

## Questions from Tree Alliance Webinar “Trees for superannuation and succession planning”

### Q1. Steve do you have any views on scale

- Yes, I do I think that if you are going to do it commercially, I think 50 acres is probably the minimum size if you are going to get somebody else in to do it, however if you're going to contribute your own time and effort an acre is fine. Anywhere between an acre and 50 acres on your own maybe, then its large scale where you will have to get some contractors in.

### Q2. What about species? Pine vs. fibre hardwood vs. cabinet timber?

- Contact the Tree Alliance to get information about Tasmanian timber species. My thoughts are though that higher value is the only way to go. In Gippsland Victoria it is stringy bark and spotted gum for furniture grade timbers.

### Q3. Hi Steve. What's your view on market uncertainty and how you factor this into the investment decision? Or doesn't it matter if you are largely relying on increased land value? Also views on forward selling and industry commitment to future purchase of timber?

- I have great concerns about some of the future of it and especially in Victoria where politics are being thrown around now. My thoughts are that it is still safe enough. When you look at the 5% return on land value, but you also start to look at other things (outside of the timber itself).

Our fall-back position is that it will still be profitable. You have got the tax and land value to help that. But I think you have got to look at other value ads. We are looking at the carbon market as a great way of picking up an extra return as well but eco-tourism is another big one and another one we are looking at is bespoke timber if you think of swipe left, swipe right like on a dating app why wouldn't you start selling your trees individually as well as taking them all out and harvesting the whole lot. Start working with furniture makers and put a story to your timber as well.

So my view is that at that mass level management investment scheme that there is heaps of problems, but if you look at Rowan Reid and people like that those guys are doing a really good job at putting a story to the timber.

**Q.4 Steve, Do you have a sense of whether many landowners are currently using commercial tree crops in estate planning and succession planning?**

- I am certainly using it for my estate planning as I have a lot of investments in timber and I may die before that all comes out and I have certainly thought ahead writing a business plan that if I do go early how that can be managed to its maximum return the mere fact is that I will be in my 80's when some of this land comes around. I am

hopeful that my teenage son in particular might want to continue in tree planting.

**Q.5 Steve - to be sure of a commercial return you need to grow for a market.**

**Too many farm foresters end up with 'stranded resources' - well grown trees but no market for them at a commercial haulage distance to a processor or port. No point high pruning trees for sawlog markets when you only have a pulp market. Markets will change over time but too many think that 'if they grow trees buyers will come'.**

- Yes, great points, there is a plantation in Victoria which I have visited a number of times and he has done a really great job but there is no market for his timber. And I agree you have got to have markets in mind when you do plant, but you have also got to have those backups likes carbon, tourism, bespoke furniture or whatever it might be in place as well.