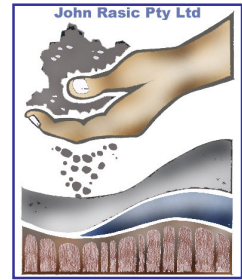


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Thursday, 18 June 2009

Committee Secretary
Parliamentary Joint Committee on Corporations and Financial Services
Department of the State
PO Box 6100 Parliament House Canberra ACT 2600

Re: Inquiry into Agribusiness Management Investment Schemes

Dear Sir/Madam

My name is Ivo (John) Rasic. I am a professional soil scientist (see attached CV) who was engaged by **Timbercorp** from approximately December 1999 to July 2002. I was contracted to carry out soil surveys – both **Reconnaissance** and **Detailed** – to evaluate soil suitability for Timbercorp's horticultural and forest developments at various locations across Victoria and South Australia.

My service was abruptly terminated in 2002 because I refused to accept a **bribe** that would have required me to ignore the facts about soil-related issues and, instead, provide false information. The repercussions for me personally were severe.

I have two main conclusions that I wish to press to your inquiry. My first conclusion relates to **Point 9** of your reference list: "the factors underlying the recent scheme collapses". The second conclusion is relevant to **Point 12**: "the need for any legislative or regulatory change".

1. In my opinion, the main factors influencing the poor performance of various Timbercorp's plantations were:
 - Lack of and/or ignorance of the value of soil survey data and expert advice at the pre-design stage
 - Deliberate engagement of unskilled or poorly trained soil surveyors when evaluating soil suitability
 - Inadequate and often damaging soil preparation and amelioration before and after planting
 - Deliberate engagement of poorly trained and generally unskilled staff in charge of site management
 - Poor irrigation system design, and the use of management practices that were poorly matched with soil's physical, chemical, biological and engineering properties
 - Rejection of constructive discussions and recommendations based on the opinions of well trained professionals
 - Pressuring of soil consultants to ignore the facts and fabricate the data in order to impress the investors
 - Attempted bribery and intimidation.
2. Regulations governing the professional conduct of soil scientists associated with the Management Investment Scheme clearly are inadequate. I have made my frustrations clear to the Australian Society of Soil Science Incorporated (ASSSI), who administers the Certified Professional Soil Scientists (CPSS) scheme. The following email was sent recently to Mr Richard MacEwan (ASSSI President) and Dr David McKenzie (Chairman of CPSS Board). Unfortunately, most of the soil survey and soil management work for Timbercorp has been carried out by contractors who have only had a few days of formal training in soil science and lack CPSS accreditation.

One of particular concern is Ms Maxine Schache, Vic. Dept. of Primary Industries, who has discouraged the development of a more professional approach to soil assessment and management by irrigators and their advisers in the Mildura region. Similar problems have occurred in the Riverland with Mr Tony Meissner, SA Dep. of Water, Land and Biodiversity Conservation.

Hi Richard & Dave,

I would like to make some comments regarding your “vision for the organisation” published in the Profile, Dec 2008. On the whole, I agree with what you say and would therefore like to support you and the ASSSI along these lines. Well done!

There are, however, some other ‘hidden’ but very important facts that you need to consider.

I would like to make your CPSS board member colleagues aware of certain odd practices that, unfortunately, have strongly contributed to the current situation with serious but preventable environmental damage in the Murray Darling Basin. I hope this note can be taken into account by the relevant government authorities, so that strategies can be developed to prevent similar situations in the future.

We are all alarmed by the consequences of water over-allocation, salinity and other forms of soil and land degradation, but action tends to be delayed until it becomes clear that severe damage has occurred and there is no easy way back. In 1972 (I think) relevant authorities in SA, VIC and some parts of NSW introduced the rule that water licences will be granted only to those irrigators (i.e. biggest water users) that conduct detailed soil surveys prior to development. This was initiated by the Department of Agriculture, Loxton, and is published as “Soil Features and Recommended Land Use, Section 516, Loxton Irrigated Area, Specific Land Use Survey SS 1”. The department also introduced the so-called “Soil Profile Description Sheet” that is/was compulsory to be used by all soil surveyors in order to grant a water licence to irrigators. Conceptually, soil survey was a very good idea but it soon degraded into something rather bizarre (remember: I tried getting this message across at that conference in Tatura when Mr Des Elliott was lobbying to put a prohibition on my PowerPoint presentation).

Excessive water use, secondary salinisation, and various other forms of soil and land degradation become obvious soon after commencing irrigation despite the advice from soil survey “experts” about land suitability and irrigation practices. So in short, many areas of initially healthy and productive soils are not that good any more and we are facing serious problems that are extremely difficult to resolve.

So, what went wrong?

I was frequently involved in some of the soil surveys where soil sampling, mapping, and reporting had to be done using certain strict but ‘locally’ prescribed rules. In short, no water licence was granted to an irrigator without completion of a soil survey that must religiously follow these rules which are, in fact, the core of the problem to the current situation. Until recently, there have been very few commercially available soil surveyors that are appropriately trained for the job. The great majority of all soil surveys for water licensing were carried out by a handful of one-week trained “experts”, some of whom have less than secondary education that is often not related to soils (i.e. cutting corners in educating a soil scientist). Furthermore, these experts are now operating across Australia under the banner of the so-called “Code of Practice and Standards for Mallee Highlands Soils” promoted by DNRE, Victoria (e.g. v30 Sept '97), where they obtained their field training. On the first page of that Code of Practice, the soil surveyor is defined as:

“Soil Surveyor - These should be accredited as individuals (not firms) for the survey systems for irrigated Mallee highland soils development by Ken Wetherby and ICMS. Application can be granted by successfully completing a course designed for the purpose of training prospective soil surveyors in recognition of Mallee soils and describing them in the approved way. The course must be followed by a practical term in the field under supervision of Ken Wetherby before accreditation is granted. So far these courses have been run through the Wait Institute with the collaboration of the CRC for Soil Management”.

(Richard and David: a copy of this document is available upon request.)

Now listen to this: In 1993, I was employed by IMT and Associates to carry out their soil surveys because I was supposedly a relatively young soil scientist qualified for a job. That is fine; however, I was not allowed to do this job unless my accreditation was granted by Mr Ken Wetherby. In the end, my employer paid ~ \$2,000 to ‘whom was needed’ and on 22/09/1994, I become an ‘accredited’ soil surveyor that was permitted to conduct soil surveys, but only under strict rules of the Wetherby designed Code of Practice. Well that is also fine, but I have never ever attended any course at the Wait Institute, nor have I ever had any field training under Mr Wetherby’s supervision, which is strictly required by the same code of practice. Instead, I was requested to accompany him; to be his personal penciller for two days when he was surveying a property called Dunns Yertabuly belonging to BRL Hardy, Clare, SA. Thus, after that successful pencilling, (pardon me ‘supposedly’ successful training), Mr Ken Wetherby, an independent Soil Scientist from Cleve, SA, and Mr Mark Dale of Sunraysia Horticultural Services, Dep. of Agriculture, Victoria, signed my accreditation (copy available on request).

*I know personally most soil surveyors accredited by Mr Wetherby (I think > 30; but you can check this number with Wendy Meech) that are providing soil survey services to the industry in order to approve water licences to irrigators based on their expert advice. While I am not fully aware of their expertise, I **must admit** that I did not learn a great deal during my training and I am not sure how good the advice I could provide to the irrigators would be. Instead, I was/am happy to follow the way used by the leading members of the Australian Soil Society of Soil Science Inc, which gave me a privileged status of “CPSS Stage 3”. I also had the honour of contributing in chapter 29 of the new “Guidelines for Soil Survey and Land Resources, Second Edition, CSIRO, 2008”. In spite of this, my other prominent colleague Soil Scientists (including you Richard and David) are not permitted to conduct soil surveys for water licensing in VIC, SA & NSW unless they are re-trained and accredited by Mr Ken Wetherby.*

To make matters worse, we now have EM survey contractors providing soil surveys and management advice to both irrigators and dry land farmers, despite having very little soil science training or accreditation. In fact, one of the EM surveyors is an ex-bricklayer who employed his butcher friend to help him with ‘surveying’, which undermines all CPSS members. These soil survey ‘experts’ are taking jobs from qualified soil surveyors and are severely damaging our service industry.

For the benefit of all Australians, I sincerely hope that the prominent board members of CPSS, (and other associated authorities), will, in the future, show a willingness to prevent a continuation of these problems.

I very much hope that I can be interviewed by committee members and provide them with the evidence that supports these statements. I’ll be in Europe and the Middle East from 22nd June until 25th July 2009, but it should be possible to contact me via my mobile.

Yours Sincerely,

IVO (JOHN) RASIC

M.Eng, M.I.E. Aust, CPEng, CPAg, CPSS, AIAST, CSSA