheques at a later stage after planting to see that the carbon sequestration has actually lived up to what was promised at the application stage? So, is it the model that's failed or is it the policing of assertions made when the model was relied upon that should be checked later on?

Dr BROAD - Some auditing, perhaps?

CHAIR - Some auditing?

Mr BYE - So, there is an audit system, and they will be audited two to three times before they're harvested. Does the audit ask the right questions? I mean, look at what's happened in the past. So, these things have been checked and checked and checked again by people like Andrew Macintosh at ANU, Canberra Uni, one of the two, Dr Megan Pearce. There's just been so much scientific work gone into whether the models are accurate and whether they're not already. So, it's already a hugely studied and already controversial space. Does that answer your question, sorry?

CHAIR - Yes, thank you. We hear what you're saying, and you've made the other point that you've visited plantations - I think this is what you said - you'd visited other plantations and you'd found that the FullCAM model had not been accurate. I think you've said to us that it's your informed position that it is inaccurate. We're not the federal government, but if we were, what would you be saying to us as to what's the remedy for a technically inaccurate model? What is the remedy? What's the solution?

Mr BYE - Yeah, there'd have to be tighter auditing. Would have to be tighter auditing that would -

CHAIR - More than two or three times in the life cycle of a radiata plantation over 30 years?

Mr BYE - Yeah. It's not so much the timing, it's what you're measuring. When I've asked around about this, it seems to be that they're just looking at the stems per hectare. Now that *E. nitens* plantation I was talking about before, that got chained over in an afternoon, that would have had the appropriate number of stems per hectare. The stems are barely as big as your arm. So, are we actually getting the auditors to ask the right question?

CHAIR - This was where I was coming from. I would have thought that an audit or a QA of how a previous commitment is going would in fact be by a tonnage, actual carbon -

Mr BYE - Yep.

CHAIR - molecules calculated as to how much have been sequestered -

Mr BYE -Yeah.

CHAIR - measured in tonnes.

Mr BYE - That's right.

CHAIR - Millions of tonnes.

Mr BYE - Yeah. I guess that reminds me -

CHAIR - And if it's just a slender stem, clearly, there's nowhere near as much carbon sequestered as a healthy 30-year-old, pruned pine tree.

Mr BYE - Yeah, and that reminds me of another point. I wonder - again, this is a bit like deducing things - but I wonder if the scientists that built the model at the beginning would really look at how it's being used and think, 'Well, is that actually what I've built it for?'

Pine plantations, of course - getting the carbon number for a pine plantation is about as solid as you can get because the cubic metre of wood is the economic basis of why it exists, and you just times cubic metres of wood times 0.4 to get the amount of carbon. So, really, it's the most straightforward, and potentially the most accurate, carbon method there is - maybe not in this case because we don't have a lot of - well, any data of cubic metres of wood yield in that area.

CHAIR - But we do have data about what's been applied for based on belief or assumption or an assessment that the application for ACCUs will lead to this quantity of millions of tonnes of carbon.

Mr BYE - Mm-hmm.

CHAIR - Okay. So, you're questioning that? And we'll take that on advice.

Do you have any other peers in your industry that would take the same view as the one that you've explained here?

Mr BYE - Any particular view, sorry?

CHAIR - Do you have other industry colleagues that work in your business, not in your firm, but across Australia in your industry - do other people share these concerns?

Mr BYE - Oh yeah. There're concerns everywhere, really, about it.

CHAIR - So, how would we approach, or how would we know about that, or how could we test that with those people?

Mr BYE - Yeah, I can help you out with some names of people to speak with, I guess. Because it's been made to be incredibly complex, so there are people that have become real specialists in certain areas of it, and I've been able to get across quite a few of those over the last few years. So yes, we can find the information and the right person.

Dr BROAD - So what are the inputs into the model?

Mr BYE - Into FullCAM?

Dr BROAD - Yes.

Mr BYE - I haven't used it a lot, personally, but what I have used is on a website called PLANR which is the government one, and in that, you really just put in the boundaries of where you're going to put a plantation or a soil carbon project and that will spit out the FullCAM estimation of ACCU.

CHAIR - Is that a software product?

Mr BYE -Yeah, it's just -

CHAIR - Anybody can use it?

Mr BYE -Yeah, correct. Anyone can use that.

Dr BROAD - But is that what is used when you're actually asking for ACCUs to be credited? Or is that just like a rough, what you can do in this area type of model?

Mr BYE - Yeah, a bit of both. I don't really know, is the short answer to that question because I haven't gone through that full process.

Dr BROAD - So, you haven't submitted a project in view of being accredited to receive ACCUs?

Mr BYE - Nope.

Dr BROAD - So, why are you saying then that the model is flawed?

Mr BYE - From doing that research around different properties, when I'm giving them advice on whether the project's viable or not, because that's what PLANR's for. That's what it was built for.

Dr BROAD - But the plan asked for a PLANR assessment.

Mr BYE - Yeah.

Dr BROAD - And then it spits out a figure and what is that figure? Is it per hectare per year or what are they giving?

Mr BYE - Yeah, per hectare per year. You just get a downloadable spreadsheet that'll show the project period and how many ACCUs to expect off that hectare each year.

Dr BROAD - Can you give us an example of a project that you ran through that? So, like what was the scale, what was the species, what was the location?

Mr BYE - Yeah, good question. Hang on, what are you trying to get out of this, sorry?

Dr BROAD - I was just trying to figure out - you're saying that you've run through this PLANR process and the answer that you got out of this black box, in effect, is 'computer says no'. What were the areas, what were the species, what were the projects?

Mr BYE - You don't get that specific when you're doing the early assessment because it doesn't actually make that much difference, because the model comes first and the species list is - how do I describe it? The species list comes along with the project application, but the model is already decided. It doesn't really matter. It's just, 'these are the species you have to plant, it will conform to this, the curve on the graph'. Does that make sense?

Dr BROAD - Not really. What are the inputs you're punching into this model, this PLANR? So, you're just basically drawing an area around -

Mr BYE - Just where it is, yes, that's it. I encourage you to have a go at it. It's interesting.

Dr BROAD - But the question is, if this is just like an introductory tool, I'm not sure that this is what's used to actually accredit the ACCUs?

Mr BYE - Well, how much different is what's accredited to what's in PLANR when you assess an area?

Dr BROAD - I don't know. That's why I'm trying to ask.

Mr BYE - Yeah, I don't know either.

CHAIR - One of the areas that you did address as one of our specific terms of reference, Mr Bye, was you talked about the adequacy of Commonwealth assessment before making these very important decisions affecting strategically significant agricultural land. You said:

> It is highly unlikely that the existing legislation was followed correctly in the case of Rushy Lagoon.

You say:

> Freedom of Information requests for copies of studies into the previous productivity of the land have been ignored. The suspicion is that those studies were never done.

You correctly quote the legislation, and I'm quoting:

> Where the Agriculture minister determines that the project would have an undesirable impact on agricultural production in the region, the project is deemed ineligible.

And you conclude:

> If regional agricultural impact studies were done, it's impossible for the Agriculture minister to conclude anything other than the existence of an undesirable impact.

What would be your background and evidence for making those statements?

Mr BYE - Again, from talking to people currently who have had more resources that study this than I have. But also my lived experience of working in that region in the MIS scheme. I drive out in the ute in the morning with my order book and I'd have 10 customers, and by the time I got home that night, I had eight. It just never came back, like, the money was gone. And we're still trying to unwind that now. There's still plantation blocks of varying success, from zero success at all through to a pretty decent timber yield still being converted back to farmland. You know, big money being spent on fertiliser, seed and fencing, and all those inputs that I've really built my career - that've paid my bills for 20-odd years, that was

just gone. You could sell inputs into the timber industry, but it was all very large tenders, no margin, big one-off sales. It was just a - yeah, that's my lived experience of what actually happens on the ground. You could see it in our turnover numbers. We just, as the rural supplier, we would lose numbers.

CHAIR - You've zeroed in on the rule that relates to the carbon farming initiative where it relates to the conversion of agricultural land. The Agriculture minister must be a signatory or a participant before they can be approved or accredited, whatever is the correct language. You've made a big call. I'm not saying you're the only one that's saying it, but you have made a big call that it's impossible for the Agriculture minister to conclude anything other than the existence of an undesirable impact. What would you want us to ask the Agriculture minister, if we could, to get to the bottom of that matter? Because if, objectively, it would lead to an undesirable impact, then those ACCUs couldn't have been approved. Therefore, that sale process, based on the CEFC equity and the ACCUs process, couldn't have gone ahead. What guidance can you give us to get to the bottom of that matter? Do you have anything to offer?

Mr BYE - Show us the money. I mean, it's fairly straightforward, isn't it?

CHAIR - Well, let me ask you this, how would you assess an undesirable impact? On what basis have you formed the view that this will be an undesirable impact on agriculture?

Mr BYE - It's huge, really. I mean, the loss of the scale of meat production alone out of there is significant even for the viability of some of our meatworks facilities. You could just look at that undesirable, and the loss of how many jobs - ongoing jobs, not planting and harvest jobs, but ongoing secure work that lasts for decades in many cases, the loss of that. The local community losing that traffic, for want of a better word, that's just constantly happening with a farming operation. It doesn't slow down. It just keeps going and keeps delivering every year. It's like a football season: it just keeps rolling and rolling and rolling every year. And that's what builds communities. You can see it travelling all over Australia where that goes and the small town dies, and the social fabric falls apart. We've got examples in regions in Tasmania where we've converted farmland into lots and lots of plantations and communities have disappeared. Maybe they've moved somewhere else and got stronger somewhere else, but that's the direct impact. Real people. Some of those decisions seem to affect a small number of people a hell of a lot and a whole lot of people not much at all. I guess this is a good example of that.

Dr BROAD - You just argued then that reducing the cattle numbers on Rushy Lagoon could impact the viability of meatworks. The current owners are proposing to maintain a cattle herd on the property. Tasmania has about a million head of cattle, so how is it possible that the reduction in a couple of thousand head is going to impact the viability of a meatworks?

Mr BYE - Again, I haven't got all the resources to go through all those numbers. I've just been happy to be guided by people who have said that and trusted their view because they're very experienced people in the meat industry.

Dr BROAD - So, 2000 cows make a difference? I just -

Mr BYE - Well, how many's going, how big could - I suppose what everybody in the north-east has always felt about Rushy Lagoon, all of us that have worked in agribusiness have always looked at it and gone, 'Jeez, that's a wasted opportunity', since about 2006, Bert

Farquhar got out of it. I've always thought that, jeez, imagine if you get hold of that and really make it pump. So, that's the question: how many cattle could it run? I don't know.

Dr BROAD - That is a live question. We went on a tour just yesterday and there's a large portion of the property that was once farmed, that was pasture, but now it's pretty obviously not. It's scrub, it's grown back. And having a look at the property, the pasture species need a complete upgrade. There are significant issues with the idea that the massive potential agricultural production people are talking about in the past is no longer possible because there's a good third of the property that's grown back up into scrub. So, where's this all coming from? There's a lot of anecdotes about what Rushy Lagoon could do, but the reality on the ground seemed to be quite different. So, where are you -

Mr BYE - Have you ever looked at Google Earth at Cressy in 1998 and then looked at Google Earth now? That is what Tasmanian agriculture can do. This massive conversion of the landscape. To say that we couldn't bring it back into production, sorry, that's just offensive. That's purely offensive.

Dr BROAD - Well, if you go out there and have a look, it's all scrub. So even clearing that nowadays we have a different - Rushy Lagoon was cleared by dozers and a chain. That sort of clearing doesn't happen any more.

Mr BYE - It doesn't?

Dr BROAD - Not at the scale of that Rushy Lagoon clearing.

Mr BYE - Well, we've got plenty of bulldozers around and chains, and people to drive them, if you needed, to go and do it, wouldn't you?

Dr BROAD - Well, you could, but I think getting approvals to do it would be -

Mr BYE - I said before that plantation was chained over on the way out there. That was only, what, eight years ago.

Dr BROAD - No, but that wasn't regenerated vegetation. That was a pine -

Mr BYE - So, you're saying that we're worse at tackling native vegetation now than we would have been in 1950?

Dr BROAD - No, I'm saying that there's a different legislative approach to large-scale clearing than there once was.

Mr BYE - Yes, okay, yeah, all right. Sorry, now we're -

Dr BROAD - I'm not saying that you couldn't do it. Obviously you can, and it's being done in areas of Australia and, indeed, overseas. But there's a huge portion of Rushy Lagoon that was once under production that's now only running a few head of wild cattle. But people are still saying that we could get back to the production of the sheep and cattle from the past; that is no doubt possible, but what would it actually take and what would be the investment required? What would the permits be required to actually get back to this theoretical maximum production?

Mr BYE - Oh, I don't know, but again, that Cressy example is the real one. I look at - what's the huge conversion of farmland from basically very poorly productive merino country into dairy farms or into horticulture or sometimes merino farms into strawberry tunnels. You know, there's no limit to what our industry can achieve when we give it a chance to do it.

Dr BROAD - The question's about the market, as well. So, if there's these opportunities, and in your evidence you've suggested that there was an offer made of $160 million for the property, can you extrapolate on that? Because what we see is the purchase price was around $100 million after it was for sale for various periods of time for eight or so years. So, if it's got so much potential, then why didn't someone else buy it before Gresham House and partners?

Mr BYE - I don't know. You'd have to ask the people that looked at it. It's not really a question I can answer.

CHAIR - In fairness to our guest, we've never had the sale price given to us. Now, I have a question - and we're mindful of time and Mr Di Falco has a question. So, Mr Bye, you've outlined in your submission, I think, a comment that was made by one of our previous witnesses, it was either TasFarmers or Mr Sauer, the previous president. You referenced New Zealand, the issue of losing agricultural land to plantations was addressed by applying a blanket rule that no farm could have more than 20 per cent of its area developed into a plantation.

I just wonder if you could speak to that as a proposal for Tasmania? You say that this is one change we should definitely advocate for with urgency.

Mr BYE - It just feels like the cleanest solution, you know, it's the most elegant solution at the moment. And it really aligns with what farmers are doing with their land already. A lot are already talking about having 20 per cent of their farm under timber production to at least some degree. I just don't think it would be particularly controversial for anybody. There can still be a lot of hectares at that sort of 20 per cent number.

Mr Di FALCO - Would you agree that you probably need a bit more oversight in your approvals? You mentioned that even our federal Labor members would not intervene. So, I believe there should be a bit more oversight on how approvals are given.

Mr BYE - I think that's fairly self-evident in this case, isn't it?

Dr BROAD - So what approvals are you talking about?

Mr Di FALCO - You've written -

> TasFarmers and the Dorset Council and state politicians were all completely ignored in relation to the Rushy Lagoon deal.

Mr BYE - Yes, and that's just from what they've said. I really struggle with that, why the Canberra bureaucrats, well-intentioned or otherwise, have been able to just sidestep the people that really know all of the issues right at the ground. So, whether there needs to be something a bit more robust in the process there to make sure that local knowledge is actually consulted more significantly, or has more weight on the final decision, but that's a question for you guys with the legislation.

CHAIR - Before I pass to Dr Broad, we're watching the clock and I'd just ask if you'd be willing to get back to the committee with some further information on your comments around the FullCAM technical failure, as you refer to it, or inaccuracy, and any proposed improvements or solutions to remedy that.

Mr BYE - Yes.

CHAIR - And would you also take on notice some more information around your claims, in relation to the role of the federal Agriculture minister, in determining whether or not a project would have an undesirable impact on agricultural production in the region, and just to articulate that a little better for our committee in relation specifically to this particular conversion.

Dr BROAD - So, you're saying that there should be - the locals should have a say, in effect? This was a private sale, so this property was for sale for eight years. There were a number of attempts to purchase the property, that people had a go at it and never got over the line. Then along comes a buyer, gets a contract. Are you saying that the sale of Rushy Lagoon should be contingent on approval from locals? What exactly are you saying?

Mr BYE - No, I don't think so. It's more the thing that - one of the - probably the main thing I felt was missing was, where was the tender process from the CEFC? If there was any potential whatsoever for a local conglomerate to want to get that property and develop it to its fullest extent, why didn't the CEFC put it in the newspaper for a couple of months: 'We will come in partnership on the finance with you and make this happen.' I believe that we actually could have got a lot better result if that had happened, carbon-wise, environmentally, community, everything. There's a lot of places that are no good for a soil carbon project, but that place is brilliant for a soil carbon project because it's got the scale and it has the potential for improvement with fertiliser.

Dr BROAD - So you're saying you don't have a problem with the trees; you have a problem with that CEFC partnered with Gresham House and didn't go to an open tender. Is that what you're saying?

Mr BYE - Yes, that's one of the problems. Yes, that's one of the issues, definitely.

Dr BROAD - But the thing is that locals could have bought this property for a period of eight years and didn't.

Mr BYE - Not according to what I was told, but I'm happy for you to draw your own conclusions on that.

Dr BROAD - Well, I mean, the facts are the facts. It was for sale in 2008. It was in - sorry, 2018, it was put onto the market and then it was withdrawn, and then it was put on the market again. That's a period of time where any purchaser could have come up and bought the property. So, what was stopping -

CHAIR - Please wind up the question and let's have a brief answer.

Dr BROAD - What was stopping the sale?

Mr BYE - The vagaries of wealthy people and what they own, and whether or not they're for sale, and whether or not they accept an offer. That's a pretty misty area to enter into, so I'm not really sure I can draw any particular conclusion from the past, and what was offered and not offered, and whether that should be used as justification for this decision.

CHAIR - Thank you, Mr Bye, we're out of time. We appreciate you being with us today. The secretary will write to you about those other matters that you've agreed to take on notice and thank you for that.

What you've said to us here today is protected by parliamentary privilege. Once you leave the table, you need to be aware that privilege does not attach to comments that you may make to anyone, including the media, even if you're just repeating what you said to us. Do you understand that?

Mr BYE - Yes, I do.

The witness withdrew.

The committee suspended from 1.16 p.m. to 1.17 p.m.

Senator Richard Colbeck

CHAIR - Welcome, Senator Colbeck, to today's hearing of the House of Assembly Select Committee on Commonwealth Decisions on Agricultural Land. Thank you very much for your submission and your attendance here today. I'm joined by Dr Shane Broad, who's deputy Chair of the committee, Mr Carlo Di Falco, SFF member for Lyons, and Ms Cecily Rosol, Greens member for Bass. Thank you for attending and responding to our invitation. I'd invite you to make a short opening statement and then we'll go to some questions.

Senator COLBECK - Thank you. And thank you to the committee and committee members for giving me the opportunity to appear. I come to this process not from the position of being of fundamental objection to a foreign investment, not from a fundamental position of the objection to generation of plantations, not from the position of being fundamentally opposed to land use change. But I have spent a considerable period of time during my parliamentary career in the Forestry portfolio

I had the opportunity post the 2013 election to restructure a lot of the consultative organisations that relate to forestry. One of the key focuses that I had during that process was creating a circumstance where we could get more trees in the ground through plantations for various forestry and timber use needs, given the projection of the more than doubling of demand by 2050 for timber. If you think where we are today at 2026 and a 25- or 30-year rotation to get to a mature pine forest, for example, it gives a bit of a demonstration of how important it is to get trees into the ground.

My objection, really, for this process comes to the way that it's been managed particularly by the government through the various processes, and particularly something that you discussed with the last witness, which is the productivity that I think will come from that particular site. In my view, it would be negligent of the Clean Energy Regulator to issue ACCUs for this project, which has not yet occurred, based on the productivity of the site. All

of the evidence that I've seen from anyone that I've spoken to with any knowledge of forestry and forestry productivity indicates to me that this site will not generate the 3.2 million tonnes of carbon abatement that's projected by the model that you've discussed with the previous witness, but also being relied on by the government for this particular project. Anyone who has knowledge of either the site or forestry that I have spoken to puts the MAI, which is the cubic metres of timber accrued on an annual basis for this site, somewhere between 10 and 15. On the basis of that, the most that it will generate is about 2 million tonnes, not 3.2 million tonnes. And if you're talking about stemwood, it would be less than a million tonnes. There is, in my view, a risk to the integrity of our carbon and carbon accounting system by not having a proper assessment of the productivity of this site as a part of this process.

When it comes to the responsibilities of the minister for Agriculture with respect to the issuance of ACCUs, I know that there has been an assessment done because I've seen the assessment. But I have to say that assessment, if anything, could only be regarded as cursory. What's occurred in that circumstance is that the proponent of the project has provided to the government, the department, the current outputs on the site and that has been used to measure against productivity in the region, and a number of somewhere about 4.85 per cent in terms of reduction of beef cattle and somewhere in a similar number of 4 per cent in relation to the reduction in dairy cattle has been applied. And that's been decided through that process by comparing with some historical numbers that it's a marginal impact on agriculture in the region. That's all of the assessments that have been done.

In terms of the forest management plan, there have been two forest management plans that have been prepared as part of the development of this project for submitting to the government for the $8.8 million grant that's been provided. Neither of those forest management plans have any reference to the forestry productivity of the site. There's no mention of the MAI in either of those forestry plans. So, in my view, in that sense they're deficient. And in terms of the $8.8 million grant that's been allocated, there are two problems there. One goes to the agricultural assessment and the way that that's been managed. I've already described that. The second goes to the fact that the guidelines for that program require it to be a productive ground for forestry, and there's no demonstration of that within the forest management plan. It relies on the model that you've been discussing with the previous witness to assess what the ACCUs might be, but also the fact that the application for that grant was made, the grant was assessed and the grant was approved before the proponent could demonstrate that they had long-term control over the site. To me - and I had this conversation with the department as late as last week at Estimates, that does not meet the criteria for approval of a project. At no point during the application assessment or approval process did the proponent demonstrate that they could meet the requirement to demonstrate long-term control over the site because they didn't have approval to buy the site through the Foreign Investment Review Board. To me, that is a critical flaw in the way that this project's been managed. There are probably a few other things that I could mention, too, but I'm happy to stop there and go to questions.

CHAIR - Thanks very much for that. You mentioned that you had seen the assessment that was undertaken to assist the federal Agriculture minister, or her delegate, to make a judgement. I wonder if that's publicly available?

Senator COLBECK - It is publicly available. That was provided to me through the parliament, through an order for the production of documents that was -

CHAIR - Are we able to see it. or is that not available?

Senator COLBECK - No, that's publicly available. It should be available on the Senate website under 'Orders for the production of documents', and it provides that assessment that was done. I think it was done by ABARES. It is a publicly available document, and I could provide, if you want, a link for the committee so that you can reference the document. There's a whole stack of documents that came. The forest management plans are a part of it.

CHAIR - We'll certainly find those.

Senator COLBECK - They are all documents relating to the granting of the $8.8 million grant for the purchase of trees to support the plantation development.

CHAIR - I was particularly interested in the area which is the rule in the Carbon Farming Initiative. We're attempting to establish whether that rule was followed correctly. As you heard from the previous witness, did that assessment truly give an honest picture about whether or not the project would have an undesirable impact on agricultural production in the region where the project will be located? What are your own views on this, and what evidence is there for those views?

Senator COLBECK - As I said, I spent a lot of time in the Agriculture portfolio, including development of the policy around the Carbon Farming Initiative, which has been a contested space for a long period of time. Some of my colleagues are implacably opposed to the concept of putting trees on farms. I'm not. In fact, I support it. There is plenty of evidence, including research conducted here in Tasmania, that you could replant, reforest up to 20 per cent of certain types of property with zero negative impact on agricultural production. And there's some very good examples of that around, so I'm hugely supportive of it. But it's been a contested space and it's that reason that the 30 per cent threshold was put into the Carbon Farming Initiative rules, so that there was a proper test done with respect to the impact on agriculture.

In a technical sense, I suppose you could say that the minister has followed that because there has been an assessment done. My criticism of that is that it's been a very cursory process, and if you look at even the sales blurb for the property, it proposes that the property could carry double what's being proposed in the assessment. The point that's being made about what the property could carry, what it is carrying, what it might potentially carry is a fairly subjective one in that sense. But in my view, technically, has the minister undertaken an assessment? Yes, they

Senator COLBECK - the minister take an assessment? Yes, they have. Does that assessment meet what I would consider to be a genuine test? I don't think it does because it really is quite a cursory look and it's not based on any work that the department's done. All they've done is taken the word of the purchaser and said, 'This is what's there'. So, there hasn't been a genuine investigation, in my mind, as to what the productivity of that property could be. And, of course, that's one of the contested issues that sits around this whole process.

CHAIR - Senator, if I can just turn back on that. You said that you'd seen the assessment?

Senator COLBECK - Yes.

CHAIR - Is that an assessment that's been done by the department itself for the minister or her delegate?

Senator COLBECK - It's been done by the department.

CHAIR - Or is it the purchaser's assessment, which you're saying has just been readily accepted?

Senator COLBECK - The purchaser has provided some numbers to the department. The department has taken those numbers and then compared those numbers with some historical data with respect to animal carrying in the region. It's a very cursory process. That document is a part of that suite of documents that I talked to you about before. In fact, when I had a look at it and compared it to the blurb, that's where I come - it talks about 4.85 per cent in terms of beef cattle. If you look at the number in the project proposal for sale, it's double that. It's closer to 10 per cent in a regional sense. So, it really is a cursory process. Technically, as I said, has the minister done the job? You could say yes. But in the terms of the conversations that I was having in a policy sense, in developing those rules when they were put into place, no.

CHAIR - In your submission, you say in relation to this particular matter:

> There is nothing to demonstrate the agricultural consequences were assessed with comparable depth. Project documentation contains detailed forecasts for timber, carbon and staged forestry employment, but no equivalent quantified baseline for displaced dairy, beef and cropping output.

It goes on, but I'll stop there. What should the committee be considering amongst its findings or recommendations for how the Commonwealth could improve any deficiencies in this space when there are future such applications? How do we tighten this process?

Senator COLBECK - It's very difficult for a state parliament to say to a Commonwealth department, 'This is how you should go about your business'. That responsibility, quite rightly, belongs within the federal parliament, the federal bureaucracy. It could be within your purview, though, to recommend a more comprehensive process than the one that's occurred because, as I said, it's quite cursory, it doesn't really go into any depth, it doesn't look at comparisons over time. It just looks at this point in time: 'These are the numbers now, and these numbers now comprise 3.85 or 4.85 per cent of agriculture in the region', and that's the way it's managed.

Dr BROAD - The productivity assessment, isn't that based on the last five years? So, the proponents asked for the last five years?

Senator COLBECK - No.

Dr BROAD - What have they actually asked for then?

Senator COLBECK - Well, effectively, what's been provided for is the number of what's on the property right now, and the assessment's been done on that basis. It's a very short process and document. As I said, it's available to you and I can get you the link to -

Dr BROAD - They also look at the land classification, so being Class 5 and 6. That was provided to them, I would imagine?

Senator COLBECK - No it doesn't look at that. And I have to say, the commentary around the land class in this whole discussion demonstrates a real lack of understanding of agriculture. If you look at - and this process has prompted me to have a good look at Tassie more broadly in terms of agricultural land classifications and the productivity. Almost 70 per cent of Tasmania's agricultural land is Class 5 and 6, so a lot of it. Right down through the midlands, for example, is 5, 6 and 7. The fact that we've got water gives us the capacity to do things that we weren't able to do. What was once dryland sheep country is now growing poppies, it's growing potatoes, it's growing horticulture. If you look at the Coal River Valley, that was once basically sheep country. It now produces over $100 million a year worth of horticulture, and it's mostly Class 5 and 6 land. The Huon Valley is mostly Class 5 and 6 land, and it's home to our apple and cherry industries. So, I think the Class 5 and 6 land conversation is a nice distraction politically but it massively underestimates and misunderstands how people with the right resources can operate their properties in a productive sense. I think the 5 and 6 land thing has been used as a distraction without people having a look at it.

Most people would say, 'Yeah, that's fine'. But when you look at this land, this property out here, and its attributes, as it's been described to me by people who know agriculture and who know forestry, it would be better growing grass than it would in terms of growing trees because of the attributes of the site. That's one of the concerns that I have with respect to the productivity. Everybody that I've spoken to who has knowledge of this puts the MAI at between 10 and 15. That was described to me by somebody who's actively working in forestry in New South Wales as non-commercial, and that doesn't meet the guidelines under the $8.8 million grant program, for example, because that requires the property to be commercial for forestry.

So, there's a whole range of things in this that don't stack up and it's all of those things that make me concerned about it as somebody who wants to see more trees in the ground, who spent time working on policy to get more trees in the ground, and is a huge supporter of the forest industry no matter what way that it operates. I have genuine concerns that the taxpayer is going to get what it's paid for from this project. Remember, a $69 million direct injection into the project, so we are an equity shareholder, taxpayers. The model that's been discussed projects 3.2 million tonnes of CO2 being provided by the process. I share some of the concerns about the model. Anyone that I've spoken to talks about the MAI of 10 to 15 and that produces, at maximum, 2 million tonnes, so that's over a third less; and if you're talking about only stemwood, less than a million tonnes, so it's a third. This is why I'm concerned about the regulator issuing ACCUs for this based on the structure that it has at the moment. My intention is to communicate with the Clean Energy Regulator in those terms.

Dr BROAD - On one hand, you're saying that Rushy Lagoon is a highly productive property that should have been assessed differently, not on what's been going on, but what its theoretical capacity is. So, you're saying it's highly productive -

Senator COLBECK - Well, no, it's not theoretical, and -

Dr BROAD - Hang on, can I finish the question, please?

Senator COLBECK - Yes, sure.

Dr BROAD - So, you're saying that it's a highly productive property, but then you're also saying that it can't grow trees. How can those two things be true?

Senator COLBECK - Quite simply, quite simply. You've got a relatively shallow layer of sandy topsoil - and I'll read something to you that was sent to me by a professional forester that explains it very nicely, and I put this into the *Hansard* last week in Estimates:

> I can confidently say that the growth rates would be similar to, say, Seven Mile Beach plantations, which are round an MAI of 10 to 15 metres cubed per hectare per year.

Which is about a third to a half of a productive plantation on good soil with rainfall above 600 millimetres. This does have good rainfall. It's above 600 millimetres.

Dr BROAD - And it's also wet.

Senator COLBECK - Yes.

Dr BROAD - It's not dry like Seven Mile Beach.

Senator COLBECK - I'll come to that. The soil is sand over heavy clay and sometimes like a sandstone. That is why it's so good for irrigated pasture because you can grow grass based on hydroponics. You're putting nutrients and water onto the soil and it's growing grass like you are hydroponically, or whether you might be doing something else hydroponically. But the real problem is the claypan underneath because it's shallow. That's why it's no good for growing trees. You can grow grass on hydroponics. The trees will dry out the sand layer and the roots won't penetrate the heavy clay. If there is heavy rain, the trees will be sitting in swampy ground, which kills their root systems and then they have to recover. He also says that the risk of sirex wasp is a real infection as well because the trees will be weaker, which goes to the point that the previous witness talked about with respect to the quality of the timber.

You asked the previous witness about what should be inserted into the policy process to ensure the accuracy of the ACCUs. I think that's a really good question. My view is that there should be an assessment of the MAI of the site, it should be a part of the consideration of the approval of a project and it should be a consideration in respect of the issuance of ACCUs. That's my policy response to what I think is a really good question.

Dr BROAD - Those issues that you're talking about can't be remedied by deep ripping, mounding and so on, the orientation of the plantations themselves, whether they're east-west, north-south, whatever, and taking into account the size of the property, being able to target various areas for whether they're more appropriate for trees or for pastures, which are going through that process now with their forest practices plan - you're saying that there's no treatment that could be put in place to overcome those constraints?

Senator COLBECK - Well, you're right, there may be some parts of the property that do that well. But again -

Dr BROAD - 9000 hectares out of 22,000.

Senator COLBECK -Yes, that's right. But my advice is that deep ripping won't work in some areas because of that hardpan underneath. I've had a number of conversations with people

in the region who've talked to me about that as an issue, and it's come back to me from a couple of other professional foresters that I've spoken to about this. I'm not trying to play a wholly negative process here. If I thought this project stacked up, you wouldn't be hearing from me in the terms that you are. But everything that I've read and seen about this project, in terms of the approval process with respect to the $8.8 million and also -

Dr BROAD - The $8.8 million hasn't been given.

Senator COLBECK - No, I know it hasn't been given, and it's also dependent on the issuance of the ACCUs.

Dr BROAD - Sorry, in your earlier evidence you did say that it had been granted.

Senator COLBECK - It has been granted, that's right. The grant was approved in February, and it shouldn't have been approved -

Dr BROAD - It's not in their bank account, is what I'm trying to say.

Senator COLBECK - It's not the point. You're receiving an application, you're assessing a grant, you're approving a grant when the grantee doesn't meet the grant guidelines.

Dr BROAD - You've taken that argument up in Senate Estimates?

Senator COLBECK - Absolutely, I've taken that argument up with the government.

Dr BROAD - What was their response? They said that it didn't?

Senator COLBECK - They were satisfied, and the point that you made - 'We haven't given them any money'. To me, that's beside the point. If a grantee doesn't meet the grant guidelines, I think that's a problem. That's a philosophical view of mine. If you want to have a different view to that, that's your opinion. Philosophically, if you don't meet the grant guidelines, your grant application shouldn't be accepted, it shouldn't be assessed and it certainly shouldn't be approved. That's my opinion.

CHAIR - I just want to bring you back to the earlier discussion on the Carbon Farming Initiative rules around looking for an undesirable impact on agricultural production. We took evidence in Scottsdale from TasFarmers and Mr Calman, the CEO. If I just extract a couple of things that he talked about, he said:

> The guidelines require a proponent to put forward five years of actual agricultural data from the property demonstrating what was produced. It only provided an estimate based on the last year of operation on the property, what the property had produced, not what it was capable of producing, not whether it had been well run. Even at those reduced estimates, which really gave one number, not five years' worth of data, it was going to reduce the milk pool from the Bridport-Scottsdale area by 5 per cent. That's going to reduce the red meat output from the area by 5 per cent.

Everything I've just read is from Mr Calman's words. Does that accord with your knowledge of the assessment that you have seen?

Senator COLBECK - Yes.

CHAIR - Is this something that's agreed, or is it contested that it was looking only at one year of operation when, under the guidelines, it should have been a much broader look at the productivity capability of the property?

Senator COLBECK - It had one set of numbers.

CHAIR - Should it have had more?

Senator COLBECK - Well, it should have followed the guidelines. I'm critical of it because I think it was very cursory and it didn't provide an accurate picture. I've mentioned the -

CHAIR - Are the guidelines optional? Is it just guidance, not obligatory? How do we understand this?

Senator COLBECK - The department should have followed the guidelines.

CHAIR - Okay. Are you asserting -

Senator COLBECK - That's why they were written, that's why they were put there. As I said to you, this has been a highly contested space. These things are put in place to give people comfort that when a circumstance such as this arises, there's a process that's put in place to properly assess the project, its inputs and its impact. That's why it was put there. To be frank, given my conversations and engagement with colleagues during that process, had there not been something like that in place, we probably still wouldn't have the Carbon Farming Initiative process agreed because people wouldn't have agreed to it without those sorts of conditions. It was a very contested policy discussion.

CHAIR - Understood. You correctly pointed out that this committee cannot dictate policy to the Commonwealth parliament, but we're able to make recommendations and put forward a proposal. I'm not sure if we will do that, but our terms of reference provide that. What would be an improvement so that - while this sale process is completed and unchangeable from our point of view, there will be future proposals. Should that Carbon Farming Initiative be changed in law or should it have guidelines that are made obligatory rather than guidance only? If these are complaints about the assessment, and it was only cursory and not in the spirit of the rule, what reforms ought to be pursued?

Senator COLBECK - Well, you need to have measures in place that are followed to give people comfort that what they expect when they read the guidelines is going to be followed. And this is only the start. If I look at documents from Clean Energy Finance Corporation, which were also provided in respect of FOI to Senator Canavan, they state that Tasmania has been identified as a target region, given its high suitability for forestry. So, this isn't the first and I know that Gresham and their partners are looking around Tasmania for further properties. Unless the process is followed properly -

CHAIR - How do you know that?

Senator COLBECK - I've spoken to people who they've been talking to about properties here in Tasmania. And if you look at the federal government's policy - and that's clearly set out in a document that was provided, prepared by ABARES, released, the federal government is seeking to achieve 118 million hectares of reforested land in the country. That's over 200 Rushy Lagoons. So, this is just the start. There is a definitive policy in place, so you need to have provisions within that policy that create trust and understanding for the communities. People need to understand that if they read a set of guidelines and expect something to happen, that's what's happened. And while this one property might have, say, a 5-10 per cent, depending on which set of numbers you look at, impact on the productivity of dairy and beef in the north-east, the issues of collective impacts start to arise, too. So, what is the next property, what's the scale of it, what will its impact be on the throughput through the various production systems in the state and how does that impact on our agriculture? And unless you do the assessment process properly, as people expected that it should be done in the guidelines, you're going to have problems with public acceptance. In terms of the productivity of the forestry, unless there's a proper assessment done of what the productivity of the property will be, in terms of your ACCU process, it risks undermining your carbon accounting process and also the confidence in the process of what productivity might be. Put all together, the availability of the ACCUs, the support from Clean Energy Finance Corporation, and even the support through the support plantations program, which is supporting through up to $2000 per hectare for preparation and seedlings, should have a very positive effect on getting more trees in the ground for a range of reasons, one, for timber availability. We import a lot of fibre timber from overseas, and we should be doing more here locally from a range of opportunities. But if you undermine the public confidence in that and, particularly, the integrity of our carbon accounting system, that has significant issues for us both nationally and internationally.

CHAIR - If there are many more Rushys to come, doesn't the Commonwealth need to get its skates on, or maybe even from your position as a senator, attempt to get some more transparency? Because it took us from October last year, when CEFC made their decisions around an equity decision - no one knew about it until July of this year, as far as I'm aware. It could be happening right now, and none of us know about it, to major tracts of land in Tasmania. Is there a process improvement here and now that could ensure that the role of the Ag minister is more faithfully applied according to the rule? Or that the CEFC are more transparent, or the other regulator is more transparent about what ACCUs they're approving on a wide-scale land conversion?

Senator COLBECK - I think there probably needs to be some changes to the way the ACCUs are assessed, based on actual, proper assessment of sites. And that goes to the integrity of the carbon accounting system. I think that there's room for that. And you had that conversation with the previous witness who works in that space. I think that's an important discussion to have. And, unfortunately, some of the carbon accounting processes that are being utilised here in the country are highly contested. If you look at the native forestry one that's sitting out there at the moment, that's been highly criticised because, in my view, it's a political process rather than a scientific process. If I look at scientists like Martin Moroni, who's globally respected, who's done a lot of work here in Tasmania, and Fabiano Ximenes, who's done a lot of work in New South Wales, they are internationally and globally respected with respect to carbon accounting, and would be a good place for the community to look if you wanted to do something there.

And the ministers need to fulfil their responsibility properly in terms of following the processes that are established under the various guidelines and systems for approving these

different processes. I think that's hugely important. Land use change is always contested. We saw that here in Tasmania during the 1990s and early 2000s when there was a lot of plantations being put in through MIS schemes. There were a lot of mistakes made during that MIS process because there was a desperation to put trees in the ground based on getting a tax deduction. That was the driver of what was happening with MIS schemes. And as we've learned from that process, there are significant areas, some here in Tasmania, South Australia, Western Australia, where there are stranded assets because the wrong trees were planted in the wrong place at the wrong scale. That needs to be turned around. Part of the work that's being done now came from the work that I started in 2013: right trees, right place, right scale. That's important for public confidence but it's also important for this whole process going forward because it is going to be a significant shift if we're talking 118 million hectares.

CHAIR - I would ask you if you'd take on notice, that part of my question that asks about reform opportunities, so that we get this more faithful to the spirit of the Carbon Farming Initiative rule. The secretary will write to you.

Dr BROAD - I just want to go back to the productive capacity of Rushy Lagoon and what sort of assessment that you actually think should be undertaken. When we've been out to the property - I've been out to the property a couple of times, and it's pretty clear to me there's been a lack of investment over a long period of time. Fences are in bad repair, there's poor nutrition, which is obvious because of flogged-out pastures, there's houses in disrepair, one of the three dairies has been shut previously and is clearly not serviceable, and there's also large areas that have reverted back to scrub. It is clear that anybody seeking to lift the productive capacity to some production figures from the past, there's clearly a massive amount of investment that's required, which also needs to be taken into account and obviously was by potential purchasers. You seem to be talking about that there should be an assessment of the property on a level of production that is clearly not possible without massive investment in the 10s or 20s, 30s of millions of dollars to get the property up to some sort of productive capacity.

Senator COLBECK - I think you're right. I know that there was another proponent who was looking to purchase the property, and they were looking at that sort of investment to get it back up to where it needed to be: $30 to $40 million was the number that was required on top of the purchase price. So, that's right, that is exactly right. I agree with your statement in terms of what was required to get it back to where it could be in terms of productive capacity.

The problem is that you've got the Commonwealth, the Australian taxpayer, as a 49 per cent equity owner in an investment, and then another $8.8 million to help you do some of that work that you're just talking about to make the conversion. And we still don't know, because that information's been blocked out in any of the FOI documents that have been received from either Clean Energy Finance Corporation or the department of Agriculture, what the purchase price was. So, how much of that $69 million is going to actual purchase and how much is going to undertake the project? We don't know that. Quite frankly, I don't understand why taxpayers shouldn't know that. They should. It's their money. But that's being withheld, notionally, for commercial-in-confidence reasons. I think that's wrong. So, we don't know that.

But that is exactly what's going to happen on this site now. There is going to be a significant amount of money spent to get it up to speed for whatever purpose it's going to be. At this point in time, that's going to be growing trees, and the Australian taxpayer is paying for the trees on 50 per cent of that 9000 hectares. So, bloody good deal if you can get it. Those others who were considering buying it and paying full tote, and then having to invest their own

money to get it up to speed, didn't have that advantage. That is also a part of the problem with this whole process because it distorts the market, because it gives one proponent an opportunity that others don't, and that's also part of the problem here, in my view. That's my opinion.

Dr BROAD - So, why didn't the proponents put in earlier bids? They had eight years to buy the property. It seems like a lot of this action happened after a contract was put in place. We've heard evidence that the contract was put in place in and around October 2025. It seems like there were some people who were sitting there waiting, hoping to get the property for an even cheaper price.

Senator COLBECK - Maybe so. That's the way the market works. But in this circumstance, you've got $69 million worth of taxpayers' money as a part of the process, and not a transparent process. And again, my opinion. I don't believe that there was anything stopping the proponent talking about what they were proposing to do on the site, but they hid behind the foreign investment review process, which prevented anybody else talking about it. Agriculture weren't permitted, under the act, to speak about it; Clean Energy Finance Corporation weren't permitted, under the act, to speak about it. But the proponent could very well have done because it's their project. The others were prevented from speaking about it to protect commercial-in-confidence -

Dr BROAD - Sorry, could you -

Senator COLBECK - and that's the way it is. I don't know all of the nuts and bolts, but I know it had been a difficult sale process, as you've indicated in your questions a couple of times. It had been on the market and off the market. I understand that there may have even been some conditions around the sale of the site. I don't know what they are, so I can't and I won't comment on them. But, in that sense, I don't believe it was a level playing field, given that the Commonwealth taxpayer is such a huge investor in the project and all of that was hidden from view until very late in the process.

Dr BROAD - What I'm trying to get at is, irrespective of where the money was coming from, we've got a vendor who's been trying to sell a property for eight years. They finally -

Senator COLBECK - Off and on.

Dr BROAD - Off and on. Finally, they get a contract, and it was obvious there must have been conditions in the contract. What they are you've alluded to, and the fact that it wasn't transparent. But I'm winding back and saying October 2025, there was a contract put on the place. The vendor then has the ability to sell the property as they wanted, which was as a whole property, not split up or anything like that. The vendor wants to sell the property, the vendor has a contract on the property and then people come in and say, 'We're going to try and buy it -

Senator COLBECK - But it was also subject to conditions, which - I won't dispute what you're saying, I understand what you're saying, but -

CHAIR - I'll just ask if Dr Broad has finished his question.

Dr BROAD - Well, I hadn't actually, because one of the arguments -

CHAIR - I'd just like to hear the rest of the question and then we'll pass.

Dr BROAD - One of the things that people are saying is that this unfair advantage has bidded up the price. We're also hearing that people were willing to pay more, that they were seeking to put in offers above the eventual sale price, but were prevented from doing so, obviously, because there was a contract. So, I'm trying to get at - you've had people who've wanted to buy the property and they haven't made the deal. The vendor has a contract and has a price. Where is the bidding up? Where is the 'they've paid over the odds'?

Senator COLBECK - I haven't made that claim. I've just said I think -

Dr BROAD - Well, you're saying there was an unfair advantage.

Senator COLBECK - No, no. My point is that the bidder, who has the advantage of a 49 per cent equity stake in the project - we don't know what in the property because that's been denied from us, we don't have that information - the bidder has a 49 per cent stake in the project, which is the Commonwealth taxpayer. That is a distinct advantage. I don't care how you look at it; it is a distinct advantage. But that also had conditions. It was subject to approval by the Foreign Investment Review Board. And I have to say, we haven't broached that here today but, in my view, the Foreign Investment Review Board process was basically treated by the whole process, the government, as basically a tick and flick. I don't think that the minister for Agriculture properly fulfilled her responsibilities with respect to the assessment of the site. The whole thing smacks to me as a desperation to get ACCUs in the ground because of the way that the current number of ACCUs in the system is decaying. Again, my opinion, but I'm entitled to it and I intend to put it.

Dr BROAD - So, you're saying that they were desperate to get ACCUs, rather than they actually had a proponent who had a contract -

Senator COLBECK - Absolutely, absolutely.

CHAIR - Please listen to the question. And please ask the question.

Dr BROAD - They weren't trying to promote a project. They were assessing a project before them. Their proponent has a contract with the vendor and then they're going through the assessment process. Where is the government pushing, that you're alleging? Isn't it the fact that the proponent has gone to government?

Senator COLBECK - Well, you can't make that claim either. My view is that the government is desperate to get ACCUs in and this whole process smacks of that, and $69 million says that.

CHAIR - Senator, can you confirm it's correct: I read in an FOI at the Commonwealth level that the FIRB process was deferred or the timeframe extended perhaps 14 times?

Senator COLBECK - Fifteen.

CHAIR - Fifteen times. Is that your personal knowledge? Who has committed that number, 15 extensions?

Senator COLBECK - That has been confirmed officially through some documentation that I've seen. I couldn't lay my hand on the source right now, but 15 is the number that I'm aware of.

CHAIR - Do you know what the Commonwealth have said about the reasons for the delays or the extensions of time?

Senator COLBECK - I don't think all of them have been published.

CHAIR - Do they have to? Do they require any kind of public notice?

Senator COLBECK - I'm not sure. I can't say.

CHAIR - In that same FOI document, there's an email which is partly redacted from CEFC. I don't know who the recipient is but it's somebody in .aff.gov.au, so that's the agriculture, forestry, fisheries department, is it?

Senator COLBECK - Yes.

CHAIR - And it says that:

> From both this conversation and a subsequent discussion with our FIRB transaction lawyer, I understand the public, media and political interest is a contributing factor to the multiple process extensions to date.

We've never discussed this, you or I, but I would like to know if you have a sense of what was happening in that political domain in the decision-making behind FIRB and/or the CEFC and/or the Clean Energy Regulator processes.

Senator COLBECK - My understanding is that some of them were with respect to concern for political activity, and my suspicion is that the last one was to put the final decision by the Treasurer beyond a sitting week. That would be my view.

CHAIR - Even if that is true, what is the law and what is the requirement of the FIRB process? And why would it be intersecting with other parts of government when it's supposed to be a FIRB process about whether or not it's in the national interest to approve this foreign purchaser?

Senator COLBECK - I'd have to check, but my understanding is that in the rules, parties can request an extension. Either party. Obviously, they would have to indicate -

CHAIR - So, either party could request an extension?

Senator COLBECK - That's been exercised. It makes an interesting point of discussion, I think. It was something that we discussed at Estimates last week with respect to the approval of the grant, for example, the number of extensions and the time of the extension with respect to the grant application, assessment and approval process that did impact on what was - and it was the responsibility of the proponent to keep the department advised as to what was happening in that sense. I think there is, somewhere in the documentation from the Department

of Agriculture, another email that indicates some concern with respect to that process and its impact on the grant. That's part of the documents that I'll send you the link to.

CHAIR - Are you aware of the TasFarmers and/or Mr Ian Sauer, as former president of TasFarmers, interest in the New Zealand model? Mr Bye earlier today commented on it and it's in his submission advocating for a policy scenario like in New Zealand, where there's a capping out of, the proportion of the total farm that can be converted, presumably under their climate initiatives. Do you have a view on that, or is it an unfair question without notice?

Senator COLBECK - No, I think it's a fair question. It's obviously a policy path that's been taken in New Zealand. It's the reason that the 30 per cent assessment is in the Carbon Farming Initiative. Rather than tell a farmer what they can and can't do with their land, there needs to be a proper assessment process of the impact of that as a part of that process.

CHAIR - That 30 per cent figure that you reference, is that in the rule or is that in the guidelines to the rule?

Senator COLBECK - It's a requirement of the minister to assess once you go over 30 per cent. Given that this property is something in the order of 40-odd per cent, that would have triggered the requirement for the minister to do the assessment.

CHAIR - How should the committee compare permanent agricultural employment with forestry jobs occurring? Noting that, of course, in a forestry rotation, there's a lot of employment in the establishment phase and in the harvesting phase, less so in the growing and maintenance phase. What should the committee be considering in this space? Because we are all interested in economic output and jobs in our regional communities.

Senator COLBECK - Look, in a pure sense, I'm not sure that you should be trading them off against each other, because in a lot of circumstances they're complementary. And we see that in all our communities as it is. There's a lot of producers in the state who also have farm forestry on their properties, I think that there's probably more work to do with respect to coordination of farm forestry in terms of productivity over time and supply into various supply chains. I think that would be of assistance, but I would be reluctant to be playing one off against the other, because in so many parts of the way agriculture works - particularly here in Tasmania - in some regions, they're very complementary, so I wouldn't be seeing this playing them off against each other. They are different. They have different requirements and they change over time. Both traditional agriculture and forestry have been way more labour-intensive in the past. They're becoming less labour-intensive as mechanisation and technology have taken over. And then, if you see in our agricultural communities, a lot of younger farmers doing more with more tech. So, I'd be reluctant to get into a trade-off between the two, because I think they're complementary.

Dr BROAD - We've heard evidence that there's been about a 40,000-hectare reduction in plantation area in Tasmania. That it's actually been converted back into agriculture. So, obviously, we need more trees in the ground. You've made that point, too. And also, at the same time, we need investors who are going to have a 25-30-year investment timeframe. Now, a lot of those are actually large institutional investors. Do you think that having all these questions raised about Rushy Lagoon and the investment process and ACCUs and the role of plantation forestry in the agricultural landscape and so on could actually have the perverse

outcome of putting off those institutional investors who are concerned about being dragged through a process like this if they seek to invest in plantations?

Senator COLBECK - Not if the systems and processes that are put in place that I've talked about to give the public confidence are followed. And in this case, I don't think they have. You talk about the reduction in plantation area in the state, a lot of that has been the reversing of plantations that were put in the wrong place in the first place.

Dr BROAD - I'm sorry, I'm talking about institutional investors, you're talking more about the landowners –

Senator COLBECK - I'm talking about the whole picture. And so, if institutional investors are concerned, I would have encouraged Gresham to be much more upfront and more open with people in advance instead of saying, 'We can't talk about this cause of the Foreign Investment Review Board process'. It's their project, they can talk about what they like. Others are restricted because they're dealing with the process.

So, it's a combination of all of those different factors. So, why has the plantation estate reduced here in Tasmania? Partly because we cleaned up plantations that were built in the wrong place. Partly because farmers made decisions about what they wanted to do with their land, and it wasn't growing trees so they've converted it back to pasture. They think they'll get a better return. That's why I'm reluctant to say, 'Let's put a limitation on what a farmer can do on their land'. They know their property. They know how to farm it. They should be allowed to do it as they see best.

Dr BROAD - But aren't you saying that about Gresham House? You're saying they can't grow trees -

Senator COLBECK - Well, my complaint is about the process and how the process has been followed and what's been promised. The project is proposing 3.2 million ACCUs, right? My understanding and the advice that I've had from a number of very trusted sources, and you've heard evidence from it here, you've heard evidence from Mr Sauer. He maxes it out at 2 million. And if you're talking about stemwood-only, doing an assessment on what the volume of timber and the carbon that will be sequestered into it based just on stemwood, it's less than 1 million. That's my issue. It's about the fact that the government hasn't followed its proper process with respect to the assessment of the $8.8 million grant, and there is nowhere in any of the documentation that's been released publicly that tells me what the productivity of the site is.

I go back to the point that I made before: right trees, right scale, right place. Because I don't want to see the integrity of our carbon accounting system compromised by the fact that this site says that we're going to get 3.2 million ACCUs, and we only get a million or 1.5 million or 2 million, because that undermines the system and the trust in the system, and so those systems have to have integrity. That's my complaint.

CHAIR - Senator Colbeck, is there anything that you wanted to round out that you feel that you wanted to add to the record before we close the hearing?

Senator COLBECK - I think that's pretty comprehensive. I'm in the hands of the committee.

CHAIR - Thank you very much for your appearance. You've agreed to take some - a couple of questions on notice. Our secretary will write to you, and I know that you understand the protection you have by our parliamentary privilege, and your own obligations outside of this committee. So, thank you for being with us today and we wish you well on your journey home.

Senator COLBECK - Thanks to the committee.

The committee suspended from 2.15 p.m. to 2.27 p.m.

Tasmanian Forest Products Association and Australian Forest Products Association

CHAIR - Welcome, gentlemen. If you could please state your name and the capacity in which you're appearing before the committee.

Mr FREEMAN - Drew Freeman, CEO of the Tasmanian Forest Products Association.

Mr HYETT - Richard Hyett, acting CEO of the Australian Forest Products Association.

CHAIR - Can I confirm you've received and read the guide sent to you by the committee secretary?

WITNESSES - Yes.

CHAIR - The hearing is covered by parliamentary privilege, allowing individuals to speak with freedom, without fear of being sued or questioned in any court or place out of parliament. This protection is not accorded to you if statements that may be defamatory are repeated or referred to by you outside the parliamentary proceedings. This hearing is public. The public and media may be present. Should you wish aspects of your evidence to be heard in private, you must make this request to the committee at the time.

Mr DREW FREEMAN, CEO, TASMANIAN FOREST PRODUCTS ASSOCIATION AND **Mr RICHARD HYETT**, ACTING CEO, AUSTRALIAN FOREST PRODUCTS ASSOCIATION, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR - All right. Welcome to today's hearing of the House of Assembly Select Committee on Commonwealth Decisions on Agricultural Land. Thank you both for your attendance. I repeat that you've been sworn in. I introduce myself, Michael Ferguson, committee Chair; Dr Shane Broad, who's the Deputy Chair; Mr Di Falco, member for Lyons; and Ms Cecily Rosol, member for Bass. This is an opportunity for you to make an opening statement each.

Mr FREEMAN - Thank you, Chair. Thank you, members. I'm Drew Freeman, CEO of the Tasmanian Forest Products Association. I'm joined by Richard Hyett, CEO of the Australian Forest Products Association. The acquisition of Rushy Lagoon has generated significant public discussion regarding Commonwealth funding programs, foreign investment

processes, agricultural land use, plantation forestry, as well as the future of regional Tasmania. Tasmania's north-east has faced significant challenges throughout its history. This region has lost Simplot, it has lost Frenchpine and Auspine, and it's lost sawmills. Certainly, forestry families felt those losses too. So, we really do understand why the sale of Tasmania's largest farm has generated such a strong feeling and we do respect it.

Our position is simple: Tasmania does not have to choose between agriculture and forestry. Agriculture and forestry are partners, not rivals. They coexist across the same land, they use the same contractors and share the same towns. Tasmanian farmers have grown trees for generations and, by definition, plantation forestry is an agricultural use under Tasmanian state policy. The principle we bring to this inquiry is something you've heard previously: the right tree in the right place at the right scale. I'd just briefly like three points on that.

Firstly, transparency. We do agree with TasFarmers that people should not learn about Commonwealth involvement through rumour. Where Commonwealth funding, finance or approvals touch strategically significant land, there should be early notification, published reasons and formal notification to the state government. AFPA has also recommended that the Agriculture minister's assessment under the carbon farming rules include the state government. We would welcome this committee championing that reform.

Secondly, land capability rather than blanket rules. Tasmania already protects prime agricultural land. The state policy prevents new plantations on prime land and lets planning schemes require a permit where plantations would affect agriculture fundamentally to a municipality. Rushy Lagoon is Class 5, 6 and 7 land, as we've come to know. In our view, the safeguards did what they were designed to do, and we do not support any well-meaning new caps or bans placed on plantation forestry on agricultural land that would potentially undermine investment and future job creation for regional areas of Tasmania, not to mention undermine farmers' and landowners' freedom to choose their land use within the planning rules.

Thirdly, sovereign manufacturing capability. The pine planted next winter will be harvested in around 2055. Australia's plantation estate is shrinking, as is Tasmania's. We are a net importer of wood products and COVID showed us what happens when that supply stops. If the north-east is to ever regain the processing it lost in 2005 and 2007, a mill investor has to be able to see decades of resource. Timber security is a circa 30-year decision. What we don't plant now, we potentially import in 2055, if we can get it.

I'll now hand over to Richard Hyett for his brief opening statement.

Mr HYETT - Thank you for the invitation to speak. The Australian Forest Products Association is the peak national industry body representing the interests of the Australian forest and wood and paper products industry. Australian forest industries directly employ approximately 80,000 people and another 100,000 indirect employees, and is a major employer in regional towns. Australian forest industries contribute $24 billion to the Australian economy each year.

The Australian plantation estate has declined materially over the past decade despite increasing domestic demand for timber and fibre products. Australia's plantation estate fell by 230,000 hectares, from 1.97 million hectares in 2014-15 to 1.74 million hectares in 2021-22.

Traditionally, we import around 25 per cent of the timber for housing from international markets. However, during COVID and the global construction boom, we couldn't access this timber, along with steel, plumbing fittings and other building materials. Demand drove up building costs and significantly delayed construction. The massive increase in prices of imported products created inflationary pressure and significantly impacted on the cost-of-living of Australians. COVID exposed Australia's over-reliance on imports which became exorbitantly expensive and difficult to source. This is likely to be replicated more regularly with increasing geopolitical uncertainty. Supporting new plantation investment is, therefore, important to Australia's sovereign fibre supply, regional economies, and future housing and manufacturing requirements. As well as helping the regional economy, a small increase in plantation forestry can help Tasmania lead the country and support the beef and dairy industries meet their decarbonisation goals.

Softwood plantations in Australia generally operate on a 25- to 30-year cycle from planting to harvesting. Economic realities determine the investment and land use decisions made by landholders; plantation forestry does not compete with other agricultural pursuits on prime agricultural land where risk profiles are lower and yields are realised sooner. Thank you, Chair.

CHAIR - Thank you both, each to your respective organisations, for your submissions as well, noting that the TFPA is a member of a federated body which is your organisation, Richard, that's why we've agreed to see you together. I applaud you for your submissions and thank you for them. In making your recommendations, particularly recommendations 4 and 5 of the Tasmanian submission, talking about the need for greater transparency to have Tasmania's agricultural, forestry, regional and economic interests explicitly considered in major Commonwealth decisions; then No. 6, strengthening coordination between Commonwealth and Tasmanian agencies when assessing major land transactions. I think there's a lot of merit to those recommendations, speaking for myself. I wonder if you would just share with the committee how you have come to, for example, the recommendation to improve transparency? Do you concede, or would you at least agree, that it has been lacking in transparency, the way in which this particular set of transactions have been conducted around the FIRB approval seeming to intersect with the CEFC's investment decisions, intersecting with announcements on the plantation establishment grants, and, of course, the ACCU process which involves the federal Agriculture minister? I'm not trying to bait you or put words in your mouth, but if you make a recommendation like that, do you agree that the transparency has been poor?

Mr FREEMAN - I'll let Richard speak to the ACCU piece in a minute, but I think in terms of the transparency piece, based on the far and wide rhetoric that's been circulating around this issue, there's been a lot of opinions, a lot of, I'll say, hearsay, some factual, some non-factual. It's been very hard, I think, to get to the source of the matter, hence this inquiry exists. But from our perspective, we think transparency can only improve future initiatives like what's occurred here with Rushy Lagoon. Transparency does go to the point of fixing perception, certainly some of the adverse perception around this project. But we're very supportive, as we've said in our submission, to ensure that transparency comes right through the process if it's all about improving that process.

Mr HYETT - Just to build on that, I think as part of those assessment processes, a formal notification of the state government could deliver some certainty that would create that transparency.

CHAIR - I noted in Mr Freeman's opening statement that there could be a role, potentially, for a state government to be consulted, which I thought was very interesting. It is already consulted at one level, through a very closed process through the federal FIRB act. There's a role, I believe, for some consultation, not with ministers but with an official in Treasury, I understand, may be the case. It's all confidential. Are you proposing a consultation with the state government around specifically decision-making around equity investments by CEFC, or the federal Agriculture minister's consideration of the Carbon Farming Initiative, which requires her to consider agricultural impacts and whether or not there's an adverse agricultural impact? And if it's not the ones that I've mentioned, in what decision-making process would you think that there could be a role for the state government to be consulted by the federal government?

Mr HYETT - Yes, I believe that when the minister for Agriculture assesses whether a proposed project may lead to an undesirable impact on agricultural production in the region, there should be a notification process with the state government so that there is that level of transparency. Coming up to the official sale, it was long rumoured in the media that this transaction was going on, but it would have been much more open for that discussion if there had have been a formal notification process.

CHAIR - I welcome your suggestion and will consider it, of course. Would you see, potentially, a role, because the local council, Dorset Council and the mayor, gave evidence to our inquiry as well. Without wishing to put words in his mouth, there was a proposal for an extra layer of approval at a local or state level. Which is not what you're proposing. I'm very clear about that. But you're proposing that the state be wound into the Agriculture minister's consideration. Would you see merit in a similar notification going, let's say, to the relevant local council? I'm not proposing that the council or the state government necessarily be an essential approval agency, but if you're proposing that the state be notified and given an opportunity to give input into the federal minister's determinations, would there be merit in something similar for the local council?

Mr HYETT - It's a fine balance. It's difficult to get investors to invest in trees because of the long timespan and creating extra uncertainty in the process during the initial stages might make it more difficult for us to get those investors, so we've got to try and balance the recommendations with a practical pathway to provide the trees for the sovereign capability we need. I think we need to give that some really careful consideration. I'm not sure that we want to add extra layers, which might create delays. There is a limited planting window and if you miss that planting window, you're looking for another 12 months delay. So, sometimes by putting that extra consultation process, you might make it unviable because the investor has to wait another year before they can get the trees in the ground, so we've got to try and balance those considerations.

CHAIR - Thank you. Just so we're clear, when you make that recommendation, including strengthening coordination between state and federal, is it so that the state could allow the federal Agriculture minister, whoever that is at the time, to be aware that it's the state's position that this change might lead to these adverse agricultural outcomes, for example, or even enhanced ones? I mean, is that the point or is it just purely notification?

Mr FREEMAN - I was going to say yes, absolutely, it's to make the minister aware state government aware, absolutely - sorry, make the state government aware of what would potentially change under -

Mr HYETT - States have primary land managers and they have the expertise and so, having that notification allows the minister to access that that those skills and expertise of the state government.

CHAIR - Would it then follow that the state minister or the state department - whatever the case may be - having been notified, would then have an opportunity to inform the federal government of any local information that would assist their decision?

Mr FREEMAN - In our view, yes, that would assist.

CHAIR - I'm just really trying not to put words in your mouth. So, it's not purely notification, it's a notification with the opportunity to make a representation of some kind?

Mr HYETT - Yes, noting that the minister's timeframe for assessing the projects is quite limited.

Dr BROAD - We're talking about notification, but we've also heard evidence that the department in Tasmania was asked for information in relation to the project, so wouldn't that wouldn't that actually be notification?

Mr FREEMAN - Could be; I wasn't aware the department was notified but yes, it could be.

CHAIR - I suppose that's probably FIRB process?

Dr BROAD - No, that was what minister Pearce was talking about. The department was asked for information about the property as part of the process. So, the federal department asked the Tasmanian department for information about the property, the department handed over information, saying this is the capability, it's class 5, 6 and 7, and then they went off and did their assessment. So, there was an exchange of information, I'm pretty sure we had evidence to that degree, but that's probably more an internal -

Mr FREEMAN - Sounds similar to what we're sort of proposing, but yeah. Anyway.

Dr BROAD - So, you're talking about how it's hard to get investors for trees. Obviously, you've got to have a long timeframe. As you've said, if you planted a tree this winter, it's not going to be available for 25 or 30 years. What impact has this whole debate about Rushy Lagoon had on the view of investing in Tasmania, in particular, plantations in Tasmania?

Mr FREEMAN - Look, feedback from the industry is that it certainly hasn't been helpful in terms of, we, through our, or through industry stakeholders, we are aware that, yes, certainly institutional investors are hesitant to look at similar projects of Rushy, in essence of what's occurred there. So, it certainly isn't helpful from our perspective in terms of that focus and putting a bit of uncertainty around those conditions in Tasmania.

Dr BROAD - Are you aware of any potential projects that may be impacted by this?

Mr FREEMAN - I'm not aware of any potential projects, no. Not specifically.

Mr HYETT - I'm aware of hearsay from a number of our members that have said they knew of projects that were being proposed that have just been shelved in the short-term because they have uncertainty, the extra uncertainty around this, and the concerns being raised are in the public arena, which makes forestry less attractive.

Dr BROAD - So, what sort of scale would those investments have been? Are they institutional investors you're talking about or are they sort of smaller projects? Give us the breadth, I suppose.

Mr HYETT - As you know, it depends on the scale of farming that's available. I think there is in the Support Plantation Establishment Grant program, there's been about 15-20 Tasmanian projects that are successful, most of those in the 50 to a couple of hundred hectare range, because there's not that many big properties that go up for sale. So, I think it would have impact across the board on the appetite for those types of projects.

Dr BROAD - Also the bit about the investors, are these institutional investors that are expressing concern?

Mr HYETT - Yes, institutional investors, that's right. Risk is a big issue for institutional investors and risk is often related to public scrutiny.

Mr Di FALCO - In relation to that, to mediate the risk, would it be helpful to develop some kind of mapping system where unfavourable conditions for putting in pine plantations or plantations would be - you know -

Mr HYETT - Yeah, I thank you for your question. I think the interesting thing is if you ask me whether a farmer or a forestry had a better handle on whether they were able to do a project than a government department, I know where I'd put my money - who I'd back - we heard the previous witness give evidence about the productivity of trees, worrying about the productivity of trees and at the same time decrying that was important farmland for productivity reasons. I've been a farm owner and farm manager for over 30 years and some pretty poor country in western New South Wales where deep ripping, tile drainage, there are lots of engineering ways that you can solve productivity and change the way that you do farming, so I would - I'm not sure that a government-led process to map that or put boundaries is that helpful.

CHAIR - I'd be surprised if any member of the committee would want the government to be deciding with that sort of granularity and I think sometimes it's possible that things may be misinterpreted. So, for example, when certain elements would be and evidence from witnesses, good people have come forward and suggested certain, if I use the word thresholds or caps, on plantation estates, it's always been in the context of a wholesale land conversion that's driven by access to ACCUs. I just want to make that point. So, the point that some of these witnesses are coming forward with and we're significantly inquiring into a Rushy Lagoon property sale, which nobody knew was going to actually have an equity investment by the Australian Government until July of this year, and I think it therefore is reasonable for people to be looking for ways that greater community confidence can be generated when they're

inevitably future decisions around new land transactions that are driven by access to Commonwealth dollars or ACCUs. Feel free to respond, but I have a different question.

Mr HYETT - Yes, from that perspective, you could draw a similar conclusion to the amount of Commonwealth investment in Tasmanian irrigation, but also very significant $200-300 million, I think, much more than that from memory, invested in. And I absolutely support that. I think that increasing those opportunities are right in the same way that the CER being an equity investor I think is a reasonable opportunity to buy property at market value.

CHAIR - It was the CEFC and I take your point.

Mr HYETT - Yeah, CEFC, sorry.

CHAIR - Would you mind sharing, I realise that you may be reluctant to name any of the projects that you refer to that have been put on hold, but what was the nature of any of the projects that you've been informed about from your members or other institutional investors? In what way have they put projects on pause or, I should more correctly say, what is the nature of a project that's been put on pause because of the community interest around this issue?

Mr HYETT - I understood there was interest in more plantation forestry, and I draw the distinction between plantation forestry, which we consider as a crop, because farmers can make a decision after 25 years to turn that back into something else, as opposed to revegetation, which is often a permanent change, especially under the changes to the EPBC rule where after 15 years it's considered permanent. So, there's a difference to me for taking land permanently out of production for ACCUs and to plantation forestry.

CHAIR - But specifically driven by ACCUs, access to carbon credits.

Mr HYETT - Well, not specifically. So, for plantation forestry, obviously has a dual purpose. For the ACCUs for carbon sequestration, and also for providing timber for housing and other products; as opposed to the revegetation, which is just purely for ACCUs.

CHAIR - Just so we're clear, I've asked you if you could describe the nature of the projects that have been put on pause.

Mr HYETT - Yes, but for plantation forestry for productive trees. Yes.

CHAIR -Okay.

Dr BROAD - Part of the issue, I suppose, in forestry is that you do have to wait a long time before getting any returns, so the ability to get ACCUs in the meantime, is that a good policy response? To try to get those investments?

Mr HYETT - It certainly helps with the risk because, as you say, it takes 25 years. So, getting some payments in those early periods really helps those investors and makes sure that the forestry project is given the investment that's needed.

Mr FREEMAN - That's also the attraction for farmers as well. It's a long-term risk, I suppose, but ultimately with, you know, 3-15-year sustainable returns, that obviously makes that proposition attractive in terms of a long-rotation crop.

Mr HYETT - And if I can just use the example of a farm in Victoria, Jigsaw Farms, which I think is about 30-35 per cent trees. They've proven that their production for the rest of their - the productivity for their cropping and their livestock has nearly doubled because of the trees - addition to trees to their program. So, there is, a really good synergy if done well together.

Mr FREEMAN - And I think to the Chair's point earlier, there are already a number of examples across Tasmania that are already existing, that are exactly the same - I say compositional, you know, a similar sort of design as what's happening at Rushy, just on a different scale - varying sizes. So, it's proven to be working already in that space, albeit, as we know, our plantation resource is shrinking somewhat so, yes.

CHAIR - Would you mind just articulating what's in your mind when you say that, Mr Freeman? Like, I can't think of another agricultural property. You may, and there may well be some, but I can't think of one right now, where there's effectively - not all, but most of a farming enterprise is going under trees.

Mr FREEMAN - I've been through some properties in the Southern Midlands that are around that 30 per cent mark, I suppose in terms of -

CHAIR - Okay. Of the whole title, or of the farming operation?

Mr FREEMAN -Of the whole farming operation.

CHAIR - Then I wouldn't be here to disagree with you, but that, to me, would be different to what's proposed at Rushy, where not the whole property, but most of the farming operation will go under trees.

Dr BROAD - So 9000 hectares out of 23,000 - that's about a third.

CHAIR - Most of which is not a farm at the moment and will not be a farm in the future. It's remnant vegetation which will be retained. This is not the forum to have that. I'm not trying to be -

Mr FREEMAN - I guess my point probably was that the composition of that scheme exists already in terms of agricultural settings in Tasmania, I guess. Obviously, the scale is different, but certainly the way that scheme exists.

Mr HYETT - But the other important consideration is you need to have some, you know - a significant forestry area to make to provide - the farmers benefit from having forestry, so that they can have forestry as part of their program, so that they're in proximity to mills and so that the economies of scale work for them as well. So, having that synergy between fully forested properties and farm forestry is important.

CHAIR - Just to close that out, I'd just like to be clear with you. You're our guest and I want to give you accurate information. Most of the Rushy Lagoon property, which is currently used for agricultural purposes, will be converted to plantation, not 30 per cent. Can I ask you to outline, when you have the guiding principle of the right tree in the right place at the right

scale, can you speak to the committee about what how you perceive the right scale? How should we interpret that for our purposes? What's intended by the phrase 'at the right scale'?

Mr FREEMAN - Well, I think it's using the current planning settings and land use settings to ensure that we've got the right tree in the right place at the right scale that gets the balance right in terms of food security, but also timber security. And, as I said in our opening statement, forestry and farming has coexisted for generations and successfully done so. I guess our message around that is not to get that tipped in the wrong direction so that we're seeing a distortion one way or the other, and that balance should be maintained through those systems that we think are there at the moment that serve purpose.

Dr BROAD - In your submission you talk about a 'plantation cap would be poor policy.' Can you just expand on that, please? You're saying that calls for plantation caps have emerged periodically in Tasmania and that you think it would represent poor policy?

Mr FREEMAN - We just see that as a stifling industry. We see it as also from an investment perspective, as we spoke about earlier, we would see that detrimental to institutional investment. As I said, capping the industry, capping economic output, so again, we also see that as undermining farming and landholders having the right to do what they need to do with their land ultimately.

Mr HYETT - Also, doesn't take account of topography. For example, if you've got flats and then you've got 80 per cent of your farm is really hilly and not really good for other types of agriculture, it makes sense to put it into trees, but having an artificial cap really limits the farmer's ability to do what's best for that place.

Dr BROAD - There has been some discussion in New Zealand that there's an apparent 20 per cent cap on plantations on a property. Have you heard anything about that and is the potential seen as a good thing, a bad thing or, indeed, is it working in practice? Do you have any information about what's happening in New Zealand?

Mr FREEMAN - My understanding of it is that it's on prime agricultural land; it refers to prime agricultural land. I think classification is 1-5 I think in New Zealand, but I stand corrected if that's not quite right, but certainly the difference there also is obviously it's linked to their ETS and there's no Commonwealth-state level there, it's integrated essentially. But no, no further comment on it from our perspective in that. But, again, we just think the mechanisms that are in place now manage it well and get that balance right. Anything that tips at the wrong way, we don't think is favourable for Tasmania more broadly.

Mr HYETT - And there's a different scale. If you consider we have 1.7 million hectares in Australia's landmass with 427 million hectares of farmland, compared to New Zealand who has more hectares of plantation than us, 2 million hectares. The scale is very different and I can see why the land competition is much more significant because trees make up a much greater proportion of their land.

Dr BROAD - Interesting.

CHAIR - I'd just like to ask you in relation to the Carbon Farming Initiative, which has rules attached to it for the federal Agriculture minister to put his or her due diligence to the simple question, does this application for ACCUs - would it lead to an adverse agricultural

outcome, yes or no? And then that minister or his or her delegate can inform the CER of whether or not that's the case. That's the safeguard that's often been referred to in the federal laws. How does your organisation see that working in practice, particularly with this recent example, where it's been quite contested as to whether or not that rule was faithfully applied? Senator Colbeck earlier, informed us that it's the guideline, that you should be looking at five years of productive history in making that assessment, and he has the view that that wasn't followed. Is this an area where there could be some better coordination between Commonwealth and Tasmanian agencies, as you've recommended in recommendation 6?

Mr HYETT - My understanding is that this rule was put in place, it was in a deal negotiated in, I think, 2016 and it was significant. It was designed around the sugar mills in Queensland because they were worried about having the number of acres to provide the critical supply to keep the mills open. And so, the assessment of those projects would be taken in light of, would this impact on all the remaining farms and not having the critical mass to keep the mill open? That was the reason behind this being developed. If you put it into that context, it helps to try and frame the thinking about why it was put in place. I think there won't be too many circumstances - as I say, when you look at the however many hectares I quoted earlier, only around 80 million hectares of that would be what I would call agricultural land that is cropping, not grazing country. If you take that out of the equation you can soon narrow down the scope of what you should include and what you shouldn't. So, there should be a reasonably simple process to work that out, I would imagine.

CHAIR - I personally haven't heard that historical explanation around sugar in Queensland. I haven't heard that before. I'm not disputing it, but I'm not aware of it. I'm certainly aware of tension between different constituencies where ACCUs are being used as a financial incentive or a vehicle that was leading to conversion to plantation, impact on jobs, impact on agricultural output in a district, region, community. This rule was then put in place in an attempt to address that, to have a safeguard around a significant economic drop. If that could be demonstrated, then the Agriculture minister would have a role. I'll leave it there from that line of questioning unless you had a further comment on it.

Mr HYETT - No, other than the -

CHAIR - I was leading you to recommendation 6 about that stronger coordination, though.

Mr HYETT - No, I guess I would make a comment about the - there's been some discussion about the 30 per cent rule for ACCUs and my understanding that the member for Maranoa, or the minister for Agriculture at the time, introduced that rule because of the large-scale conversion in regard to revegetation for some of those broad-scale agricultural areas in Queensland. So, for me again, I draw the distinction between taking land out of production permanently to taking land that is used for plantation, which can at any stage be reverted back to agriculture.

CHAIR - In brief form, perhaps a short answer, what would stronger coordination look like between the Commonwealth and the Tasmanian agencies when assessing major land transactions?

Mr HYETT - My understanding is that the minister's rule, there was the 30-day time period to make the assessments. That doesn't leave a lot of time for a significant consultation,

so they would need a reasonably good process in place to provide that information. But instead of just getting their information from ABARES, it would provide the opportunity, which it sounds like it's already happened, but a more formal process for getting that information from the state government, who are the primary land managers, to feed the minister with up-to-date information.

Mr FREEMAN - From our perspective, too, the transparency and the coordination piece go hand in hand for us. If there's a learning out of this whole thing, it's about how can we optimise transparency and coordination, and work together, I suppose, on these issues as they present. That's probably the key message that we're trying to put through our submission as well.

Dr BROAD - Do you have a view about the capability of Rushy Lagoon, its capacity to grow pine trees?

Mr FREEMAN - That depends who you ask, Dr Broad.

CHAIR - Yeah, we're asking you.

Mr HYETT - I guess I would say that the Clean Energy Regulator approved. Not only did it get plantation grants approved, but the grant is subject to approval of the Clean Energy Regulator for a method to provide ACCUs, but the Clean Energy Regulator then has a process to check and ensure that those growth rates and everything are done, and can adjust the level of ACCUs that it provides on the basis of information it receives over that growth period. There are checks and balances in place that make sure that only the number of ACCUs are delivered to replicate the actual growth.

Dr BROAD - Do you have any idea of that process from start to the finish? So, does the proponent have to get consultants or someone like that to prepare some sort of model or plan, or what information is in the submission, and then it's reviewed? Or do they just say, 'This is the area we're thinking about', and then the CEFC does that work? Or is information provided?

Mr HYETT - My understanding is there's a certain level of information that's provided, but the CEFC has a reasonably well-developed model to assess the land, the climate and to provide that approval process.

Dr BROAD - The information from the proponent then: is that around, 'This is the area we're thinking of, this is how many ACCUs we think'? Or is it the CEFC that does the how many ACCUs you can get? Like, is it an application for ACCUs or is it -

Mr HYETT - No, it's only an application to submit a project. The amount of ACCUs that are delivered will be in the next stage, once they go to the planting. That's my understanding. I'm not the expert. Once they get to that planting stage, then they will be looking at the actual ACCUs that they will get. I'm a little bit outside my area of expertise, as you can see.

Mr FREEMAN - And just to your question, was that also around opinion on what the property will yield in terms of the plantation as well?

Dr BROAD - Yes.

Mr FREEMAN - Again, you would expect the proponent would have had professional foresters do their planning and assessments and projections over that, as they should. Again, we don't pretend to be the experts in that either, but as you've alluded to in some of your messaging, Dr Broad, in terms of yield of a long-rotation crop, you get out of it what you put in, essentially. It's like any other crop. You manage it well and the inputs are right, then it should yield. And there's plenty of examples around Tasmania where pine grows in all various land and climate conditions. So, you would expect the experts would have done their due diligence over the top of that.

Dr BROAD - Could you describe, I suppose, some areas that you could classify as marginal that are actually successfully growing pine trees?

Mr FREEMAN - Well, there's pine plantations all over Tasmania. It's very hard to pinpoint one area. Seven Mile Beach was mentioned previously. It's a sand belt, it's windy. We could debate rate of growth and all that sort of thing but, ultimately, there's a very healthy pine plantation growing down at Seven Mile Beach. The same could be said for the west coast as well. So, you've really got to rely on your experts and your scientists and foresters to ensure they're doing their due diligence over it. You'd expect, with this size of investment, that would have occurred.

Dr BROAD - Mr Hyett, you talked about potential ground treatments to improve drainage, and so on. Were you talking just in general in agriculture or in forestry in general?

Mr HYETT - I was talking from my experience in agriculture, dealing with some pretty hard clay country and tile drainage to take out water saturation that was used in a lot of dairy areas in and around the country where I grew up; and deep ripping to provide that extra, and the way it can just transform the land.

Dr BROAD - In your submission you also talked about a balanced approach. So, you're not advocating for plantation expansion at any cost. Can you expand on that?

Mr FREEMAN - No, certainly, we don't advocate for plantation expansion at any cost. I think, through the messages that we've hopefully conveyed here today, the balance is all about using the settings that exist for us. They've proven the test of time, we believe, in terms of getting that balance right

across, particularly, the agricultural-forestry blend, if you like. From our perspective, we think it has to be sustainable. Forestry and farming have to coexist together well into the future for both food security and timber security. They go hand in hand. So, we don't want to see any policy settings that tip that one way or the other, and that's essentially the messaging that we've put forward.

Ms ROSOL - I was reading in one of the other submissions that someone said they expect that timber framing of houses will all be steel in a few years' time. Could you comment on that?

Mr HYETT - Generally, I think that detached housing - so, there's different types of housing. We've got multi-storey. So, when I talk about detached housing, I think that timber framing is about 80 per cent of the market. Generally, it's cheaper than steel. There are pros

and cons for both. We would certainly argue that there is the carbon benefits, the aesthetics, the ability, the ease of use for timber, especially for extensions, modifications, which is quite problematic with steel housing; that timber housing will have an ongoing and a very important, or very majority role in the sector. We're also working on expanding our use of timber into the multi, three- to five-storey apartments. If you go to the US, the majority of apartments in that range, and Canada, are timber structures, whereas in Australia it's less than 5 per cent. So, I think there's actually potential for us to increase at the expense of steel and concrete in that. I believe there will be a long and very important role for timber in the future and, as I say, expanding into the increased building.

We did a case study on a building in Melbourne called T3, in Wellington Street in Collingwood. It's a 15-storey building where they did six storeys of concrete and then nine storeys of timber structure. It cut the carbon emissions of the building materials by around 50 per cent. And once you get the builders that know how to use it, it is actually a faster build because every layer of concrete, you've got to leave it for a week or two to set; whereas if you put your timber floor in, the next day you can have your tradies in there, the electricians and plumbers, and it's much quieter. The builders tell us that it's a much more friendly workplace. And the scale of opportunity there - I think there's about 300-plus 15-storey-plus buildings a year. At the moment there's only about three or five out of those 300 that are timber-based. So, the potential for us to expand into that, using glue-laminated LVL, GLT, CLT, is really a great big opportunity.

Mr FREEMAN - Just to add to that, we certainly don't subscribe to that opinion of steel is going to take over lightweight framing or softwood. Steel and timber have always competed forever and a day as building materials. We're still what you'd classify in Australia as a stick and framing market, but it doesn't all go into framing either. There's a significant demand in Australia for landscape product, other building materials that pine or softwood goes into as well. So, we see that demand continuing. And we still have a roughly $2 to $4 billion trade deficit in Australia with imported timber. We see the softwood market, particularly, playing a key role in the future. But also Rushy as an example, with that sort of volume coming online in 25 to 30 years, may ultimately attract another mill into the state or even give Bell Bay the capacity to upsize in terms of production capacity, knowing that that's coming in 25 to 30 years.

Mr HYETT - If I just might add, one of the big issues that we've been talking to the federal government about is that steel is outcompeting us in our market largely because of $4 billion worth of subsidies from the government for the steel industry, which makes it very difficult for us to compete at the moment. We, again, are looking for a level playing field in that space.

Dr BROAD - You're talking of competition, though, on those bigger builds, not on stick frame housing?

Mr HYETT - No. I'm just saying that the government subsidises the steel industry, steel manufacturing in Australia for $4 billion, and they're being able to utilise that to outcompete us in our markets, whereas we don't get anything like that sort of support.

Dr BROAD - Just for the record, you ran off a number of acronyms. Can you just expand on what they are? So, glue-laminated beams, cross-laminated timber - can you put it on the record what they actually are.

Mr HYETT - Sorry. GLT, glue-laminated timber, cross-laminated timber and laminated veneer lumber.

Dr BROAD - And those are all manufactured in Australia? So now there's a CLT plant, isn't there?

Mr HYETT - Yes, there's now XLam at Wodonga, is I'm going to say a GLT and I've probably got this wrong. Then Timberlink has a CLT and GLT plant at Mount Gambier, and then we have Wesbeam, one of our members, has an LVL plant in Perth.

CHAIR - All right. Well, gentlemen, thank you very much for your appearance, and in particular, Mr Hyett. I think you've travelled from interstate to be with us today. I think I speak on behalf of us all: we appreciate you doing that.

Gentlemen, what you've both said to us today is protected by parliamentary privilege. Once you leave the table, you need to be aware that privilege does not attach to comments you may make to anyone, including the media, even if you're just repeating what you said to us. Do you understand?

WITNESSES - Yes.

CHAIR - Okay.

Dr BROAD - And the opportunity to add anything they had?

CHAIR - Sorry?

Dr BROAD - That was what you asked the others.

CHAIR - Did you have anything to add?

WITNESSES - No.

The witnesses withdrew.

The committee adjourned at 3.19 p.m.