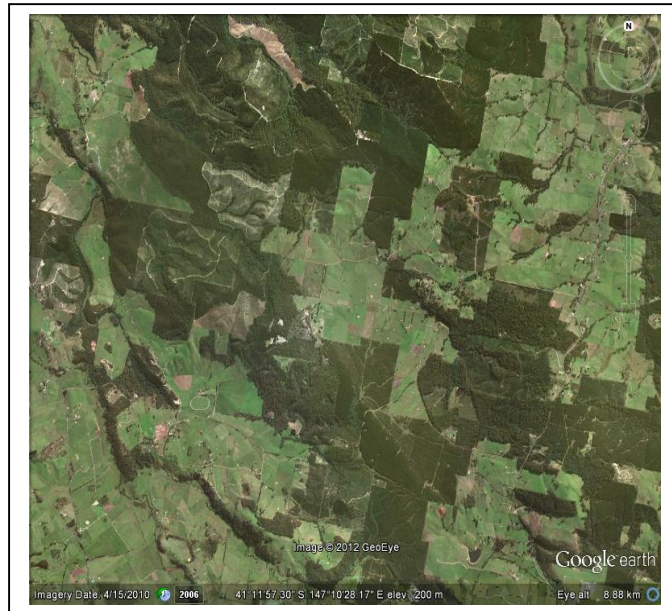


**Submission to the Senate Committee:  
Rural Affairs and Transport.**

**Examination of the Foreign Investment Review Board**



Plantation incursion on farmland at Karoola, Lilydale in close proximity to proposed Gunns' mill site. North east Tasmania  
Below. The Gunns' Longreach site and productive farms on the opposite shore of the Tamar River. Google Earth images.



**Gwenda Sheridan MPIA, M-ICOMOS.  
March 2012**

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## Executive Summary.

Food production is critical to our survival. Tasmania's rural land should be primarily used for food production. It should not for be used for inflexible rural land uses that lock land up for decades.

Production should concentrate on high value, low volume, price maker targets, not the reverse. Priority should be food over fibre production and high end value over lower end price taker value. Tasmania's niche farm products are particularly relevant here.

The national interest test for foreign investment should incur a much lower level cut off than \$50 million (present rate) and therefore examination by the FIRB. It appears that the level of examination has set the financial bar at a level from which Tasmania would be on the whole exempted from any examination. The acquisition rate of 15 per cent of a business or corporation whose Australian interests are valued above \$231 million has to be changed. For Tasmania, these figures, this rationale is a nonsense. This has to be recalibrated to better reflect what the Tasmanian situation is.

One farmer (John Maddock) noted, that the level for Tasmania should be between \$0.5 million and \$1 million because of the 'smaller size of holdings in the best farming areas, viz north west coast.'

It is noted that there is only a 30 day statutory period for examination, and that significant changes had occurred to what the situation was previously. These changes lowered the bar at which examination of foreign interest had to occur (i.e. by increasing the financial level at which the investment cuts in). These matters are not satisfactory and have to be changed.

What type of information is being supplied to the Executive of the FIRB prior to its making its decisions? There is a provision in the Australian Government's Foreign Investment Policy to examine issues such as competition and the impact on the community and the economy...<sup>1</sup> This should be done much more rigorously than is presently the case. It especially needs to be done for example when Gunns' proposed pulp mill comes up for review.

Tasmania is a special case. It needs to be treated separately as a part of the 'national interest' . Other parts of rural Australia may have the same problem. Smaller farms, lower sale prices, ageing farm owners. Farm amalgamation is not necessarily the answer. Industrialised corporatised 'managed' farming is not the answer.

Critically Tasmania has very little prime agricultural land (e.g. 70,000 ha approximately). It only has around 1.6million ha of agricultural / pastoral land in total. This land should be kept for food production.

In addition all Class capability land of 1-3 (prime agricultural soils) should 'not be available for overseas residents. That is if they want to buy in, they should be residents,' (Farmer, John Maddock). Preferably residents should be of some years standing. It is highly desirable that farms be owner occupied and not managed for large corporations. An owner occupier has on the whole a much greater 'investment' in the land to manage it into perpetuity.

In the past, Tasmania, given its geographical location in the world, its size, its climate and weather has generally had a climate that has favoured food production. It currently has many niche food products that are grown here.

However the climate is changing and it is imperative that the FIRB in considering what is in the 'national' interest become vitally aware and cognizant of the changing nature of the climate around the continent. What is an Australian "food bowl" now might not be one in the immediate future (i.e. 50 years). Water availability is a critical issue.

*Recommendation 1 of the Senate Committee Report: Agriculture and Related Industries. Food Production in Australia. Final Report. August 2010*

2.53. The committee recommends an audit be undertaken to establish the extent of foreign ownership of commercial agricultural and pastoral land and ownership of water in Australia with particular emphasis on ownership by sovereign and part-sovereign-owned companies

needs to be actioned urgently. This is particularly the case in Tasmania given its plantation base. With the knowledge that what happens upstream affects what happens downstream.

Given the farm as an asset, and the farm as having an income, scrutiny by the FIRB at a single property level would be unlikely in most cases to uncover the nature of changing rural land ownership and joint ventures in Tasmania. Yet, given carbon pricing as of July 1, there is the significant likelihood of all manner of changing and convoluted ownership, lease or "rights" arrangements that accrue to land, particularly farming and rural land. For example and quite simply, there might the farmer who owns the title of the land, the corporate company that grows trees and leases the land, the overseas national interest that has the carbon "rights" to the trees on the land and so on. Such convoluted arrangements need particular scrutiny.

Tasmania has already experienced the experiment produced by the Managed Investment Schemes, the 2020 Vision, and mono-cultural tree plantations for short rotation woodchips (1997-2012). Companies have either gone into receivership or are on their knees; the world markets don't want Tasmanian woodchips. It was a most inadvisable path to take to convert food production land into fibre production. Some of this occurred on prime agricultural land. Class 4 capability land has been converted in many instances; this should be maintained in food production.

## 1.0 Introduction.

This is a Tasmanian specific submission. It deals with the two sections of the Terms of Reference (below). (The full Terms of Reference are found in Appendix 1).

*An examination of the Foreign Investment Review Board (FIRB) national interest test (the test), including:*

*(iv) the global food task and Australia's food security in the context of sovereignty;*

*(vii) any other related matters;*

The submission deals specifically with Tasmania's rural sector, so agricultural and pastoral lands. Since 1995 there have been significant changes in rural land use to mono cultural plantation use. Much of this change must be seen to have been directed towards the Gunns' pulp mill at Longreach, a proposed development in the pipe line since 2003; still not a settled issue. The Tasmanian community has been (and is) enormously divided over this, was never given its chance to have a say, with many facets (that should have been investigated) having been ignored. However there are other potential constraints and planning matters which should be investigated in respect of the national interest test with potential foreign investment in Tasmania. Thus a small section on peri-urban land use change has also been included.

Significant issues are dot-pointed (below), all considered to be linked to a national interest test, and therefore to the Foreign Acquisitions and Takeovers Act 1975 [FATA] therefore to FIRB decision making as to who comes under its scrutiny. It would appear that a great many variables, not considered under current regulatory law ought to be considered when decisions are made.

### **1.1. The Senate Committee Report: Agriculture and Related Industries. Food Production in Australia. Final Report. August 2010 [Senate Committee 2010, *FPIA Report*]**

The submission refers to this Report. The present Senate Committee is directed to that report. There were 162 submissions and numerous hearings to that committee.

The, Senate Committee 2010, *FPIA Report* noted four principal factors connected to food production, the productive use of fertile agricultural land. These were,

- Competing uses for agricultural land
- Planning measures to maintain agricultural production
- Cost of agricultural land relative to rates of return from agricultural investment
- Changing agricultural land ownership arrangements
- Foreign ownership

These can be linked points raised throughout this submission. Further information is available in various appendices (See Appendices 1-5).

It is to be noted that the first recommendation of the Senate Committee, *FPIA Report*<sup>2</sup> was

#### Recommendation 1

2.53. The committee recommends an audit be undertaken to establish the extent of foreign ownership of commercial agricultural and pastoral land and ownership of water in Australia with particular emphasis on ownership by sovereign and part-sovereign-owned companies.

A further recommendation of Senate Committee, FPIA Report was also very cogent.

#### Recommendation 4.

The committee recommends that the Senate re-establish the Select Committee on Agriculture and Related Industries in the new parliament to further examine issues relating to food production, including the implications of any proposed emissions trading scheme for affordable, sustainable food production and viable farmers.

## 1.2 Foreign ownership and the FIRB

The Senate Committee 2010, *FPIA Report* noted at 2.48,

The Foreign Investment Review board (FIRB) informed the committee that investment in agricultural land by foreign investors is generally exempt for the requirement to notify the government in accordance with the *Foreign Acquisitions and Takeovers Act 1975*. Only if the acquisition exceeds 15 per cent of a business or corporation whose Australian interests are valued above \$231 million or where the investment is made by a foreign government or their agency is it subject to scrutiny from the Australian Government to establish whether any national interest concerns are raised.

For Tasmania, this national interest level is not nearly rigorous nor comprehensive enough. What type of information is being supplied to the Executive of the FIRB prior to its making its decisions? From the *FIRB Annual Report of 2009-2010* it appears that the level of examination has set the financial bar at a level from which Tasmania would be on the whole exempted from any examination. It is noted that there is only a 30 day statutory period for examination, and that significant changes had occurred to what the situation was previously. These changes lowered the bar at which examination of foreign interest had to occur (i.e. by increasing the financial level at which the investment cut in). For example,

- abolishing the requirement that private investors notify the Government when establishing a new business in Australia valued above \$10 million.
- The threshold changes took effect from 22 September 2009. From 1 January 2011, the monetary threshold is \$231 million for all investors excluding US investors...
- That “the Foreign Acquisitions and Takeovers Act 1975 [FATA] empowers the Treasurer to prohibit an acquisition if he is satisfied it would be contrary to the national interest.” But that, however, “the general presumption is that foreign investment proposals will serve the national interest.” [2009-10\_FIRB\_AR.]
- That there is a provision in the Australian Government’s Foreign Investment Policy to examine issue such as competition, the impact on the community and the economy...<sup>3</sup>

But how often does the FIRB invoke such rigorous examination, especially the impact on the community?

The \$231 million activation point for review by the FIRB is a nonsense figure for Tasmania.

The FIRB Annual Report for 2009-2010,<sup>4</sup> is available online and further clauses from it are listed in Appendix 6. The Annual Report for 2010-2011 is urgently needed for this Senate Committee inquiry.

There was for example a 23% increase in the value of proposed investment in 2009-10 compared with 2008-2009.<sup>5</sup> Have we had the same level of increase in the period 2010-2011?

The \$231 million is far too high a level, and might be relevant for mining ventures but is not at all relevant to agriculture or to farms in Tasmania. Here one primary overseas interest is likely to be in real estate of rural lands. The practice of being able to buy these up incrementally is a loophole that should be closed. Buying in, property by property, land title by land title, fulfils the premise of death by a thousand cuts. As well there can be an associated domino effect, whereby, the best and most valuable property in an area is the one that is bought up first.. or quickly. However the “national interest” of an industrialised development like the Tasmanian proposed pulp mill, also will not presumably evaluate the feedstock for the mill, or the lands upon which that feedstock occurs.

There is the added complication of simply leasing lands. This too needs rigorous investigation.

The disconnection or failure to join “dots” all of which impact on the foreign investment is a core issue.

A Senate Committee 2010, *FPIA Report* noted at 2.49,

The committee notes that incremental purchases exceeding the threshold amount in aggregate are not required to be disclosed. The committee also notes that in some countries the distinction between foreign governments and companies is not necessarily straightforward.

Given the farm as an asset, and the farm as having an income, therefore the scrutiny by the FIRB at a single property level would be unlikely to be invoked in most cases of changing rural land ownership in Tasmania. Yet, given carbon pricing as of July 1, there is the significant likelihood of all manner of changing and convoluted ownership, lease or rights arrangements that accrue to land, particularly farming land. For example and quite simply, there might the farmer who owns the title of the land, the corporate company that grows trees and leases the land, the overseas national interest that has the carbon “rights” to the trees and so on.

Given that in Tasmania we are yet to see a response to biofuels, plantation wood waste (and other potential carbon initiatives) in how rural land is used, the “national interest” and what is implied by it, becomes a most serious issue (see Appendix 5).

It was noted that Australian farmers (and interest groups) have in the last while called for more transparency and increased scrutiny by the FIRB of investment in the agricultural

sector. This particularly applied to sovereign wealth funds and foreign state-owned entities.<sup>6</sup>

## **2.0 Tasmania's situation in brief**

### **2.1 Food production**

- Food production is critical to our survival. Tasmania's rural land should be primarily used for food production. It should not be used for inflexible rural land uses that lock land up for decades. We've already had that experiment. Regional evaluation and land use change should be a critical priority at state and national level. We do not want to become a net food importer in the future in Tasmania because our productive farm land has been sold off, property, by property, title by title to overseas interests.
- Where rural land is concerned the national interest test for foreign investment should incur a much lower level cut off than \$50 million (present rate) and therefore examination by the FIRB. The potential for overseas interests buying into Tasmania's rural lands or peri-urban areas under the current national interest test – is therefore central to this submission.

### **2.2 Climate change**

- It's of little use hiding heads under a bushel and pretending climate change isn't going to happen or might take a long time before different measures have to be instituted. What is an Australian "food bowl" now might not be one in the immediate future (i.e. 50 years).
- Potential climate change has to be factored in to the national interest and what that means for changing agriculture.
- Due to Tasmania's size, mountainous and hilly topography, its being in the world westerly belt, its climate, wind direction, and other such factors determine where rain falls, the amounts and when this occurs. There is considerable variation, but on the whole the climate is favourable to food production. Will these patterns continue into the future?

### **2.3 Tasmanian island size.**

- Tasmania should be a special case if compared with the Mainland due to its limited areal size overall.
- Tasmania has little rural land available for agricultural and pastoral production when compared with other Australian states. Its topography and water availability has governed this. The national interest test for Tasmania should be invoked at much lower levels than is currently the case.

### **2.4 Tasmanian farms**

- Compared with the Mainland, Tasmanian farms are smaller in size, have sale prices well below the Mainland, have farm owners who are ageing.
- Acquisition can occur title by title. It's death by a thousand cuts, farm by farm, property by property. There is no wider more rigorous assessment of what land is being lost in the national interest. The domino effect is a part of this change over in farm ownership.



- Soil capabilities,
- Rural land conflicts and traditional farm production
- Ownership. Tasmanian farms have traditionally been owned and owner occupied sometimes across a hundred years or more. Much of the present change is one to corporatised ownership. For example, Tasman Farms (City of New Plymouth, New Zealand, a large shareholder) bought the Van Diemens Land Company in the N.W. are now expanding dairying and clearing large areas of land.
- The MIS /2020 Vision, an excellent example of corporate change in land use from 1995 -2012 with plantations. Significant areas of rural lands were corporatised.
- Farm patterns, heritage landscape patterns, implication for Tasmania's tourism industry

## **2.5 Tasmanian law, policy.**

- There is no Department of Agriculture in Tasmania. The Department of Primary Industry, Parks, Water and the Environment replaced the Dept of Agriculture. But it is multi-faceted and there has been a downgrading of research and extension where agriculture is concerned. The Tasmanian Institute of Agricultural Research (a joint role between UTAS and the state government) does not deal with the issues raised in this submission.
- It would appear no organisation, no government entity is overseeing and monitoring the change or rate of change which is occurring across rural Tasmania. There needs to be "flexibility" in rural use of land according to world changing markets. The Tasmanian Farmers and Graziers organisation appears to favour overseas investment.
- There is no Department of Planning in Tasmania.
- This is intimately linked to Tasmania's less-than rigorous planning laws and policy, the forest industry's self regulatory laws and practices, and to less-than rigorous heritage legislation or policy.

## **2.6 Foreign community establishment**

- Particularly pertinent to Tasmania and the FIRB decisions is Paranville on Hobart's eastern shore, and the proposed pulp mill of Gunns at Longreach (8 years now in the pipeline).

## **3.0. The Tasmanian rural land base**

Tasmania is quite a small island, 6.8 million hectares approximately. A significant part of the western part of the island is very mountainous but the topography elsewhere generally is hilly. Much of the western area of Tasmania has been proclaimed as having World Heritage Area status.

Tasmania therefore has a finite number of hectares that are available for agriculturally based production. Limits of cultivation are set by Tasmania's topography – said to be the most mountainous island in the world – and what follows on from that.

The flatter, lowland areas of Tasmania occur along river valleys, and are located in the north and north west of the state. These lands contain prime agricultural soils

(Class capability 1-3). There are no vast areas of flat to undulating land to compare in size to similar agricultural or pastoral use lands in New South Wales and southern Queensland for example. Of the 6.8 million hectares, there is a disparity in findings between two reports for hectares available for agricultural and pastoral activities in Tasmania. That of the Senate Select Committee,<sup>7</sup> *Plantations 2004* (gives a figure of 1.6 million ha.) and Davey and Maynard (2003) 1.9 million hectares.

Australia had a Senate Select Committee examine land use policy in 1984; this called the *Standing Committee on Science, Technology and the Environment: Land Use policy*. Then, the government had the opportunity to carefully examine land use in Australia and formulate appropriate policy to deal with land conflict and competing land uses. It failed to do so. Canada it should be noted by the late 1950s had commenced to develop what came to be called the *Canada Land Inventory*. It was an assessment quite sophisticated (for its time) and gave classifications for land uses, (and potential areas of conflicts).

Australia with some of the most fragile ecosystems and ancient soils in the world didn't bother with any such assessment. There have been salutary warnings and considered thoughts in the recent past – like the canary in the coal mine – all apparently brushed aside in this country as of little consequence. Texts such as Jared Diamond (*Collapse*),<sup>8</sup> Ronald Wright (*A Short History of Progress*),<sup>9</sup> James Lovelock (*The Revenge of Gaia*),<sup>10</sup> Walker and Salt (*Resilience Thinking*),<sup>11</sup> David Lindenmayer (*On Borrowed Time*),<sup>12</sup> just to name a few in my opinion need to be read by all politicians of whatever persuasion. Some of these authors have specific chapters on Australia or are wholly concerned with Australia.

Now the world has moved on from the Canada Land Inventory and is continuing to move on; there are massive challenges, foreign ownership, projected shortage of a world food supply in the future, climate change to name just a few, along with competing land use conflicts including mining and coal seam gas delivery.

### **3.1 Farm facts**

It appears to be 2003 since Tasmania updated its statistical information and an agency or consultant group collated relevant information, needed for a submission such as this one. What is required urgently are statistics that relate to the first decade of the twenty first century.

There appears to be no recent statistical update of critical elements of farm change at the state level in Tasmania. Reports cited here relate to information that was published, is online, up to 2007. Changes that have been assessed, are from the 1980s, and 1990s.

The greatest degree of land use change and land use conflict has been in Tasmania's north and north west and has been associated with plantation development as a result of the MIS and the 2020 Vision and Gunns' announcement to build a very large pulp mill at Longreach, (see 6.0 Plantations)

### **3.2. Loss of farms.**

Davey and Maynard in 2003 for example found example that the number of farms had declined by almost 20% since 1986; significantly that 75% of total agricultural establishments were found in the northern and north western NRM areas<sup>13</sup> (so relatively close to mill sites or industrial forestry processing).

Simon Bevilacqua<sup>14</sup> in a disturbing article of 2005 also noted farm disappearance.

Almost 800 Tasmanian farms have disappeared in the past decade. The number of farms has fallen by a whopping 17% in that 10 years, that's almost one in five Tasmanian farms shutting up shop. The latest Australian Bureau of Statistics figures suggest that Tasmania's image as a paradise of rural life where local produce comes fresh from the family farm may be losing currency. .... The decline in Tasmania is substantially worse than interstate...

Material released online by the Department of Infrastructure, Energy and Resources,<sup>15</sup> [DIER] queried the degree of farm change suggesting that the loss might be explained by the accounting procedures that were used in 1986 for Estimated Value of Agricultural Operations as against those used in 2001. Their report noted the trend towards larger farm sizes, and output. Even so, comparisons of value with Mainland farm income is palpable. In 2001, 'there were slightly less than 1,000 establishments with an Estimated Value of Agricultural Operations of \$200,000 or more.'<sup>16</sup>

Their figure does not tally with recent material released by ABARES. Tasmanian farms were shown in 2009-2010 to be in the income cash bracket of \$50,000-\$100,000,<sup>17</sup> (see below).

### **3.3 Farm production type**

DIER gave a figure of 75-80% of total farm area in Tasmania as being given over to broad acre farming; this included sheep and beef farming and cereal cropping.<sup>18</sup>

### **3.4 Farm location**

The Mersey-Lyell Region was noted to have Tasmania's largest number of agricultural establishments, (farm) with 37.9% of the state's 4,286 farms in 2000-01. This was followed by the Northern Region, with 35.8% of all farms, and the Greater Hobart-Southern Region, with 26.3%.

The Northern Region had Tasmania's largest area of holding, (farm size) in 2000-01, with 840,809 hectares or 44.1% of the state's total of 1,906,759 hectares.<sup>19</sup> The Greater Hobart-Southern Region had 742,247 hectares, 38.9% of Tasmania's total, and the Mersey-Lyell Region had 323,703 hectares, 17.0% of the total.

The Greater Hobart-Southern Region had the largest average farm size, in 2001, with 659.2 hectares. This was followed by the Northern Region, with an average farm size of 548.1 hectares and the Mersey-Lyell Region with 199.1 hectares. The Tasmanian average farm size was 444.9 hectares in 2001.<sup>20</sup>

### **3.5 Age of Tasmanian farmers**

The Tasmanian Institute of Agricultural Research in Senate committee *2010 FPIA Report*, noted,<sup>21</sup>

The age of farmers is rising to the point where in other industries most would be retired. The entry of newcomers is restricted by costs of entry due to the need for large scale

farms to be efficient in the existing systems and to the small proportion of the total food value that returns to growers.

### **3.6 Cash farm income**

The cash farm income for example of Tasmanian farms can be compared with the Mainland on map plan 1 in a 2011 ABARES<sup>22</sup> report (p. 108). This indicated that Tasmanian farms were in the bracket of income \$50,000 - \$100,000, (farm cash income, broad-acre and dairy farms). The map, showed that compared to the average ten years to 2009-2010, Tasmanian farms had not shifted into a higher cash farm income bracket by 2010-2011. They were expected to reach \$80,000 by 2010-2011.<sup>23</sup> By comparison a significant proportion of Mainland farms had a cash income greater than \$100,000.

### **3.7 Soil and land capabilities.**

#### **3.7.1 Prime agricultural land**

Tasmania has very little land with a soil capability of Classes 1-3. Davey and Maynard<sup>24</sup> in 2003 committed itself to 'in general there is a relatively small amount of prime agricultural land in Tasmania,'<sup>25</sup> whilst (at a later stage buried in a table), noting that Class 1-3 land amounted to 4.4% of the state's 1.9 million "agricultural" hectares. The bulk of this small amount was in the north western region of Tasmania. These classes are in areas underlain by basalt, and occur along river flats and terraces. However no map can be sourced in Tasmania to show these lands. Why not? The areal extent of land therefore only partially protected under a state policy on Prime Agricultural Land (PAL) in emerging new Interim planning schemes across Tasmania could be as little as 70,000 ha. given the Senate Select Committee's 2004 Report on Australian Plantations. It is hardly surprising that the largest proportion of community dissent is also found in the north and north west where competing land uses from traditional farms to plantations are changing old patterns of farming and at the same time changing its landscape. The Davey and Maynard assessment done in 2003 is now nearly ten years old. I'm not aware that there has been another similar assessment in the intervening time.

#### **3.7.2 Class capability 3/ 4, 4, and 5.**

What is up for grabs, and won't be assessed in my opinion when foreign interest increased in Tasmania are the vast sizeable rump of Tasmanian farms that are composed of Class capability 3/4-4-5 soils.

The water availability, water retention and underlying geology are critical aspects to the soil profile and its ability to hold water. Two forestry scientists in 2001, D. Mummery and M. Battaglia<sup>26</sup> were already aware of the water question when they modelled Tasmania's tree growth and soil variations in soil depth, nutrient status, and drainage.' A plantation suitability map was created. Large areas of the north west, north, east, and north east of the state were seen as having their second category, (i.e. moderately suitable, low variability). There were very few areas identified in the model which fitted the first category - highly suitable, (see Appendix 2) .

This pattern of farm location, this connectedness to soil capability has an historical basis in that many of the early grants extended from a river frontage, across hilly land to the ridge-top. Later in the nineteenth century other grant patterns were put in place. A farm can therefore have different types of soil capabilities but only a section of its land will in any way

be protected by Tasmania's PAL policy or in a subsequent planning scheme. Many old title farms in Tasmania remain in the landscape. The area of soil capabilities 3/4-5 is where the conflict and competition for farmland, is likely to be strongest and most destructive. (See Appendix 2). There is evidence that this is already happening.

This change has occurred in large measure since the implementation of the Regional Forest Agreement for Tasmania, particularly from 1997 with the introduction of mono-cultural plantations for short term rotations. By 2008 the inflated effect that was taking place in land prices had translated into land valuation<sup>27</sup> and sale value changes were emerging for particular classes of land, notably Class 4. This has a direct connection to the 'death by a thousand cuts' scenario.

Statistical data indicates that there has been a dramatic increase in the [tree] plantings of class 4 land, with some 8,446 hectares of Class 4 land planted with plantation [2006]. In 2005 this figure was 2,703 hectares and in 2004 the figure was 1,263 hectares [Private Property Plantations in the Landscape in Tasmania as at 31 December 2006].

The continual development of plantation has seen the value of Class 4 land increase from a rate per hectare in the vicinity of \$1,200 p /ha. in 2002 to values in the vicinity of \$3,500 p /ha in 2008.

It is not a level playing field further explained under plantation development in Tasmania, (See 6.0). Soil capability and water holding capacity are vital ingredients to farm sale. This apparently is already a given.

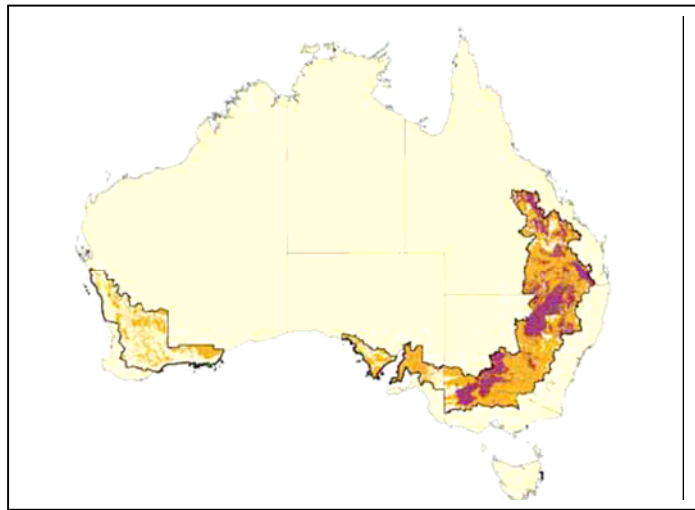
In respect of valuation change<sup>28</sup> the water component is now an aspect of the valuation given.

Value of water will be dependent upon its security and supply. Whilst water rights may be in place, the security and the full allocation of these water rights is becoming an important consideration.

John Maddock, farmer, noted to me that,

'water and its value is a huge potential problem with non-producing investors buying water rights already. Theoretically market forces will decide the best use for the water according to what farmers can pay, but is the market truly unbiased? The plantation schemes suggest that no market is truly free and therefore able to accurately apportion resources.'

The map plan below for all of Australia is from ABARES.<sup>29</sup> *Australian Commodities*. March quarter 2011 is revealing despite the small scale.



The pale yellow soil type shown for all of Tasmania was called a sandy loam. In Tasmania the capacity of a soil to hold water will be in the future a critical aspect of cropping and whatever other agricultural land use comes to the fore which requires water, (See ....).

The farmer (John Maddock) noted that 'assuming carbon taxes or carbon trading comes into play, then naturally fertile soil all over the world will become more valuable and sought after, because it will require fewer inputs in the form of fertilizers and diesel fuel. Artificial nitrogenous fertilizers are all made from fossil energy. At some stage in Australia we will hit peak availability of both phosphorus and potassium; fertile soils will become even more valuable and sought after'.

#### **4.0 Climate change**

The degree of change, rate of change, intensity of change is likely to drive what other countries do in respect of their food production security. The world's climate will continue to be influenced by the occurrences of La Nina and El Nino weather patterns. The frequency of these, their strength, their length of duration will be critical factors in determining food production.

Tasmania, thought to be well watered, year round, has a salutary lesson for all, one not widely known.

Depending on the severity of El Nino, an enormous area of Tasmania can be affected, which includes all of its food production areas. Even when the rest of Australia is suffering from the effects of a La Nina, the situation in Tasmania can be almost reversed, especially in the south east.

The National Climate Centre on 3 October 2008 issued a statement on drought. It was for a 16 month period from June 2007 to September 2008. Rainfall deficiencies were seen for northern and eastern Tasmania.

The largest area of lowest on record rainfall for the period [was] in eastern Tasmania, north of Hobart, with only a couple of small isolated record dry areas

elsewhere. The anomalies are remarkable given that they partly coincide with a La Niña event. La Niña events are usually associated with above average rainfall rather than widespread rainfall deficiencies.

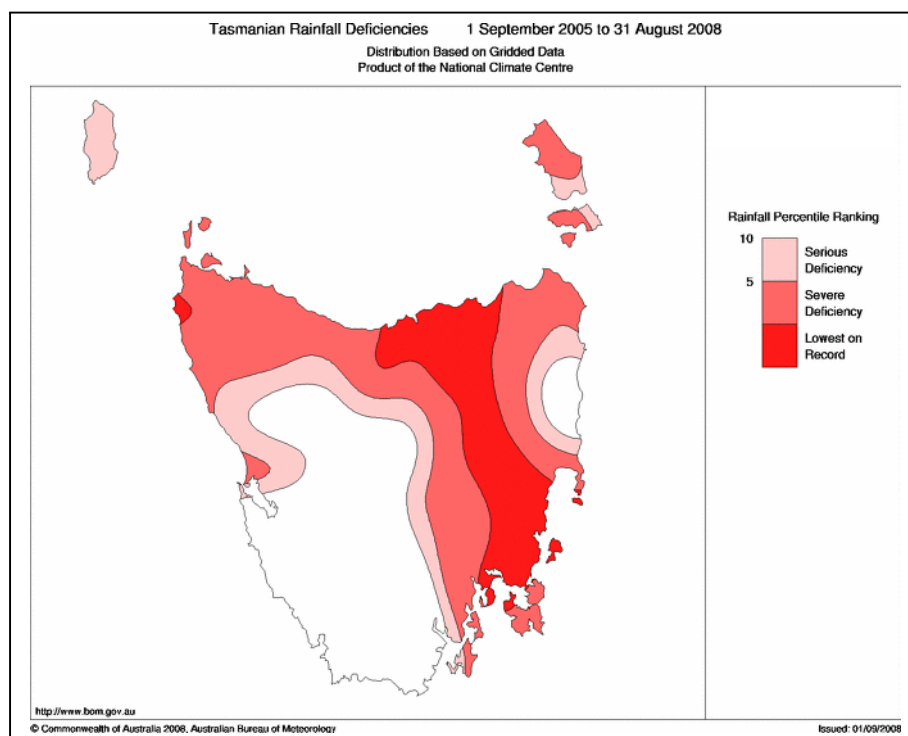
The report continued.

The deficiencies discussed above have occurred against a backdrop of decade-long rainfall deficits and record high temperatures that have severely stressed water supplies in the east and southwest of the country. The combination of record heat and widespread drought during the past five to ten years over large parts of southern and eastern Australia is without historical precedent and is, at least partly, a result of climate change.

Figure 1 (below - Bureau of Meteorology, Australia) graphically portrays those parts of Tasmania which were at the time most affected. It covered the major food producing agricultural regions of the state. Is it a portent of things to come or is it a glitch in an otherwise cyclical flow of climate pattern movement? We simply don't know. Hence the risk and the uncertainty. The National Climate Centre opts that such patterns are 'at least partly a result of climate change.'

Tasmania's prime agricultural land lies within the confines of the red line boundaries drawn on the map. What happens in the future will surely depend on the El Nino/La Nina balance and how that plays out in Tasmania in particular.

**Figure 1.** Map of 36 monthly rainfall deficiencies for Tasmania.



## 5.0 Legislation and Policy

Tasmania is not well serviced by rigorous planning law or state planning and agricultural policy to safeguard the family farm, or in fact prevent widespread foreign ownership of farm takeovers. The LUPA 1993 Act in 2009 was substantially altered to allow fundamental

changes to Tasmanian planning legislation not seen since the 1940s. These changes are now underway so currently Tasmanian planning is in a state of flux (See Appendix 4).

The 2009 planning changes, *Land Use Planning and Approvals Amendment (State and Regional strategies) Act 2009* in its Section 30 clauses signalled that there would be profound future changes in planning scheme formulation, application.

There is now a model template, based on particular zones for Tasmania. Basically this signifies a one-model approach to which all planning schemes in the state have to comply. There will be three regional planning schemes morphing off the one model, and initially Interim local government schemes will follow from the regional schemes and the one model. My view is that the Template is primarily economically orientated towards making 'development' easier. Its focus is very "utility" oriented. All land is to have a "use." All of it is a "resource." If all land is a "resource" it can't be easily conserved or protected. In respect of Agriculture, there is one Rural Resource zone allowed and one Significant Agricultural zone.

In the twentieth century there had been a slow evolution in Tasmania in respect of its rural land base and changed land use, with a concomitant slow micro or macro landscape change, (and implications which followed from this) but twenty first century planning changes in my view have been profound. They haven't travelled the path to a more rigorous, application, but possibly gone in the reverse direction. We have yet to see the results.

The Prime Agricultural Land Policy (PAL) of 2009 did not grapple with urgent planning problems in rural areas of Tasmania. Farms are disappearing, traditional farm ownership, farm patterns and practices are all changing. There is a changing nature of farm ownership from a traditional owner-occupied, often long-held-pattern-across generations to one of corporate ownership. The changing patterns can be seen in the changing "land use" of the farm.

The planning Template in its definitions has simply added to the confusion created by PAL. The definition of Agriculture will be in every Interim Planning Scheme as it is formulated across Tasmania. Under the Template definition of terms for Agriculture, tree plantations are allowable.

In my view, there should have been no bastardised definition of plantations as being a "crop" or as belonging to the broad scale land use class called "agriculture." It is ridiculous for the industry to suggest otherwise. Plantations were around in Roman times, and across centuries they have always remained as a part of forest practices.

Are we indeed to see "intensive tree farming" as a permitted use in the Significant Agriculture Zone? This would make a mockery out of land use definitions and "use" of the Significant Agriculture Zone intent.

Too often reports concentrate on prime agricultural land. It is the *farm mix of soil and land capability which is at issue*. For further information see Appendices 2, 3 and 4.

## **6.0 The plantation experiment: MIS and the 2020 Vision**

Corporate enterprises at state and federal levels have been given enormous advantages over the food producing farmer or food producing enterprise. This occurred through the



2020 Vision and the Managed Investment Schemes which went into top gear, post Regional Forest Agreement in Tasmania in November 1997.

Tasmania has a self regulated forestry industry. That is now – in 2012 – on its knees. It went down the path of high volume, low value woodchip production as a result of the 2020 Vision and the now failed Managed Investment Scheme experiment. The Senate's Rural and Regional Affairs and Transport References Committee. *Australia Forest Plantations. A Review of Plantations for Australia, The 2020 Vision*, September 2004, considered the case of Tasmania so different to the rest of Australia that its Chapter 8 was solely devoted to Tasmania and its plantations and to the issues raised by submitters. The Committee visited Tasmania on a number of occasions. At 8.51 of its report, the Committee noted that,

Tasmania's total plantation estate while not the largest in Australia, covers comparatively more land than in any other state.<sup>30</sup>

If ever there was a lesson as to what not to do in respect of sustainable land management, of land use conflict, of sudden and dramatic change to land use, from food to fibre productive use, of community concern where decisions were made top-down and without equity, just look to the Tasmanian example of mono-cultural short rotation hardwood plantations. The Senate Committee are directed to the Tasmanian chapter of *Review of Plantations for Australia. 2004*.

Tasmania developed what are called Private Timber Reserves. No other Australian state has this self regulated mechanism. The Senate Select Committee 2004, Plantations, commented on these.

At 8.36. Under the forest Practices Act 1985 landowners can apply to the Forest Practices Board to have all or part of their land declared a Private Timber Reserve. Land declared a Private Timber Reserve is only to be used for the establishment , growing or harvesting of timber and other such activities considered by the Forest Practices Board to be compatible. The type of forestry (native forest or plantations) they engage in on a Private Timber Reserve is up to landowners themselves.<sup>31</sup>

A covenant placed is on the title into perpetuity, so in effect the PTR transfers land use rights across generations. It is quite difficult for a subsequent owner to remove the covenant from the title held. The forest industry was responsible for Forest Practices Plans, and Tasmania's planning system was only rarely involved when a PTR appeared as a development application at local government level.

There are somewhere in the vicinity of 500,000 hectares of land which have designated PTR status attached to titles in Tasmania. In the 1.9 million hectares cited in the Davey and Maynard. *Rural Land Use Trends Report* of 2003, (or the 1.6 million ha. by the Senate Committee?) as 'agricultural enterprises', where do the 500,000 ha. of PTR's sit? Is it mostly in private forest or where? If statistics are being kept who is the gatekeeper of them? If patterns of change are being mapped, who is the gatekeeper of the mapped patterns?

The Department of Agriculture, Forestry and Fisheries in 2010 published information on Australia's plantations. Tasmania's total was 309,190 ha. of which 231,992 ha. was in hardwood plantation. In respect of hardwood plantation, Tasmania with its very small land base came second to Western Australia, (311,823 ha.) ahead of Victoria (202,703 ha.) and

New South Wales (92,541 ha).<sup>32</sup> Clearly under the MIS, 2020 experiment, Tasmania was seen by the market as a suitable place in which to invest and plant trees.

This should not be allowed to happen again in the future, particularly with overseas investors, seeking carbon rights accreditation.

Whole villages such as Preolenna disappeared under a tide of plantations, some of this changed land use established on prime agricultural soils.



The plantations above are at Lebrina in Tasmania's north east. Mount Arthur on RHS.



Lebrina showing plantation incursions onto farmland some of which had prime agricultural soil capability.



Preolenna in north west Tasmania  
The faint writing in the far top RH corner says Preolenna, Tas. Australia

The Senate Committee 2010, *FPIA Report*<sup>33</sup> devoted its Chapter 3 to Managed Investment Schemes. At 3.12 the committee quoted from a submission by MS & A.

The overwhelming majority of schemes have focused on the short rotation pulpwood.

At 3.16, MS & A argued,

This is an argument about access to capital. In the MIS case ... [investors] can obtain capital which is subsidised by the government up to nearly 50% of the principal, being the top tax rate, while the farmer must buy in capital [from the banks] at full cost and with no subsidy on the principal amount.

The NSW Farmers Federation argued at 3.26,

When firms are selling products (i.e. woodlots, olive groves etc) and investors are primarily focused on buying something else (receiving a tax deduction) issues develop when the financial focus is shifted away from the commercial viability of the business' productive operation. The result sees a business entity not operating under the normal market supply and demand forces that guide sound operating decisions.<sup>34</sup>

A further consideration in respect of property valuation<sup>35</sup> is the 'passive income' in the form of rental generated under a lease to a main timber company.

One such factor with plantation is the concern investors will have as to what occurs at the expiry of the lease term – i.e. the first rotation of trees. Depending on market conditions prevailing, an investor may find they will be left with a non-income producing asset at the end of the first rotation or 15 year cycle.

## **6.1 A proposed pulp mill**

In Tasmania there has been a recent announcement by Gunns' and elsewhere<sup>36</sup> that an injection of \$150 million may potentially be made into the company by the New Zealand financier and Singaporean based Richard Chandler. On 9 March however it has been announced in the media that Chandler would not be proceeding in relation to Gunns proposed mill. The company after eight years is still attempting to build one of the largest pulp mills in the world. It will require the FIRB to sign off on the development. It has been a hugely divisive issue in the Tasmanian community since 2003, but both State and Federal governments support the development. At least a proportion of the community angst, if not anger, stems from the fact that it was the Tasmanian parliament, and not the state's recognised planning body (the then Resource Planning and Development Commission RPDC, now TPC) which determined the permit conditions and produced the Pulp Mill Assessment Act. With over 700 initial submissions to the RPDC, the public was denied any hearings. Two chairmen of the Commission, the one following the other (one a previous Supreme Court judge) resigned over process interference.

In 2007, two respected senior scientists noted that the mill did not have the requisite feed stock to keep the mill functioning 24/7, 365 days of the year. One was the very senior internationally respected academic at the ANU, David Lindenmayer,<sup>37</sup> the other Chris Beadle<sup>38</sup> another very senior forestry research professional at the then CRC in Tasmania (this centre has now been disbanded).

That was then. Meanwhile Gunns has been selling off its assets which includes in some instances its plantations.

Given the last eight years of very messy "process" manipulation in Tasmania it requires a great deal more consideration than \$231 million for this development to be signed off by the FIRB. The "national interest" and Tasmania's interest is surely at issue here. As is the fact that the FIRB, can if it so wishes invoke Australia's Foreign Investment Policy.

In preparing the Board's advice, consideration is also given to whether an investment is consistent with Australia's Foreign Investment Policy (see the Board's website at [www.firb.gov.au](http://www.firb.gov.au).) [and so guidance is provided in respect of]

- competition;
- the impact on the economy and the community;

The implications which would follow in Tasmania in the signing off by the FIRB are enormous.

## 6.2 Heritage, landscape change and tourism implications

There is a 200 year heritage evolution of rural farm settlement in Tasmania. This fact carries with it some principal patterns still easily detected in the 2008 landscape. These will disappear into the ether given the continuation of current land use changes. In an address to the International Forestry Conference 2008, *Old Forests, New Management*<sup>39</sup>, I made the following point.

The country Estate was intimately connected with the forest which might surprise some. Landscape terms such as the Sublime, Picturesque, Beautiful were hotly debated in Europe for over a hundred a fifty years, this to create the 'ideal' landscape and Tasmania was settled right in the middle of the debate. In its re-creation and re-transplanted Arcadian image in the far antipodes, landscape perception of the Beautiful and Picturesque sat squarely alongside the other landscape perception, that of the Sublime. Beauty was at the centre of it, and in Van Diemen's Land the structural forested mountain backdrop became its framework. Again and again in Tasmanian colonial art this is the image that you will see; the juxtaposition of the Estate, set against the backdrop of the forested mountains. It still can be seen, but it is changing.....

Changing the land use as radically as plantations do, helps eliminate this type of heritage landscape significance.

The cultural landscapes of Tasmania's rural land were declared in 2009 by Tasmania's National Trust to be on the endangered list. There is no policy towards, and no heritage legislation which currently exists to save significant heritage landscapes in this state. Significant rural areas bought up by corporatised foreign entities, (as in NSW) will simply eradicate old internal and external farm boundary lines. Many, many properties in Tasmania's rural hinterland still retain very old, even original grant lines. These form a significant part of the landscape character of the place (see Appendix 4) given hedging lines and other vegetation lines. Landscape character disappearance is a central issue. But as indicated to another Senate Committee in 2004, there are interlinked, and interconnected considerations for the traditional farm and what happens to it as discussed already.

The *Australian forest plantations. A review of Plantations for Australia* committee, took up a point that I made in my submission,

8.68. "Ms Sheridan argued that as a result of plantation expansion, entire landscapes are being destroyed and whole communities are being displaced and that in her professional opinion,

.... If the present pattern is allowed to continue, then Tasmania's unique set of cultural landscapes, different in different areas of the state will be severely compromised, if not in places quite destroyed. Industrialised farming of trees in the twenty first century is a very different scenario to traditional farming in methods, characteristics, ownership, internal farm boundaries, economic bottom line expectations and in an end landscape result.

The disappearance of traditional rural landscapes has implications for Tasmania’s tourism. This was raised as an issue by Sheridan to a national conference of the Planning Institute of Australia in 2004, the paper subsequently published in *Australian Planner*.<sup>40</sup>

## 7.0 Paranville

The ABC announced in August 2009 that a Korean consortium wanted to build a \$500 million residential and education development of Hobart’s eastern shore. The development was proposed on primarily rural land on the peri-urban fringe of the Clarence Municipality and was to cover 160 ha. of land between Howrah and Rokeby.<sup>41</sup> It certainly was the first of its kind for Tasmania though other Asian investors and developers have in the past been associated with smaller subdivisions and or developments. By 2012, when there were further details of the development published in the press, the price of the development was given as \$900 million. Nothing appears about the FIRB input in public documentation so far perused possibly because the price of the land (if purchased as separate titles) would have been nowhere near \$231 million.

“It is expected to attract residents from Korea, China and Japan who are keen to escape harsh northern winters and the threat of nuclear accidents”, its backers said yesterday.<sup>42</sup>

It was envisaged to become the home of more than 2000 new residents and several hundred language students. Tasmanian authorities always hungry for “jobs” and “growth” gave this development the nod despite the fact that the subdivision was prohibited under the planning scheme. While Robert Wallace, the TCC chief, noted “this will be a project of state significance” but the development was never considered under the State Policies and Projects Act 1993. It slipped through, virtually unnoticed given the seal of approval by the local council – Clarence Council, and the Tasmanian Planning Commission.



In the Committee’s terms of reference this project could have invoked Terms of reference No 1.

(although parts of the land in question appear to have been purchased as early as 2005.)

(i) how the test was applied to purchases of Australian agricultural land by foreign companies, foreign sovereign funds and other entities in the past 12 months;

It seems to have been a case of the subsequent acquisitions of land, given the Tasmanian Planning Commission's Report and the fact that five titles were involved, all ultimately owned by subsidiaries of MBKIM group.<sup>43</sup>

Not considered by any entity are the following "big" picture issues such as,

- the large scale of the development
- that the development was proposed in an area prohibited in the Scheme for this type of development proposal
- the number of re-zonings which had to occur
- the meaning of setting this precedent for re-zone change
- the nature of the development, basically designed as a ethnic (Korean) suburb in a fringe rural setting
- the swallowing up of peri-urban rural land on Hobart's fringe,
- that the residential development would be car based in a future carbon constrained world,
- that the development made provision only for limited shopping facilities
- that it proposed a degree of urban densification in an outer Hobart suburb. For example a 209 lot-"community living village", a language school, a fitness centre, a business and restaurant district" was envisaged
- that the bigger picture of aged residents needing to access Tasmania's already overstrained, overstretched health system might be a future problem

## **Appendix 1. The Committee's Terms of Reference.**

An examination of the Foreign Investment Review Board (FIRB) national interest test (the test), including:

(i) how the test was applied to purchases of Australian agricultural land by foreign companies, foreign sovereign funds and other entities in the past 12 months;

(ii) how the test was applied to purchases of Australian agri-businesses by foreign companies, foreign sovereign funds and other entities in the past 12 months;

(iii) the role of the Government, regulators and receivers, including their obligations under the Corporations Act 2001 and/or the Foreign Acquisitions and Takeovers Act 1975, including the role of the Australian Securities and Investments Commission, in upholding the test;

(iv) the global food task and Australia's food security in the context of sovereignty;

(v) the role of the foreign sovereign funds in acquiring Australian sovereign Assets;

(vi) how similar national interest tests are applied to the purchase of agricultural land and agri-businesses in countries comparable to Australia; and

(vii) any other related matters; and

In conducting this inquiry, the committee should examine ways of improving the transparency of decisions made by the FIRB under the test and all other rules which govern

its operation.

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**Appendix 2. Soil capabilities.**

Technically what happens on Class 1-3 lands is what PAL is concerned with, whilst land capability Classes 3/4-7 are apparently left to look after themselves. There is no interconnection between what might happen as the result of a policy that only concerns itself with 4.4% of Tasmania's farming land. There is no interconnection or information given where a part of a farm may contain quite small sections of Classes 1-3 land but be primarily composed of capability, Classes 4-6 land. No case studies (e.g. A, B, C, farmer) etc. were provided for in the PAL assessment which might have helped illustrate different examples of ecological sustainable mixes of farming practice. It is vital to consider what happens to land of Capability Class 4. It is vitally important to integrate Class 4 to Class 3 Capability land because probably a sizeable bulk of Tasmania's farms combine a great deal of Class 4, with a slight amount of Class 3. This is due primarily to the very old land grant system in the early part of the nineteenth century; such patterns very evident in the modern landscape. This hasn't been recognised at any legislative level in Tasmania.

In the Rural Land Use Trends Davey and Maynard analysis of 2003 it was stated that only 2.3% of plantations had been established on Class 1-3 land (or what was labelled in the Report as prime agricultural land) and that a significant proportion of this had occurred in the North Western Region.<sup>44</sup> A 2008 report<sup>45</sup> noted the following however.

The change in use to private plantations has seen a number of plantations established on class 4 land under the Land Capability System of Tasmania. Historically class 1,2, and 3 land being more productive land has been taken by timber companies for the establishing of plantation.

The Rural Land Use Trends analysis of 2003 further stated that 11.3% had occurred on Class 4 land. Aggregated Classes 1-3 and Class 4 totalled 13.6% of agricultural establishments (or 258,400 ha. of land) by this studies' reckoning. This was the situation as the 2003 study calculated it; we are now 9 years further on, aggregating the plantation base at a rate of somewhere between 10,000 – 20,000 ha of plantation per year. The 2003 study further noted that 86% had occurred on Class 5-7 land.<sup>46</sup> Given that Davey and Maynard did not differentiate between these last three types of land capability, it is of interest to note that Class 6 land<sup>47</sup> is,

Land only marginally suited to grazing activities due to severe limitations. This land has low productivity, high risk of erosion, low natural fertility or other limitations that severely restrict agricultural use. This land should be retained under its natural vegetation cover. [Sheridan's emphasis].

Future pressure and competition exerted on the Class 3-4-5 lands, will come where the aggregated set of incentives which actively foster plantation development continue or increase, (eg. possible taxation incentives, a pulp mill go ahead, possible carbon accreditation for plantations, location distance to the mill, ease of the present 'one-stop shop' system of forestry regulation). If the Davey and Maynard figures, (p. 38) are compared with figures issued in 2006 by Private Forests Tasmania for Class 1-3, and Class 4 land, the actual hectare totals seem to have gone backwards, (Davey and Maynard (2003)<sup>48</sup>: Class 1-3: - 4,400 hectares: PFT,<sup>49</sup> (2006) – 4,300 hectares: Davey and Maynard: Class 4: 22,100 hectares: PFT, (2006) 21,500 hectares.

What is not realised in Tasmania is that if properly managed a farm composed of ¾ soils and Class 4 soils can maintain both agricultural and pastoral production for nearly 180 years. The author has researched one such farm, now a World Heritage Area. Its size is 465 hectares, and the size has remained remarkably constant across this long time period. It is clever, intelligent farming, not necessarily 'big' corporate farming which should be the Tasmanian model.

### **Soil capability and water availability**

In 2001 a most significant paper by several scientists from the then CRC Forestry Centre in Tasmania appeared in a reputable scientific journal. D. Mummery and M. Battaglia<sup>50</sup> applied a ProMod model spatially across Tasmania; their paper describing 'a methodology to enable spatial estimates of uncertainty to be attached to predictions of tree growth in relation to variations in soil depth, nutrient status, and drainage.' Mummery and Battaglia produced a series of maps in journal paper, but most importantly, one was a plantation suitability map. It showed the areas which were highly suitable, moderately suitable, (low variability), moderately suitable, (high variability), not suitable, (low variability) and not suitable, (high variability). Highly significant for traditional forms of land use agriculture, was that large areas of the north west, north, east, and north east of the state were seen as having the second category, (i.e. moderately suitable, low variability). There were very few areas identified in the model which fitted the first category - highly suitable.

What is needed is good reliable independent and up to date information on the subject. All of which in my view adds to the fact that the current rapid agricultural land use change in capability classes (3/ 4, 4 and 5) has to undergo a rigorous examination which was not undertaken in the PAL Policy evaluation. Commercial forestry's current advantage as an "agricultural use" and "crop" was not thoroughly re-examined for its future potential dysfunction. The decision by the King Island Council to ban tree plantations (and the RPDC decision to support it) was seen as most noteworthy.

### **Appendix 3. Planning changes and flux in Tasmania.**

There is no state planning department in Tasmania. State strategic planning is completed by very few individuals. There is no team of related professional experts to have input. What is happening rarely appears in the press or the media. It is very top-down in its approach, and in my opinion heavily politicised.



The model planning scheme formulation which was proposed in a Review (PD 1 and the Template) was to help shape development control in Tasmania for possibly the next ten years. It came at a time of rapid land use change for the island, both in respect of rural land, urban residential land use, and the rural/urban interface. There was to be one model planning scheme based on zones, three regional schemes one to apply to the north west, one to the north and one to the south of the state, with local government interim schemes morphing off the one model. There were to be three regional strategies. In 2012 three years after the extensive legislative planning changes of 2009 to LUPAA there are few Interim Schemes online, the situation uncertain. Planning now in Tasmania is untested, and untried. At the same time we have suggestions put up by the Housing Industry Association for local government amalgamation.

In my estimation the rate of change makes Tasmania a developer's paradise. It also makes it much easier for government departments to institute large infrastructure changes (such as the By-Pass at Brighton) and / or introduce affordable housing via Ministerial Directives.

It also makes it very easy to have foreign investment buy up Tasmanian land or rights to Tasmanian land.

The model planning scheme formulation grew out of a long sequence of decisions, consultations, changes, modifications and so on. It started almost immediately LUPAA was legislated for in 1993, gathered steam by 1997, was rejected then by local government, and took off again under the Labour party with a brand new title "Better Planning Outcomes" by 2003. Only two local government councils formulated planning schemes using the first Template and PD1; Central Coast and the West Tamar Council. The Kingborough Scheme 2000 (given a tick by 2004) looked suspiciously like the model planning scheme, while Hobart City Council completed a draft scheme 2009, formulated along PD 1 and the Template design.

There was a Review of the Template in 2010, yet another review in a long line particularly from 2003. My view is that the government and industry wanted to make life easier for developers by introducing a one stop shop for planning. It seemed to have almost nothing to do with the biophysical base and enormous biophysical diversity that comprises Tasmania and upon which such development would take place. While LUPAA, contains Schedule 1, Parts 1 and 2, where there are statements re the resilience of the biophysical base, ecological variation, and apparent state of "health" into perpetuity, various land uses have not been seen to be intimately connected to the instrument for development control.

Previously there had been a slow land use evolution across time in Tasmania in the twentieth century. But change has fairly galloped forward from 2005. Most importantly in the formulation of planning control, the island's heritage fabric – its landscape – was somehow distinctly removed from development control. Heritage – if it occurs – does so in isolation from planning.

What is considered and approved or rejected in development applications, is achieved, *land parcel by land parcel*. Whether this is in the city, suburbia, town, or village

Consequently it can result in death by a thousand cuts and in my opinion does.

#### Appendix 4. Heritage and Farm change in Tasmania.

Agricultural practice is changing, (i.e. in turn changing the land use) and along with it, the landscape character of rural areas. Farm ownership is changing, the character of the place is changing and *no organisation in Tasmania is monitoring the change or assessing its impact*. Planning to date has not become involved with this at any level. Factors such as farm practice, farm demise, farm disappearance, the input of associated land capabilities, other than prime agricultural land and so on remain unanswered components of the state's land management planning system. The land use and landscape changes are ignored it appears at either state or local level as though they are not happening. Planning schemes therefore relate to the PAL policy but they don't relate this to other related issues. It is another example of the disjunct in the system in that it considers one component (e.g. land capability at the prime agricultural level) but leaves it unrelated to other serious concomitant land management problems.

Ownership of the twenty first century farm in Tasmania is a critical one. Whereas in the past farming was traditionally family owned, even across generations or even centuries held in the same family, these patterns are changing. Corporations are taking over farms and the ethos is different. Corporate farming appears uninterested in traditional farming patterns. There would appear to be little or no recognition that the land tapestry has an evolved history and character of place and that this might be significant, (Burra Charter Articles 6, 8 and 24) for example.

In my opinion we are at a point in rural farm planning where,

- (i) The traditional farm with an owner operator, family style farm (this may have ranged from a small farm to quite a large one) is in danger and could in the future disappear as an entity.
- (ii) What is taking over is a corporately owned enterprise which is less likely to have even a manager live on-site.
- (iii) The traditional farm had an investment in the ongoing perpetuity of the land, its fabric, and often particular interconnections to the capacity of 'system' maintenance survival into the future. Estate farms for example were often passed down across many generations.
- (iv) 'Investment' properties have little 'investment' in the notion of perpetuity of the biophysical fabric of the land to sustain itself.
- (v) There can be leased arrangements over a traditional farm for areas of tree plantations for example. This will probably increase in complexity given anticipated carbon trading arrangements.
- (iv) Huge advantages in the market place existed in the past because of Managed Investment Schemes giving advantages to those investors and those companies managing the investments.
- (v) There is an end goal for 'agricultural' use very different to that of the traditional farmer in terms of the expectation outcome of the enterprise. It might be anticipated that biohysical 'threshold' limits would be reached earlier, given that the land base will be artificially altered to produce the outcome required.
- (vi) Corporate broad acre farming, feed lots, industrialised farming commodifies production. It destroys old internal and external farm boundary patterns, as well as other patterns and fabric.

- (vii) Corporate broad acre farming (to date) is simply not interested in the notion of 'resilience' farming patterns or what that might mean.
- (viii) The best land is sought out; this used intensively in order to maximise returns to shareholders.
- (ix) A corporation is really a changed entity in terms of the conservation of, management of, land uses and what follows.
- (x) There is no way that heritage landscapes can be maintained and conserved under the present planning system, given the change that is occurring and the failure of planning or heritage instruments to recognise its value and manage for it.
- (xi) Local government planning schemes don't recognise the change.

The model planning scheme Template may foster this type of new corporate pattern in rural areas.

### **The nineteenth century farm**

The nineteenth century farm and its evolved landscape was a self sufficient farm *where everything was produced on the farm for the farm*. There were well defined land use and landscape patterns which evolved. They are not the patterns and rhythms of modern corporate farming. From the FIRB and a planning perspective it would be beneficial for some organisation to be monitoring the following,

- scale of operation,
- crop type and crop height,
- design of operation, (e.g. large scale across the entire farm; resultant patterns?),
- crop diversity or monoculture.
- crop suitability adaptation to the existing ecosystem service provision,
- crop water quantity requirements
- crop usefulness to food production.
- anticipated crop age (e.g. short term, annual, perennial, number of years, etc)
- projected farm boundary and internal infrastructure changes,
- whether the development intent is to destroy old farm boundary lines.

It might seem pedantic and unreasonable in a rural areas to monitor patterns of crops grown, their age and design patterns but at the heart of the analysis there is a changed fundamental shift underway in respect of how traditional rural land is being "used", "developed" or farmed; one not recognised in projected new planning schemes (given the Template).

The scale or intensiveness, usefulness or otherwise of any particular 'agricultural' use has not been canvassed. The amendments for example didn't distinguish between a traditional farmer who wished to have a section of farm for 'farm forestry' and an intensive large scale corporatised tree plantation enterprise. Similarly it made no distinction between what might be an annual crop like poppies, (medicinal use) or a much longer term perennial non food 'crop' such as plantations (fibre). Such changes have implications for potential heritage change, agricultural change, and for biophysical change, for resilience change occasioned by the use and development.

Allowing the big-end market to determine land use change in Tasmania as is currently the case, given the energy crisis and global warming bio-security and food related issues is not seen by this author as an option.

## Appendix 5. A Liberal view on biofuels.

### Tony Abbott sinks forests on farms

- Christian Kerr
- From: [The Australian](#)
- January 20, 2010 12:00AM

#### **TONY Abbott will rule out the use of prime agricultural land for carbon sinks when he announces a new policy on climate change in a move aimed at avoiding a damaging split with the Nationals.**

The new Coalition policy, expected to be released ahead of next month's parliamentary showdown with Kevin Rudd on the emissions trading scheme, is expected to hold back on declaring an emissions-reduction target before the Prime Minister names his final position. The policy will also include incentives to boost soil carbon levels and revegetate land.

"We're about improving farm productivity, strong support for soil carbon, revegetation - and we're not going to provide incentives for foresting over prime agricultural land," opposition climate change spokesman Greg Hunt told *The Australian* yesterday.

Tree planting on prime agricultural land has been a long-running source of strife between the Coalition partners with the Nationals implacably opposed to encouraging the practice because of its effect on the cost of farmland and its potential effects on agricultural production.

Nationals senators crossed the floor in 2008 to vote against legislation giving tax breaks to private forestry carbon sinks. Deputy Senate leader Fiona Nash was forced to resign from the front bench in the wake of the move.

Sporadic strife continued through last year after then Liberal leader Malcolm Turnbull endorsed a CSIRO report calling for the planting of more than nine million hectares of trees to tackle climate change.

But as it enters an election year, the opposition is keen to present a united front after the damaging divisions that culminated in last month's change of leadership.

The government is certain to attack the policy, saying it will not do enough to cut emissions. The issue will come to a head when parliament resumes next month with the government reintroducing the emissions trading scheme legislation in a new bill incorporating amendments agreed with Mr Turnbull before he was deposed as Liberal leader.

Nationals Senate leader Barnaby Joyce said his party would not back away from its opposition to creating carbon forest sinks through tree planting on prime agricultural land.

"People are very touchy about removing prime agricultural land, whether for mining or carbon sink forests or anything else as you can't replace it," Senator Joyce said.

"Carbon sink forests aren't just an issue for people in the country. They're an issue for people in Sydney. If you want to start planting trees everywhere they grow fruit, and everywhere they grow vegetables, and where you get the predominant inflow of affordable food into your life, well, you know what's going to happen to your cost of living."

Senator Joyce said farmers supported carbon sequestration.

"We've been doing it for years; it's called no-till farming," he said.

"If people want to recognise it and encourage it and put a financial return on the carbon you sequester, you'll get farmers going out of their way to sequester more carbon and you won't have to change any law - they'll just do it for you."

Senator Joyce insisted that growing forests to absorb carbon was not an effective way to cut emissions.

Mr Hunt said the Coalition parties were in "perfect harmony".

"We are going to make sure prime agricultural land is properly protected and not converted to reforested land," Mr Hunt said.<sup>51</sup>

## **Appendix 6. Findings from the 2009-10 Foreign Investment Review Board's Annual Report.**

In 2009-10, 4,401 proposals received foreign investment approval. The real estate sector recorded 3,897 approvals, representing a decline of 19 per cent on the 4,827 approvals in 2008-09.

The decline in number of business approvals reflects the increased threshold of \$219 million from 22 September 2009. In 2008-09, there were 83 approvals for companies valued below the new threshold.

In 2009-10, three proposals were rejected, all related to real estate purchases, the same number as last year.

The mineral exploration and development sector was the largest destination by value, with approved investment in 2009-10 of \$80.9 billion (\$90.6 billion in 2008-09). The other major destinations were: real estate, with approved investment of \$20.0 billion (\$23.4 billion in 2008-09);

The FATA provides a 30-day statutory period for a decision to be made on proposals lodged under the FATA, with up to a further 10 days to advise the applicant parties of the decision.

Where major proposals are in the public domain, the Board may also receive submissions from third parties. Consideration of such submissions can be an important part of the examination process and the development of advice on the proposals to the Treasurer.

The FATA empowers the Treasurer to prohibit an acquisition if he is satisfied it would be contrary to the national interest. However, the general presumption is that foreign investment proposals will serve the national interest.

The national interest, and hence what would be contrary to it, is not defined in the FATA. Instead, the FATA confers upon the Treasurer the power to decide in each case whether a particular investment would be contrary to the national interest.

In preparing the Board's advice, consideration is also given to whether an investment is consistent with Australia's Foreign Investment Policy (see the Board's website at [www.firb.gov.au](http://www.firb.gov.au)).

- competition;
- impact on the economy and the community; or

On 4 August 2009, the Treasurer announced that the Government would make several changes to the foreign investment screening thresholds, including:

- replacing the four lowest thresholds for private business investment with a single threshold of \$219 million;
- indexing the new unified threshold on 1 January every year to keep pace with inflation; and

- abolishing the requirement that private investors notify the Government when establishing a new business in Australia valued above \$10 million. The threshold changes took effect from 22 September 2009. From 1 January 2011, the monetary threshold is \$231 million for all investors excluding US investors...

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