Forestry Integration Tool

Connecting farms, forestry and future fibre for our communities

Guidance Note 1.2 | **Foundations – Commercial Structures**

IN THIS HELP SHEET

This help sheet provides information on various ownership models. The models present different balances of risk and reward.

Market Agreements

1

100% landowner owned

You fully own the plantation, fund the costs, and are fully entitled to revenues.

2

Partnership Agreement

You share ownership, funding, and entitlement to revenues of the plantation with one or more other parties. Proportion is based on funding contribution and is contractually pre-agreed.

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Promoting the Forestry Industry

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3

Offtake Agreement

You fully own the plantation, fund the costs, and are fully entitled to revenues pre-secured by a purchasing agreement with a processor. This agreement may be fixed-price (pre-agreed value of the timber), index-linked (priced at harvest by indexing today's price against pricing indexes), take-or-pay (the processor must take a minimum volume of timber or pay for the volume anyway), or first right of refusal (the processor must be offered to be sold the material first).

4

Land Lease

You retain your land title and an investor funds costs and retains entitlements to revenues. They pay you rent.

To Proceed

It is recommended that you consider discussing agreements with a forestry specialist.
A forestry specialist can guide you to legal services and contractual templates if required.

For a list of specialists, see Forestry Australia's Register of Forestry Professionals.

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