Private Forests Tasmania

Market Access Models for Private Forest Growers in Tasmania:

A Study to Explore Options and Make Recommendations which could Enable Access to Market for Private Forest Growers

AUX001177

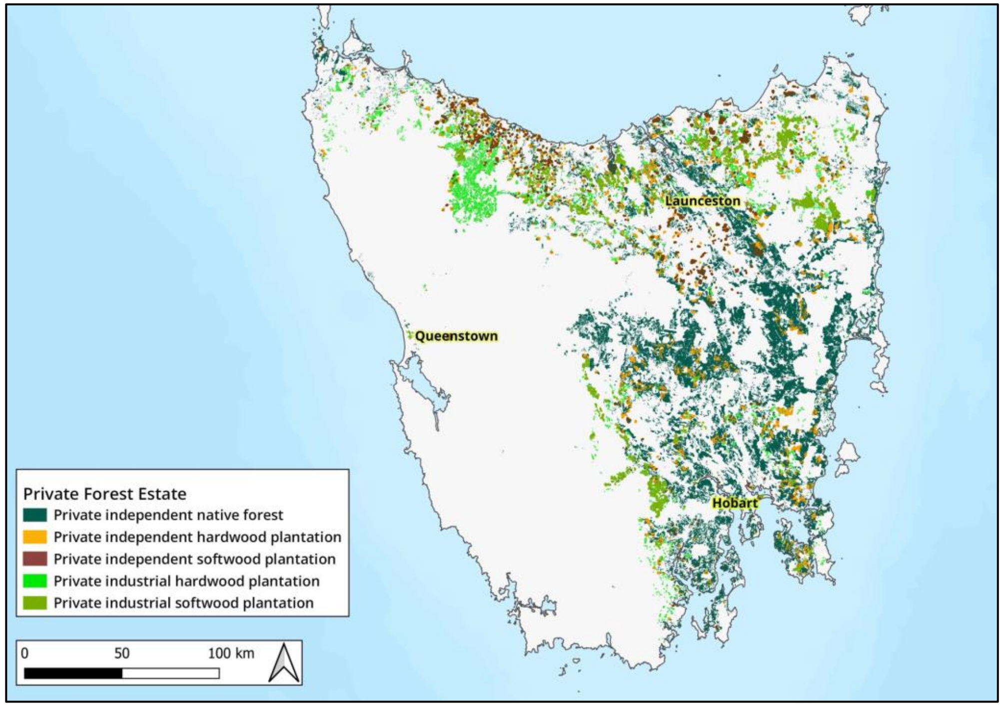
MARGULES GROOME

Important Notice

- This presentation is commissioned at the request of Private Forests Tasmania to examine improvements to markets for its stakeholders. In preparing the presentation and in engaging with stakeholders Margules Groome has strictly avoided discussions on competitively sensitive information, or any potentially anti-competitive practices, that may relate to misuse of market power.
- The ACCC (through its Guidelines on concerted practices | ACCC released August 2018) provides guidance indicating that a business is particularly at risk of engaging in a concerted practice if it replaces or reduces competitive, independent decision-making by cooperating with its competitors regarding decisions such as: (a) how the business determines the price of its products, (b) where the business sells its products (c) to whom the business sells its products (d) whether the business bids for a tender and/or the terms of a tender and the quantity of the product the business offers or produces.

Market Access Model

- Intro and background
- Project objectives
- Process and timeline
- Model Requirements & Design
- Discussion
  - Breakout sessions
  - Report back
- Template Examples
- Next Steps



This webinar will be recorded by Margules Groome for purposes of preparing the client report. Individuals will not be identified and all comments anonymised. Anyone who wishes to decline the recording may mute audio and video.

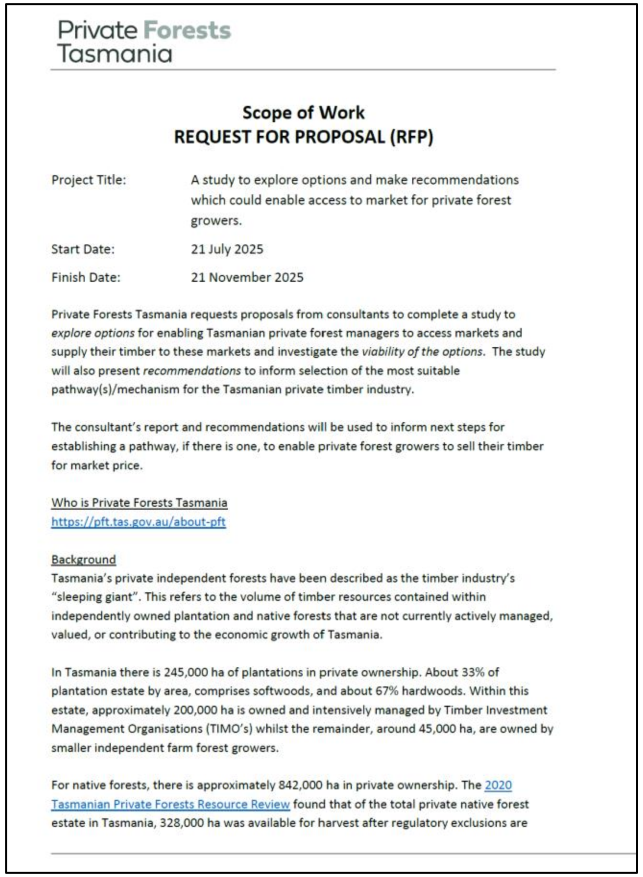
Background

Opportunity to Awaken the Sleeping Giant!

- Potential to develop a dynamic and expanding industry based on private forests
- Additional supply to domestic market
- Concurrent with constrained crown supplies
- Diversification of farm income

Alignment to PFT Objectives and Functions

- Schedule 1 Private Forests Act 1994
- Facilitate and expand the development of private forest resource in Tasmania…consistent with sound forest..practice
- Promote development of private forestry
- Foster competitive markets for private growers
- Foster commercial wood production from private land



Private Forests Tasmania

Scope of Work
REQUEST FOR PROPOSAL (RFP)

Project Title:	A study to explore options and make recommendations which could enable access to market for private forest growers.
Start Date:	21 July 2025
Finish Date:	21 November 2025

Private Forests Tasmania requests proposals from consultants to complete a study to *explore options* for enabling Tasmanian private forest managers to access markets and supply their timber to these markets and investigate the *viability of the options*. The study will also present *recommendations* to inform selection of the most suitable pathway(s)/mechanism for the Tasmanian private timber industry.

The consultant's report and recommendations will be used to inform next steps for establishing a pathway, if there is one, to enable private forest growers to sell their timber for market price.

Who is Private Forests Tasmania
https://pft.tas.gov.au/about-pft

Background
Tasmania's private independent forests have been described as the timber industry's "sleeping giant". This refers to the volume of timber resources contained within independently owned plantation and native forests that are not currently actively managed, valued, or contributing to the economic growth of Tasmania.

In Tasmania there is 245,000 ha of plantations in private ownership. About 33% of plantation estate by area, comprises softwoods, and about 67% hardwoods. Within this estate, approximately 200,000 ha is owned and intensively managed by Timber Investment Management Organisations (TIMO's) whilst the remainder, around 45,000 ha, are owned by smaller independent farm forest growers.

For native forests, there is approximately 842,000 ha in private ownership. The 2020 Tasmanian Private Forests Resource Review found that of the total private native forest estate in Tasmania, 328,000 ha was available for harvest after regulatory exclusions are

Objectives

Preamble

- A study to *explore options* and their *viability* for enabling *private forest managers* to *access markets* and *supply timber* to these markets
- Present *recommendations* to inform selection of the pathways/mechanisms that would suit the Tasmanian *private timber industry*

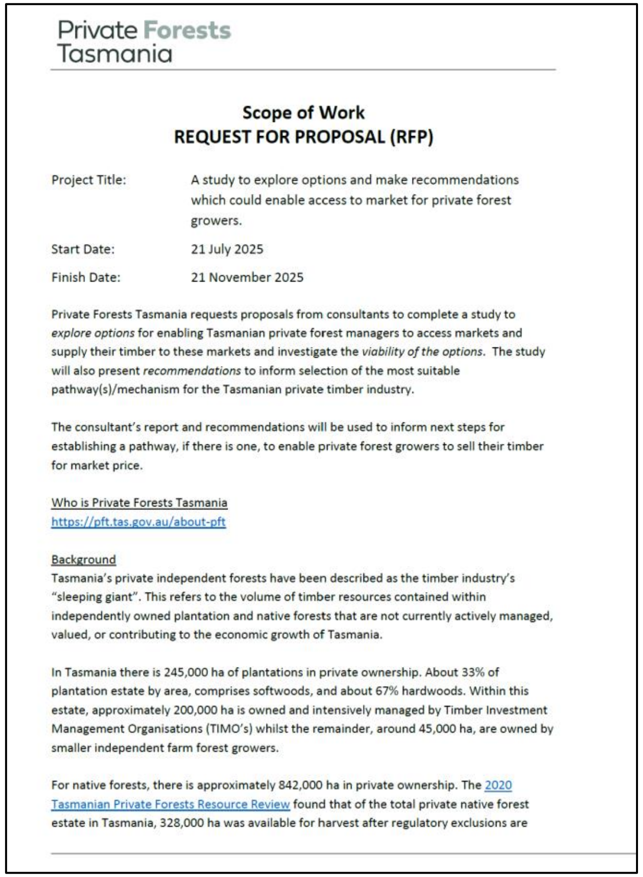
Specifics

1. Investigate, analyse and report..options for an efficient and innovative market platform or mechanism..enable and facilitate..sale of Tasmanian primary forest products (logs)..and stimulate and promote interest and activity in using privately management forests for timber production.

2. Recommend a preferred option..describe design of any new platform or mechanism in Tasmanian context..structure..governance..likely cost

3. Identify risks and opportunities a preferred option would generate in the Tasmanian forest industry

4. Key task: stakeholder engagement


Private Forests Tasmania

Scope of Work
REQUEST FOR PROPOSAL (RFP)

Project Title: A study to explore options and make recommendations which could enable access to market for private forest growers.

Start Date: 21 July 2025

Finish Date: 21 November 2025

Private Forests Tasmania requests proposals from consultants to complete a study to *explore options* for enabling Tasmanian private forest managers to access markets and supply their timber to these markets and investigate the *viability of the options*. The study will also present *recommendations* to inform selection of the most suitable pathway(s)/mechanism for the Tasmanian private timber industry.

The consultant's report and recommendations will be used to inform next steps for establishing a pathway, if there is one, to enable private forest growers to sell their timber for market price.

Who is Private Forests Tasmania
https://pft.tas.gov.au/about-pft

Background
Tasmania's private independent forests have been described as the timber industry's "sleeping giant". This refers to the volume of timber resources contained within independently owned plantation and native forests that are not currently actively managed, valued, or contributing to the economic growth of Tasmania.

In Tasmania there is 245,000 ha of plantations in private ownership. About 33% of plantation estate by area, comprises softwoods, and about 67% hardwoods. Within this estate, approximately 200,000 ha is owned and intensively managed by Timber Investment Management Organisations (TIMO's) whilst the remainder, around 45,000 ha, are owned by smaller independent farm forest growers.

For native forests, there is approximately 842,000 ha in private ownership. The 2020 Tasmanian Private Forests Resource Review found that of the total private native forest estate in Tasmania, 328,000 ha was available for harvest after regulatory exclusions are

Process

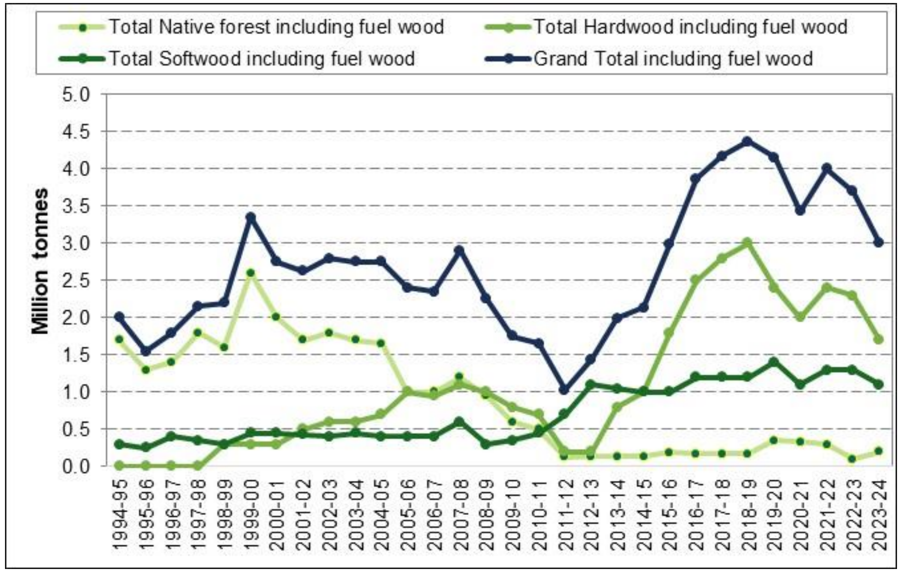

Private Forests Tasmania
30 July
Commissioning project
10 Sept
Scoping Report
29 Aug
1. Webinar - Intro
29 Sep – 3 Oct
Launceston
Burnie
Hobart
2. Workshop & drop-in sessions
Stakeholder Meetings
Draft Report
Private Forests Tasmania
Final Report
3. Webinar - Recommendations

Stakeholders

Tasmanian Private Timber Industry
Who are they and what are they doing?

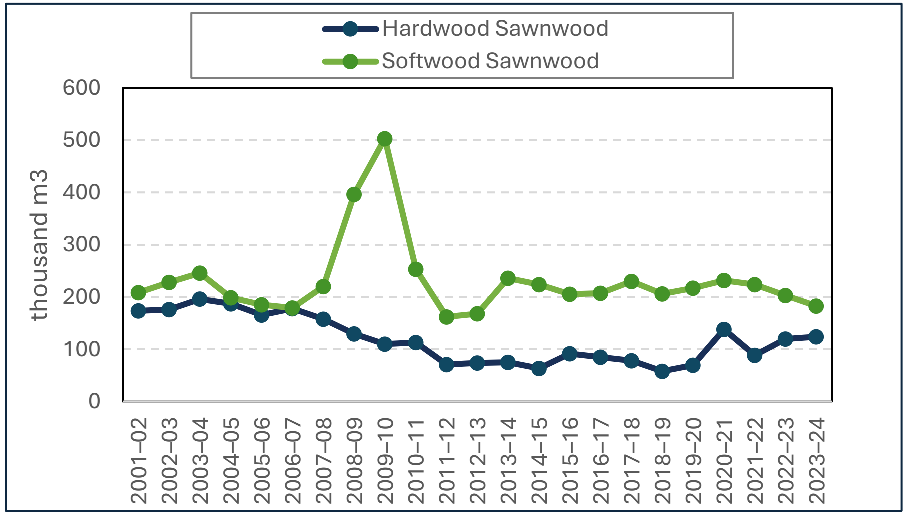
- Native Forests 842 000 ha
  - 328 000 ha available for timber production
  - Diverse ownership structure
- Planted Forests 245 000 ha
  - 67% hardwood 33% softwood
  - Ownership 80 % TIMO 20% private

Tasmania Long Run Production Trend (Forest and Sawnwood Processing)	
Private Native Forest	↓
Hardwood Plantation	↑
Softwood Plantation	↑
Hardwood Sawnwood	↓
Softwood Sawnwood	↔



Above: Tasmanian Private Forest Harvest Volumes (including fuel wood) (PFT& MGC)

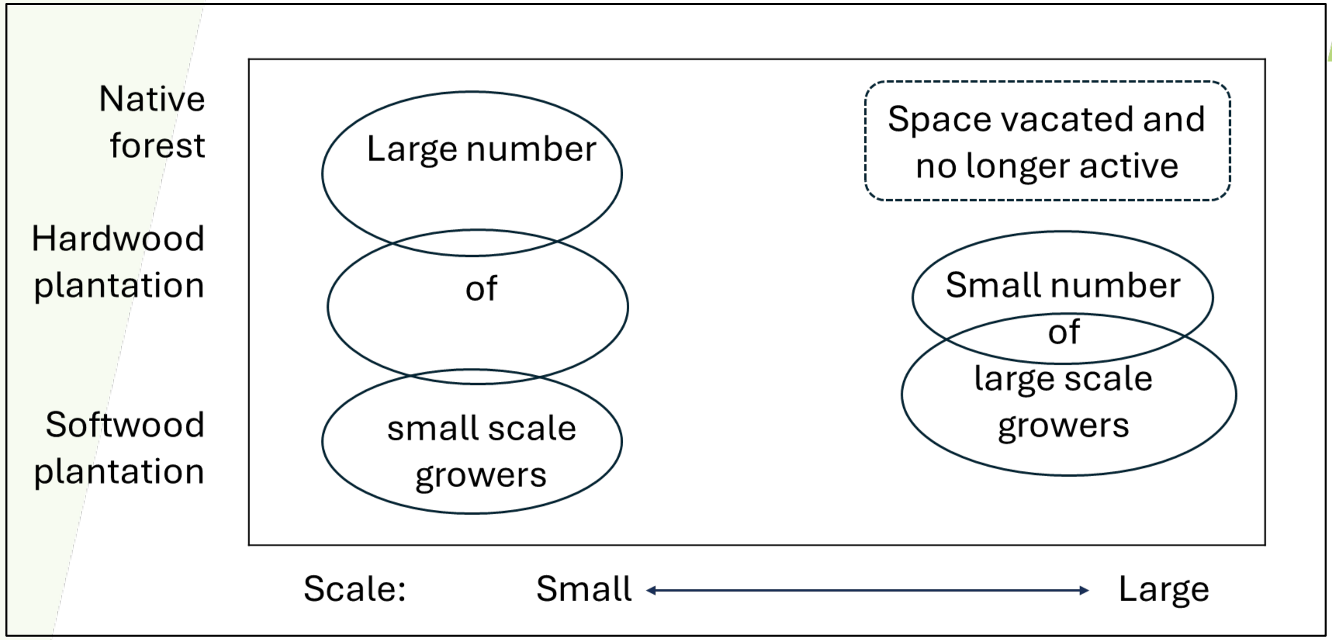
Below: Tasmanian Total Sawnwood Production (ABARES)

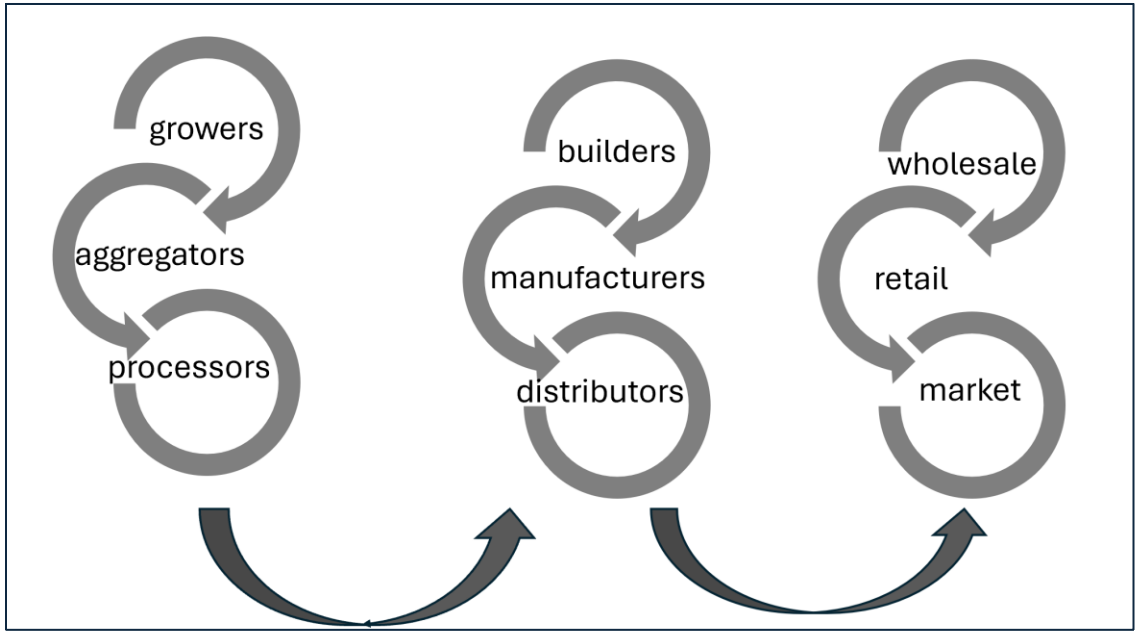


Stakeholders

Tasmanian Private Timber Industry
Who are they and what are they doing?

- Growers/owners/managers
- Processors
- Other members of the supply chain



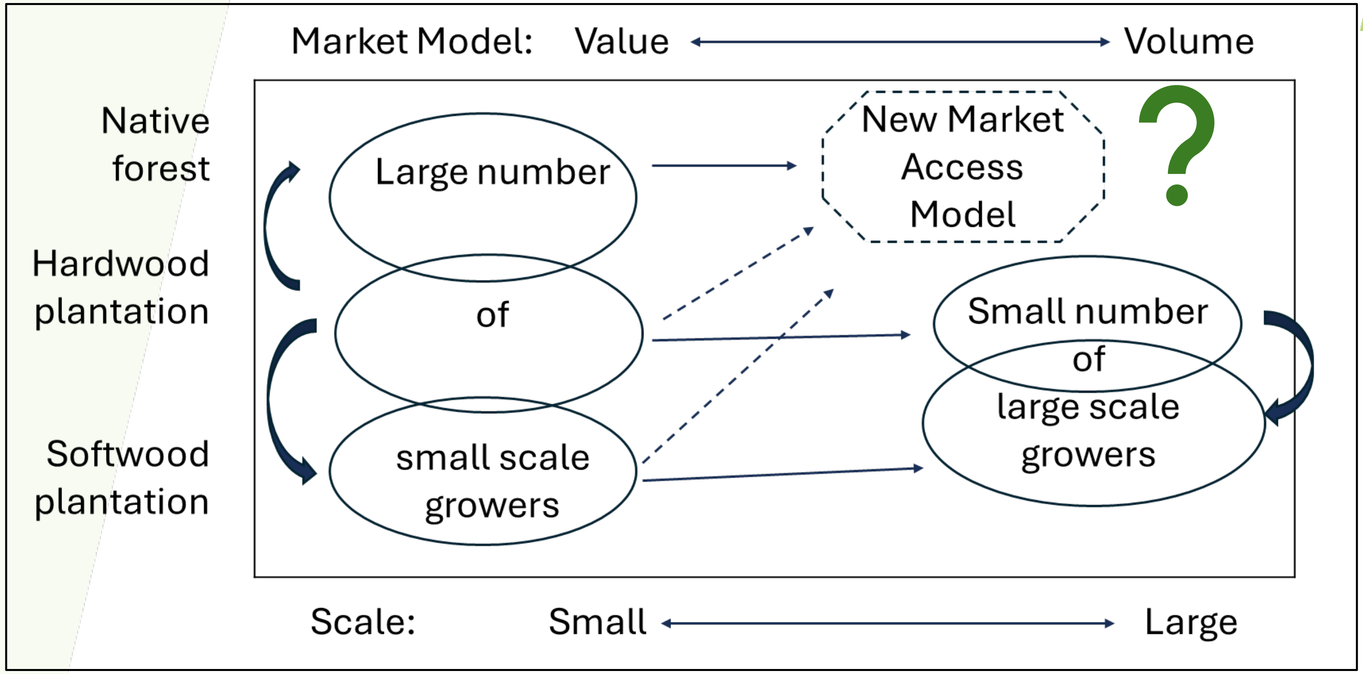


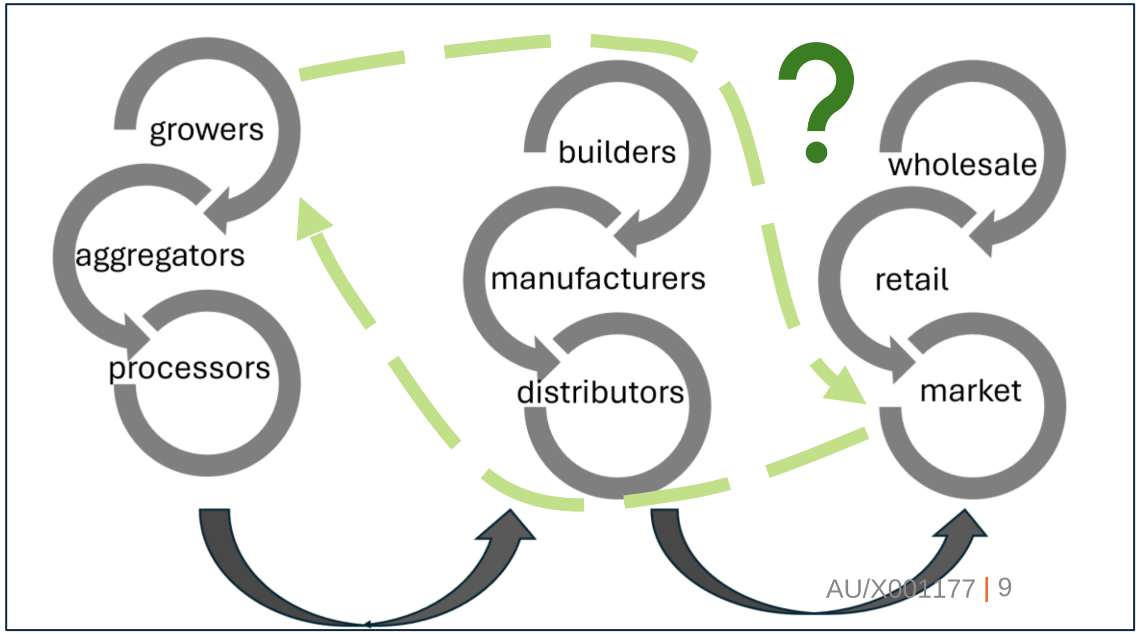
Top Right: Grower Stakeholder Model
Bottom Right: Supply Chain Stakeholder Model

Positioning

Tasmanian Private Timber Industry
Who are they and what are they doing?

- Context ?
- Expectations ?
- Attributes ?
- Examples ?
- Evaluation ?





Top Right: Grower Stakeholder Model
Bottom Right: Supply Chain Stakeholder Model

Vision

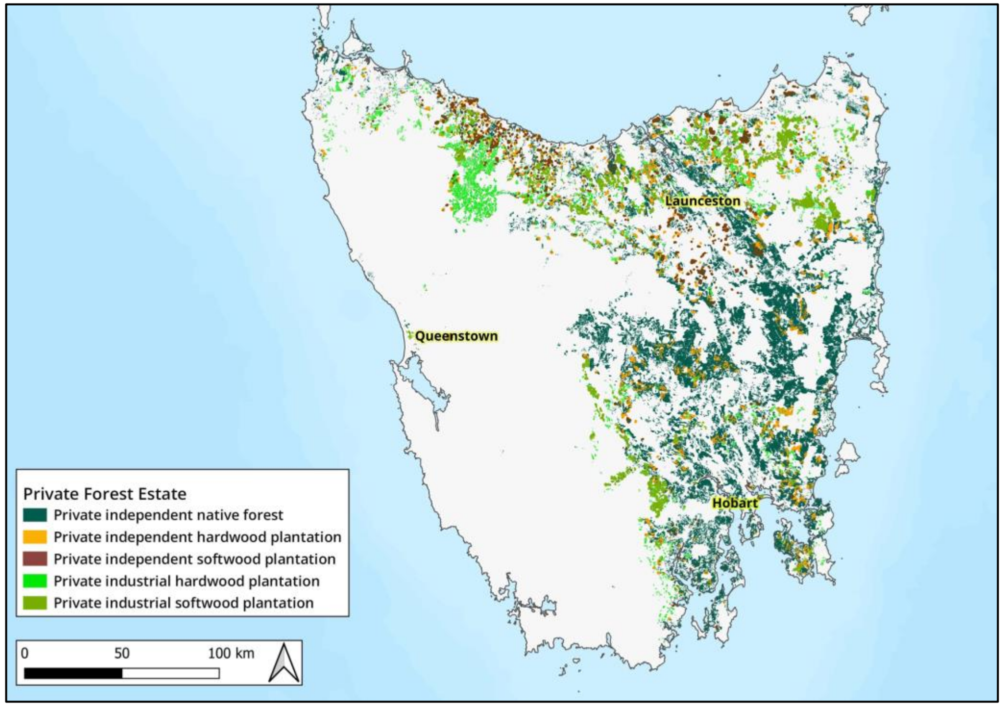
Breakout Sessions: *20 Mins*

1. Where do we want to go?
2. How do we get there?
3. How do we measure success?

Strengths		Weaknesses	
Resource	Market	Resource	Market
Opportunities		**Threats**	
Resource	Market	Resource	Market

Templates

- Numerous templates inside and outside forest sector
  - ✓Grower Cooperatives
  - ✓Digital Platforms
  - ✓Price Discovery mechanisms
  - ✓Logistical models
  - ✓Branding or geographic collectives
- Stakeholder consultation will inform Evaluation for Application
- If none of these work, consider modification, hybrid, or something new



1. Cooperative Models

👥 **NCT Forestry South Africa:** ~1 800–2 000 members; ~300 000 ha

📈 **Collective marketing:** pulpwood, sawlogs, biomass; domestic & export

🚛 **Logistics integration:** depots, road/rail, chip mills (Richards Bay, Durban)

✅ **Certification:** FSC® group management; SAFAS (PEFC-endorsed)

💰 **Member returns:** profit-sharing/bonuses aligned to supply (patronage)

🏆 **Outcome:** scale, price leverage, lower transaction costs

2. Digital Marketing Platforms

🧠 **FarmGate Auctions, Southern Livestock Exchange:** real-time auctions, live streams, traceability

🌲 **Estonia Timber Exchange:** list forest lots; online bids & e-contracts

📱 **M-Farm (Kenya):** SMS price discovery, group selling, input aggregation

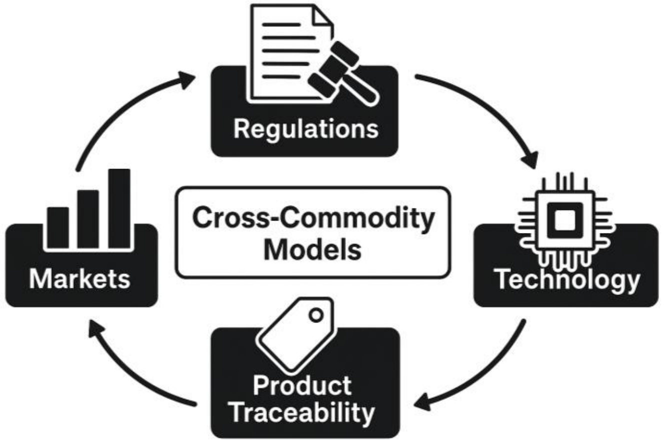
🔍 **Benefits:** transparency, pooled volumes, reduced admin friction

🧩 **Tasmania concept:** list species/grade/volume; bids/offers; digital contracts

⭐ **Ratings:** buyer/seller reputation to build trust

3. Other Agriculture Models

- 🐑 **AWEX**: standards, weekly auctions, EMI; WoolClip® / eSpeci® traceability
- 🌾 **GrainCorp pools:** price averaging, logistics efficiency, tiered options
- 🧱 **AgriDigital:** grain digital contracts, payments, inventory & traceability
- 📏 **Lesson:** standardisation + transparency + pooling reduce risk
- 🔗 Forest → buyer traceability to enhance credibility & finance
- 🚛 Service hubs (GrainCorp-like) for timber logistics & storage



4. Transparent Price Discovery Mechanisms

📊 Use indices & published ranges (e.g., APLPI, FWPA TMI) as reference points

🧮 Grower-facing stumpage tools (FOB → stumpage cost conversions)

🗓️ **Regular cadence:** monthly/quarterly regional reporting & benchmarks

🔐 **Data governance:** anonymised submissions; simple specs & grades

🏆 **Outcome:** improved negotiating power, planning & market participation

🧰 **Keep farmer-practical:** averages & ranges over complex spot data

MARGULES GROOME

5. Auction Platforms

🕘 Live/timed online timber auctions widen buyer reach

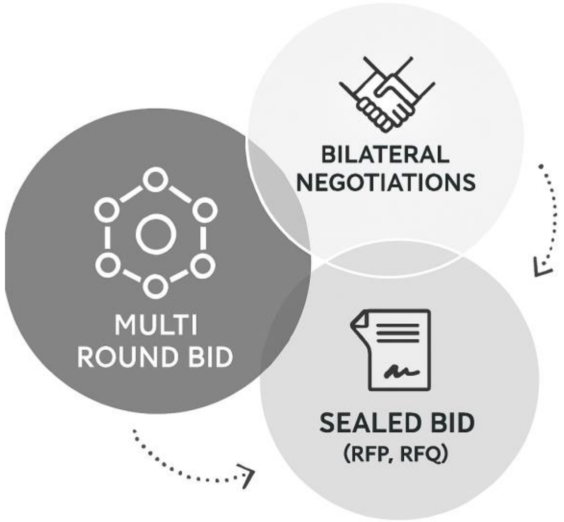
🐄 **AuctionsPlus analogue:** live-streamed bidding & catalogues

🌳 **VicForests Tradeslot:** 2006 - 2024

💹 **Trial:** revenue uplift via competitive bidding & lot design

🧩 **Features:** combine lots; include non-price attributes (quality, geography)

🏆 **Result:** transparent price discovery & efficient allocation



6. Integrated Logistics

🚚 Uber Freight: matches small loads to trucks on-demand; real-time pricing & tracking

🕒 Dynamic scheduling without central fleet ownership

🧩 **Complements co-ops:** handle surplus/non-committed volumes & last-mile

🗺️ Suits fragmented grower base & uneven regional volumes

🏆 **Outcome:** lower logistics barriers to market participation

Note: not currently available in Australia.

7. Producer Education & Extension

- 📚 **PNF Qld**: 22-species booklet, website, 26+ YouTube videos
- 📣 **Outreach:** 100+ posts; >20,000 views; TV segments & conferences
- 🎯 **Goals:** build landholder understanding & translate to practice
- 📏 **Governance:** monitoring & evaluation framework for improvement
- 💡 **Lesson:** education boosts readiness, confidence & participation
- 🧩 **Tasmania application:** modules on native silviculture & marketing

8. Private-Public Incentives to List

- 🧾 **Listing subsidies:** offset inventory, certification, registration costs
- 🪙 **Pilot price guarantees:** minimum stumpage for defined trial volumes
- 🧰 **Serviced grants:** join co-ops/exchanges with bundled support
- 🌏 **Precedent:** US CRP, EU CAP; AU biodiversity/carbon stewardship
- 🧩 **TAS pilot:** subsidised listing + PTR-aligned inventory services
- 🎯 **Aim:** catalyse scale, trust & transparency — not replace markets

9. Branding Model: Tasmanian Wine

- From small player → premium international wine brand

📍 **Provenance branding:** 'Wine Tasmania' & sub-regional identity

✅ **Quality-first:** Focus on premium small-batch varieties (Pinot Noir, Chardonnay, Riesling)

🏢 **Representative brands:** Pipers Brook, Coal Valley, Jansz, Bay of Fires

🤝 **Collaborative marketing:** Events & unified industry promotion

🍷 **Tourism integration:** Wine trails, cellar doors, premium experiences

10. Branding Model: TTPB

The Tasmanian Timber Promotion Board is a body corporate that was established by an Act of the Tasmanian Government in 1970. The aim of the Board, as set out in the Act, is to promote the use of wood, in Tasmania and elsewhere. It is charged particularly with promoting timber produced in Tasmania.

To discharge this aim, the Board:

- Researches into the use of wood and its derivatives: sawn timber and timber products;
- Markets timber and timber products; and
- Disseminates information on using timber and timber products.
- The Board is funded by a Government-imposed levy, collected from the sale of all crown saw logs.

Process & Timeline