



23 Marcus Clarke Street  
Canberra ACT 2601

GPO Box 3131  
Canberra ACT 2601

tel: (02) 6243 1368

[mergers@acc.gov.au](mailto:mergers@acc.gov.au)

[www.acc.gov.au](http://www.acc.gov.au)

Our ref: IM-71109  
Contact officer: Sophie Mitchell; Louis Loizou  
Contact phone: 03 9290 1822; 03 9290 1412

3 February 2021

Dear Interested Party

**Re: Request for submissions: OneFortyOne Plantations Holdings Pty Ltd's proposed acquisition of Global Forest Partners LP's softwood plantation assets (Green Triangle Forest Products)**

The Australian Competition and Consumer Commission (**ACCC**) is seeking your views on the proposed acquisition of Green Triangle Forest Products (**GTFP**) by OneFortyOne Plantations Holdings Pty Ltd (**OFO**) (the **proposed acquisition**).

OFO is an integrated timber company, being both a forest grower and owning a structural sawmill in the Green Triangle region. GTFP is a forest grower and is currently owned by investors managed by Global Forest Partners LP. Further details regarding the proposed acquisition can be found at **Attachment A**.

The ACCC's investigation is focused on the impact on competition. In particular, we are seeking your views on:

- the impact of the proposed acquisition on the prices for softwood fibre products in the Green Triangle region (encompassing Western Victoria);
- whether OFO and GTFP compete closely; and
- whether OFO would be able to:
  - restrict the supply of its softwood fibre products to rival sawmills for processing; or
  - refuse to process rival forest growers' softwood fibre products and therefore restrict their ability to supply sawmill customers.

Further issues you may wish to address are set out in **Attachment B**.

This matter is public and you can forward this letter to anybody who may be interested. The ACCC is also considering a proposal by New Forests Asset Management Pty Ltd to acquire Global Forest Partners LP's softwood plantation assets. More information is

available on the ACCC's public mergers register ([link](#)).

The legal test which the ACCC applies in considering the proposed acquisition is in section 50 of the *Competition and Consumer Act 2010*. Section 50 prohibits acquisitions that are likely to have the effect of substantially lessening competition in a market.

Please provide your response by no later than **5pm on 17 February 2021**. Responses may be emailed to [mergers@acc.gov.au](mailto:mergers@acc.gov.au) with the title: *Submission re: OFO / GTFP - attention Sophie Mitchell/Louis Loizou*.

If you would like to arrange a time to discuss the matter with ACCC officers, or have any questions about this letter, please contact Sophie Mitchell on 03 9290 1822 or Louis Loizou on 03 9290 1412.

Updates regarding the ACCC's investigation will be available on the ACCC's Public Mergers Register at ([ACCC mergers register](#)).

#### ***Confidentiality of submissions***

The ACCC will not publish submissions regarding the proposed acquisition. We will not disclose submissions to third parties (except our advisors/consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the *Competition and Consumer Act 2010*. Where the ACCC is required to disclose confidential information, the ACCC will notify you in advance where possible so that you may have an opportunity to be heard. Therefore, if the information provided to the ACCC is of a confidential nature, please indicate as such. Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

Yours sincerely



Sheridan de Kruiff  
General Manager (A/g)  
Merger Investigations

## Attachment A

### Information about the merger parties and the proposed acquisition

#### The proposed acquisition

OneFortyOne Plantations Holdings Pty Ltd (**OFO**) proposes to acquire 100% of the units in World Timberfund Australia Trust, which owns the business known as Green Triangle Forest Products (**GTFP**), from investors managed by Global Forest Partners LP (**GFP**).

The Green Triangle region spans the border between South Australia and Victoria and consists of two types of plantations, softwood and hardwood estates. The GTFP estate consists of softwood plantations spread throughout the Green Triangle region in Tarpeena, Cafpirco, Kongorong, Caroline, Kentbruck and Dartmoor. The estate comprises a total productive area of about 22,200 hectares.

The types of softwood products produced by forest growers include sawlogs (used in timber production), round wood logs (used to manufacture posts and poles), pulplogs, and woodchips (used to manufacture particleboard and paper).

#### OFO

OFO is an integrated timber company that is majority owned by Australian funds and operates across both Australia and New Zealand. It is the largest of the Green Triangle forest growers, leasing the long-term harvesting rights to a softwood plantation estate from the South Australian Government. OFO's plantation estate sits across both South Australia and Victoria and comprises a total productive area of approximately 83,000 hectares.

OFO owns the Jubilee Highway Sawmill (**Jubilee**) in Mount Gambier, which is a structural sawmill that produces timber products for customers across Australia. GTFP currently supplies Jubilee with a significant proportion of Jubilee's sawlog requirements under a long-term agreement.

#### GTFP and GFP

GTFP is the smallest of the large Green Triangle forest growers. The majority of GTFP's sawlogs are already committed to OFO's Jubilee.

GFP is a US-based forestry investment adviser that manages approximately US\$3 billion in forestry assets and 700,000 hectares of timberland worldwide, including in Australia where it has been active since 1999. GFP manages approximately 266,500 hectares of timberland in Australia.<sup>1</sup>

---

<sup>1</sup> <https://www.gfplp.com/our-experience>; <https://www.gfplp.com/map>.

## **Attachment B**

1. Please describe your business or organisation and explain your interest in the proposed acquisition, including any commercial relationship(s) with OFO or GTFP.

### **Questions for customers (e.g. sawmills, softwood processors or end users)**

2. Identify and describe the types of softwood products (e.g. structural sawlog, non-structural sawlog and/or log specifications) you procure in Australia and your current suppliers.
3. Please describe how you procure different types of softwood products—for example, through formal tender or other methods—and set out what contracts you currently have in place (including expiry dates).
4. For each softwood product you procure in Australia, please identify and describe the alternative suppliers capable of servicing your needs. In your response, please identify any suppliers you consider particularly effective competitors (for example, through their innovation, product offering or service).
5. Please explain whether you consider OFO and GTFP to be close competitors in the supply of softwood products in the Green Triangle region. In your response, consider factors such as the types of products they supply, their geographic areas of supply, and their participation in tender processes.
6. Please explain your views as to whether prices may increase or service levels may decrease due to the proposed acquisition for any softwood product in Australia.
7. Please explain whether you would be able to bypass supply of any softwood products from the combined entity by self-supplying or sponsoring the entry of another supplier. Please provide examples where possible.

### **Questions for competitors (e.g. forest growers or sawmills)**

8. Please identify the softwood products you supply in Australia.
9. For each product you supply, please identify your competitors and estimate market shares where possible.
10. Please discuss the importance of innovation and research and development in competition in the supply of softwood products in Australia and provide any relevant examples.
11. Please discuss the likelihood of new entry or expansion in these markets. For example, the ACCC understands that barriers for softwood production may include access to land and water licences, and barriers for softwood processing may include capital investment and access to log supply. In your response, please consider the likely timeframe for market entry and provide details about barriers to entry, such as any regulatory barriers, or access to key inputs. Please reference which of the barriers to entry you consider to be the most onerous. Please also provide examples of recent entry where possible.

### **Other**

12. Please provide any additional information or comments that you consider relevant to the ACCC's consideration under section 50 of the Act.