

Dear Committee Secretary

Concerning investments in Timbercorp and Great Southern.

Firstly I shall deal with Timbercorp. I have invested in Timbercorp's Almond project because I attended a seminar in Cairns where I was told that the almonds had certainty of market through a Woolworths contract and that income stream would last for 15 years.

It personally annoys me when I go shopping to see that most nuts are imported even though they can be grown in Australia.

Concerning Great Southern. I have been investing in trees on a regular basis since 1998. Why. Because I was told on many occasions that I would receive not quite double my investment on the maturity and harvesting of the trees in 10 years time. Other selling promotions were to use the investment in trees to fund a retirement income or alternatively to provide an income stream to send children through university.

As the time for maturity of my first harvest came due, I became curious about what the earlier investors had received. It was difficult to get an answer. It transpired that the first harvest had received a price that had been "topped up" by Great Southern because the crop was small etc.

At no stage, and I am talking about investors in June 2008, did the company or its representatives indicate the projection of double your investment was no longer valid.

I acknowledge fully and freely that the double projection was not in writing, however it was branded about as the accepted norm.

In the early day, when Great Southern Project was smaller, Mr John Young personally came to Cairns and spoke at the seminars.

He stated in unequivocal terms that the company could never get "into trouble" for two reasons:

- 1) They didn't borrow money
- 2) They bought land that was cheap, being farming land that had fallen into disuse.

In addition he stated that unlike the pine forest debacle which required investors to make several payments by installments, Great Southern Project raised sufficient funds to pay for the cultivations of trees to maturity. I and the other investors, were told that even in the event that Great Southern fell over, the funds would be in place to allow another entity to bring the trees to maturity and harvest.

In addition were told that it was an export eaner. Currently Australia's imports 2 billion (net) of timber and these projects would transform it to \$4 billion of exports, hence government policy would remain unchanged regardless of politics.

We were also advised that the Australian Taxation Office had audited several of the projects without difficulties.

We were also advised that each grower would be entitled to the carbon credits or alternatively that would result in a better price for investors return.

One area of concern is that each year premiums were charged for insurance against fire/destruction of trees. Was this an independent arrangement or did it go to a Great Southern subsidiary?

Finally one issue for receiver is consumers educations. I am an accountant by profession and I want to know how KPMG in its recent 'audit' of the swap of shares for trees could recommend such a swap.

I declined because I took advice to the effect that if I took the shares for my trees and the company failed, I would get nothing.

Further, I chose to keep the trees, some of which have been harvested and others close to harvesting. I have received partial payment for the trees. What is happening to the funds which Great Southern held on my behalf on the sale of trees? What steps were taken to ensure that these funds were segregated from Great Southern own funds.

Yours faithfully

Paul R O'Connor

Paul R O'Connor FCPA

"LIABILITY LIMITED BY A SCHEME APPROVED UNDER PROFESSIONAL STANDARDS LEGISLATION."