

ANNUAL REPORT


2011/12


A low-angle photograph of a construction site. In the foreground, large, light-colored wooden panels are stacked and supported by metal brackets. In the background, a tall blue lattice crane stands against a clear blue sky. The image is used as a background for the report cover.

HOW TO USE THIS DOCUMENT

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Throughout the report, you will see the following symbol  and/or grey and orange instructions, e.g. 'read the full document [here](#)' These indicate there is a live link.

Click on this symbol  to access further information on a particular topic. Clicking on any orange text will also link you to additional relevant information.

All websites listed throughout the report are live links and can be used to access the live website in your browser.

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Cover:
Construction of a 10-storey residential building using cross-laminated timber (CLT) by Lend Lease. Forte is located in the Docklands (Melbourne, Victoria).

Photographer: Keith Webb

Image courtesy of [Lend Lease Australia](#) 

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* Based on levies received, the annual harvest volume for 2011/12 was 23.4 million cubic metres.

FOREST & WOOD PRODUCTS AUSTRALIA

Forest and Wood Products Australia (FWPA) Limited is the industry-owned services body that invests in outcome-oriented research and development (R&D) and encourages the adoption of these R&D findings. FWPA also manages the generic promotion of the forest and wood products sector and coordinates the sector's approach to timber standards and building codes. FWPA is committed to helping the forest and wood products industry to be collaborative, innovative, sustainable and competitive.

FWPA is responsible to its members and levy payers, and to the Australian Government through a Statutory Funding Agreement (SFA) that allows for Commonwealth matching of appropriate expenditure on R&D and other eligible activities.

The 2011/12 Annual Report summarises the services and solutions provided by FWPA over the past 12 months and the degree to which they meet the Company's commitments to its stakeholders.

VISION

To ensure that forest and wood products are the preferred, sustainable material that meets the Australian market needs.

MISSION

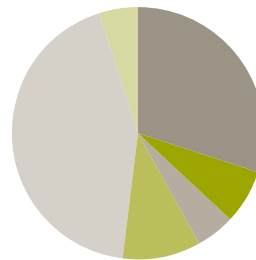
The vision will be achieved through FWPA investing strategically in R&D, knowledge transfer, education and generic promotion to gain community support and market acceptance for forest and wood products.

Funding

FWPA is one of 15 rural research and development corporations and industry services companies that represent a unique partnership between the Australian Government and the rural industries. FWPA is jointly funded by the Australian forest and wood products industry and the Australian Government through the collection of industry levies on a range of primary products and matched by the Government on a one-to-one basis for R&D, tech transfer and education.

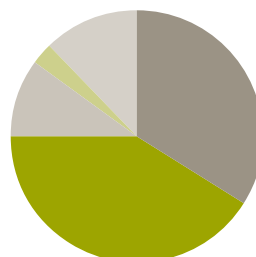
Revenue: \$9.15 m

- Processor levy 30%
- Grower levy 7%
- State grower levy 5%
- Importer charge 10%
- Commonwealth Government matching payments 43%
- Other revenue 5%



Expenses: \$11.43 m

- Generic industry promotion 34%
- R&D investments 41%
- Tech transfer and education 10%
- Standards coordination 3%
- Corporate overheads 12%



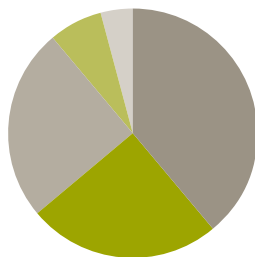
Actual expenditure versus budgeted and last year's expenditure for FWPA strategies

		10/11 Actual (\$ m)	11/12 Budget (\$ m)	11/12 Actual (\$ m)
Strategy 1	Generic industry promotion	4.41	4.1	3.92
Strategy 2	R&D investments	4.71	5.5	4.64
Strategy 3	Tech transfer and education	1.85	2.3	1.17
Strategy 4	Standards coordination	0.27	0.5	0.3
	Corporate costs	1.21	1.4	1.4
		12.45	13.8	11.43

Aligning with rural and national priorities

The Australian Government is a major contributor to FWPA programs through matching R&D funding. The five-year Strategic Plan aligns the company's investment priorities with the Australian Government's national and rural research priorities and their associated community and industry outcomes.

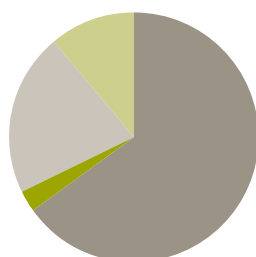
Rural R&D Priorities



The percentage of R&D expenditure across rural R&D priorities 2011/12

- Productivity and adding value 39%
- Supply chain and markets 25%
- Natural resource management 25%
- Climate variability and climate change 7%
- Biosecurity 4%

National Research Priorities



The percentage of R&D expenditure estimates across National Research Priority Goals 2011/12

- An environmentally sustainable Australia 65%
- Promoting and maintaining good health 3%
- Frontier technologies for building and transforming Australian industries 21%
- Safeguarding Australia 11%

Accountability to levy payers

The Board and management of FWPA are committed to the disciplined, transparent and efficient operation of the Company and its finances. To this end, each program is managed in accordance with the clear objectives identified in the Annual Operating Plans and stringent financial controls.

FWPA quantifies and reports the investment benefits to levy payers. This is achieved by allocating funds to investment programs with consideration to the source of levies received. FWPA assigns and tracks sectoral benefits across projects and programs to allow monitoring against sector levy contributions. This is achieved through a variety of methods, including:

- › R&D planning and review processes (see [page 42](#))
- › periodic surveys targeting a number of audiences including consumers (see [page 27](#)), specifiers (see [page 29](#)), and stakeholders
- › audits and assessments, for example the benefit-cost analysis conducted by URS. (see [page 37](#))



FWPA works across the forest and wood products supply chain from forest growing, to processing and distribution

FWPA performance review

An independent review of FWPA's corporate performance conducted in January 2012 by SED Consulting concluded that the company is well run and has met all its obligations.

The review was commissioned as part of FWPA's obligations under its five-year Statutory Funding Agreement (SFA) with the Australian Government. The SFA requires a review to be undertaken by an independent consulting group that has not previously worked for FWPA.

The consultants, who are very familiar with the rural research and development sector, found FWPA met all the obligations under the SFA with the Australian Government during the review period. The consultants noted that, like any organisation, there are opportunities for improvement.

Consultants extensively reviewed corporate documents including: strategic plans, annual reports and Board papers, as well as feedback from stakeholders. They also examined how FWPA manages its internal Board and management processes (corporate governance), how it plans and reports upon its various activities, the processes it adopts in managing R&D, marketing and other investments, how well it communicates with its members and other stakeholders, and how it measures the benefits it is delivering.

The report from SED consulting concludes that:

- Board and management structures and processes are sound, with the Industry Advisory Groups providing broad stakeholder input into planning and operations
- some corporate documentation could be tightened up, and the consultants have made recommendations for several governance documents to be created or upgraded
- the planning and reporting process, from Strategic Plan to Annual Operating Plan and Annual Report, is robust and meets all requirements, although some of the benefits arising from FWPA investments could be communicated more succinctly and clearly to stakeholders than they are currently

- investments in R&D, promotion, tech transfer and standards are being managed in a manner consistent with those of similar industry service bodies
- communication with members and other stakeholders is proactive and well regarded, especially the accessibility of senior management and the R&DWorks seminars
- FWPA is able to demonstrate objectively that it is delivering a positive benefit to its members and to taxpayers

The FWPA Board has welcomed the consultant's report and all recommendations have been implemented.



🔗 Read the full document [here](#)



Statutory Funding Agreement and the 2011–15 Strategic Plan

FWPA exists for the benefit of Australia's entire forest and wood products industry. Importantly, it also serves the wider community, including government, by being an independent, credible and professional source of advice on the sustainable development and growth of Australia's forest and wood products industry. FWPA is a not-for-profit company, focused on investing industry and public funds in ways that best advance the industry's prospects.

The Strategic Plan was developed in consultation with all stakeholders and provides guidance to FWPA's Board to enable it to fulfil its responsibilities for the industry. The Plan was framed and prepared to comply with the requirements of the five-year Statutory Funding Agreement (SFA) made with the Government that commenced in September 2007.

The Strategic Plan covers a five-year period and its scope is set at a level high enough to allow the flexibility to adjust priority themes on a year-by-year basis, in response to industry's changing needs and our indicators of success. Within this, FWPA's day-to-day program delivery is defined and directed by separate Annual Operations Plans. These contain greater detail and specificity than this Strategic Plan, but are framed and informed by the overall drivers, strategies and priority themes.

Looking forward to the next SFA

The current SFA expires in September 2012 and FWPA is in the process of negotiating the next five-year agreement. Initial steps in this process have included an industry summit (February 2012), which resulted in the development of a business case that was subsequently presented at an industry forum (July 2012). FWPA will take the feedback from the summit and forum, as well as feedback from other stakeholder groups and internal reviews and audits to identify the priorities and objectives for the next SFA.

INDUSTRY SUMMIT

FWPA hosted a national industry summit attended by more than 50 industry CEOs and key decision makers in February 2012.

The summit's primary purpose was to obtain direct industry assessment of FWPA's performance during the initial five years of its operation and to identify the major industry priorities and objectives for its operation under the next SFA.

Summit attendees acknowledged that FWPA was performing well, with high levels of governance and credibility.

There was support for continuation of current levies. Participants were in favour of increased levies to expand industry services and programs, provided a business case could show the benefits to levy payers based on the level of increase and the overall benefit to industry from key program investment.

In response to the summit outcomes, FWPA developed a business case for the new industry programs to present to the members and levy payers at a follow-up forum in July 2012. The overall sentiment from the summit was:

There was clear support for the continued role of FWPA. It was acknowledged that the company was performing well with high levels of governance and credibility... There was also conditional support for increased levies if a business case showed the benefits to levy payers based upon the quantum of increase and the overall benefit to industry from key program investment.

Australian Business Class 2012

Industry has requested that the Company continue operations under its current strategic plan and operational structure for 2012/13, with expenditure budgets guided by the forecasted 2012/13 levy income.

✕ Read the FWPA industry summit summary [here](#)

INDUSTRY FORUM

The FWPA business case was presented at an industry forum in July 2012. Although held in the 2012/13 financial year, a brief overview of the forum is reported below.

The forum followed on from the February summit and more than 45 industry CEOs and senior decision makers attended. The business case was presented at the forum and participants were charged with the key tasks of determining the appropriate level and time of investment for industry collaborative activities as well as the appropriate split between programs and how the benefit allocations should be shared across the industry.



2012 industry forum

While there was strong support for FWPA, there was no consensus to endorse the business case in its entirety due to the impact of current economic conditions on the industry and its capacity to pay. However, there was majority in principle support for a levy increase to cover the current shortfall of \$2 million to ensure the current FWPA programs can continue. There was also support for follow-up meetings with the separate sectors to determine the level of interest in supporting some of the proposed programs on a sector basis.

Forum conclusions – priority issues

Rob de Fégely from Myoora Investments Ltd facilitated the forum and he reported the following conclusions and priority issues:

- explore an increase of \$2.0 million in funding for FWPA to maintain the 2011/12 level of activity (with some adjustment of priorities) with an equitable levy increase across all sectors
- undertake sector meetings to determine any additional sector-specific programs that may be funded
- within the sector meetings, aim for a reduction of levy classes (which saves administration costs for FWPA and lowers collection costs).

🔗 Read the FWPA industry forum summary [here](#)

2011/12 HIGHLIGHTS

FWPA PERFORMANCE REVIEW

A positive endorsement of the Company's operations

FWPA LEVY REVIEW PROCESS INITIATED

An industry Summit looks at future directions for FWPA and industry development

WOOD. NATURALLY BETTER.™ ON TELEVISION

Under Planet Ark's Environmental Edge brand, awareness of our messages grows

WOODSOLUTIONS REACHES 4,500 REGISTERED USERS

Increasing registrations to the site show the value of information

WOODSOLUTIONS TUTORIALS PRESENTED TO 5,000+ PROFESSIONALS

Delivering information to encourage the use of wood and wood products by building specifiers

CERTIFICATION FORUM BRINGS SUPPLY CHAIN AND ENVIRONMENTAL GROUPS TOGETHER

Sponsored by FWPA



INTERNATIONAL COLLABORATION DELIVERS BENEFITS TO SAW MILLERS

Cant Optimisation Tool increases the value of processed timber by \$14/m³

PREDICTIVE MODEL SOFTWARE INCREASES RETURNS TO GROWERS

TREEPLAN® results in marginal return of \$554 net present value (NPV) per hectare

HIGH-VALUE ENGINEERED VENEER PRODUCTS FROM EUCALYPTUS PULPWOOD

Rotary peeling plantation trees grown for fibre can now produce appearance grade LVL

R&DWORKS AND FORWOOD NEWSLETTERS ARE WIDELY DISTRIBUTED

Communicating technical knowledge and research results to increase productivity

FORESTLEARNING WEBSITE ATTRACTS 25,000 VISITORS

The new website is aimed at teachers and integrating industry information into curricula

DESIRABILITY OF WORKING IN FOREST AND WOOD PRODUCTS INCREASES BY 8%

Tracking research has shown an increase in desirability to work within the forest and wood products industry by 8%

CHAIRMAN'S REPORT



In last year's report, I noted the challenging economic conditions facing the industry with reduced housing starts, high exchange rates and corporate restructuring all adding to the sense of uncertainty.

Sadly, these conditions continued throughout the 2011/12 financial year and the current outlook for next financial year suggests there will be no quick turnaround.

The Board and management of FWPA are extremely sensitive to this operating environment but have also remained focused on delivering on the mission assigned to the organisation.

In short, the mission is to grow the market for wood products in Australia by undertaking generic promotion, investing in R&D (and encouraging adoption of findings), and coordinating timber standards and building codes on behalf of industry.

Importantly, this mission is about improving the operating environment for the forest and wood products industry and achieving a more sustainable future for Australia. This is not about tomorrow or next week, but the next 5–10 years and the decades that follow.

It is also about continuous incremental improvement: improvements in knowledge that lead to increased productivity or better policy outcomes; innovations in processes and products; better knowledge on how and why to use wood products.

The forest and wood products sector is a highly interdependent supply chain encompassing forest growing, processing and distribution. It also includes imports.

While domestic growers and processors see imports as a major source of competition, the reality is that they have always been a part of the Australian market and will continue to be so, supplementing domestic supply and providing synergistic products.

Forecasts of timber supply and demand for the next 20–30 years clearly show Australia will continue to rely on imports. Australia has insufficient trees currently in the ground to meet this demand because the softwood plantation estate has been effectively stagnant for more than 20 years.

While there has been growth in the hardwood plantation estate, mostly driven by managed investment schemes establishing short rotation plantations for woodchip exports, this resource is generally unsuited for sawn timber or engineered wood products. There is also a strong likelihood that much of this estate may be converted to other land uses following harvest due to species selection and market economics.

The current supply situation raises the question: if Australia will continue to be a net importer of forest and wood products, why is FWPA focused on growing the market for those products?

Part of the answer is that FWPA receives funding from imports to support this activity.

More importantly a growing market creates opportunity. This can be expansion of traditional markets, recapturing market segments previously lost to competitive materials, or gaining a share of non-traditional markets such as commercial and industrial buildings.

For the domestic supply chain, this market growth creates the opportunity to develop new product or service offers, which can lead to improved profitability and/or productivity.

A profitable domestic supply chain will inevitably lead to more trees in the ground.

For the Australian Government, a growing market for forest and wood products can have a material impact on the national carbon reduction targets through increased sequestration and avoided emissions from more energy intensive building materials. Recognition of the carbon storage benefits of wood products would obviously improve the carbon accounting benefits even further.

A growing market for forest and wood products is a truly virtuous cycle as long as there is a commitment to sustainability and renewal of the forest estate following harvest.

Domestic growers and processors should also see imports as a stimulus for innovation and ongoing productivity improvements that will achieve and maintain our international competitiveness.

FWPA's role is to help create the conditions where industry will have the confidence and tools to actively pursue innovation.

This may be achieved through improved public support for wood products, the transfer of technical information to building specifiers, architects and engineers, standards coordination or knowledge creation through R&D investments.

Over the past 12 months, FWPA has clearly demonstrated its ability to deliver on its mission. This has been confirmed through the independent performance review by SED Consulting, the endorsement of the organisation by industry leaders at the February 2012 Summit and the quantifiable results from a range of programs.

I would like to take this opportunity to thank all my fellow directors for their commitment and contribution, and especially acknowledge the service of Jim Snelson who retired from the Board in February.

I also thank the management of FWPA, members of our advisory groups, our research providers and marketing suppliers. It is a tremendous team effort.



CHAIRMAN

Ron Adams

MANAGING DIRECTOR'S REPORT



The cover of this year's annual report is a tribute to innovation as a way of growing the market for wood products in Australia.

For those unfamiliar with this exemplar building, the cover shows the construction of a 10-storey residential building using cross-laminated timber (CLT) by Lend Lease in the Docklands (Melbourne, Victoria).

Over the past few years, CLT has become a major talking point within the wood products industry and with building specifiers in Australia and around the world.

Although the product has been commercially available in Europe for more than a decade, it was the paradigm-shifting decision to use it for a high-rise in London that caught everyone's attention.

In 2009, FWPA sponsored a visit to Australia by Andrew Waugh, the architect who helped spark this revolution. Subsequently, under the WoodSolutions banner, we have helped publicise the potential of this technology through guest speakers and other tech transfer mechanisms.

It should be acknowledged that Andrew Dunn from the Timber Development Association has played a key role behind the scenes with both local manufacturers and with developers, including Lend Lease.

While it is too early to declare CLT a success or a transformational technology, it does demonstrate the potential of innovation.

Much has been written about the process of innovation; in simple terms, it is about thinking or doing things differently.

This is the challenge and the opportunity for the forest and wood products sector.

Whether it is in forest growing, processing or market development, the sector needs to re-evaluate all its business practices to improve productivity, increase its competitiveness and to grow its markets.

FWPA has a clear role to play in this process.

As the industry service company, our mission is to undertake generic marketing, strategic R&D investments, encourage uptake of R&D findings and coordinate the industry's approach to building codes and standards.

To this end, the 2011/12 financial year has seen a range of initiatives successfully delivered on behalf of industry.

The strategic partnership with Planet Ark, which was announced in March 2011, has delivered on two fronts: improved consumer understanding of the role of wood products and carbon storage; and identifying impediments to the increased awareness and uptake of independent certification.

In terms of wood and carbon, the TV advertisement under the banner of Planet Ark's Environmental Edge has been highly successful. After two flights of advertising, the advertisement had a prompted awareness of 33%.

Importantly, consumer understanding that wood products in the home continue to store carbon increased by 24 percentage points.

Other metrics related to forest and wood products also improved due to the advertising campaign.

The WoodSolutions website, which was launched in June 2011, now forms the cornerstone of the building specifier strategy and is receiving 1,400 visits per day and has 4,500 registered users. In addition, timber tutorials and seminars are filling a much-needed gap in tech transfer to building specifiers.

In terms of R&D investments, the NZ-based Solid Wood Initiative has validated the use of cant scanning technology, which could generate potential cost savings of \$14 per cubic metre.

Throughout 2011/12, there was a major focus on tech transfer via the R&DWorks seminars and newsletters. The program aims to increase the industry's awareness of existing R&D findings that could be a source of potential innovation.

As required by the statutory funding agreement with the Commonwealth Government, FWPA commissioned an independent performance review. The consultants undertook a rigorous analysis, which included a review of corporate documentation and consultation with key stakeholders.

While some minor improvements were identified, the report was a strong endorsement of the company.

The company also received strong endorsement by industry leaders at the Summit held in February 2012. The summit participants recognised the importance of collaborative activities in helping deliver a brighter future for the sector.

A subsequent forum in July 2012 was convened to review the business case for a substantial increase in collaborative activities. While there was continuing strong support for FWPA, there was no consensus to endorse the business case in its entirety due to the current economic conditions affecting the industry.

This feedback provides assurance that FWPA is on the right track but also highlights the adverse market conditions facing the industry.

There is no doubt that sustainably sourced forest and wood products will have a greater role to play in a carbon-constrained economy.

Improving consumer and building specifier knowledge is one way to help secure this future. Investing in knowledge that can lead to market innovations like CLT or improved wood processing technologies is also part of the solution.

In going forward, FWPA will continue to focus its resources on delivering on its mission for the betterment of its members, levy payers and the broader Australian community.



MANAGING DIRECTOR

Ric Sinclair

BOARD OF DIRECTORS

The Board

The constitution of Forest and Wood Products Australia allows for between five and nine directors, including the managing director, who is appointed by the Board. At least two of the Board's non-executive directors must also be independent directors (not holding positions within any FWPA member companies). One third of FWPA's directors are elected each year at the annual general meeting (AGM). During the reporting period, the Board comprised eight directors, including the managing director. Outgoing directors Nick Roberts, Jim Snelson and Vince Erasmus were all re-elected to the Board at the last Annual General Meeting.

During the year, Jim Snelson resigned his role as FWPA director and John Simon was appointed to fill the casual vacancy until the next AGM.



CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Ron Adams

Mr Adams is the managing director of Wespine Industries Pty Ltd. He is also president of Forest Industries Federation of WA and a trustee of J.W. Gottstein Memorial Trust. He was formerly a director of the National Association of Forest Industries (NAFI), and a member of WA Minister for Forestry's Timber Plantation Advisory Group and The Australian Plantation Products and Paper Industry Council (A3P). He holds an associateship in Mechanical Engineering, is a graduate of the Harvard Business School International Advanced Management Programme and a Foundation Fellow of the Australian Institute of Company Directors.

Board responsibilities: Chair of the Remuneration and HR Committee, Member of the R&D Investment Committee and Chair of the Market Knowledge and Development Advisory Group.



INDEPENDENT NON-EXECUTIVE DIRECTOR

Michele Allan

Dr Allan is currently a non-executive director of a number of companies including Cooperative Research Centre Hearing, Food Standards Australia and New Zealand, Grape and Wine Research and Development Corporation, Meat and Livestock Australia and Ruralco Holdings Ltd. She is chair and non-executive director of the Grains and Legumes Nutrition Council and William Angliss Institute, as well as an independent non-executive director of Birchip Cropping Group and New Zealand Food Innovation Network Company. She is a Board adviser to Bread Solutions and a member of the Clean Technology Investment Committee. Dr Allan holds a Bachelor of Applied Science, Master of Management (Technology) and Commercial Law, a Doctor of Business Administration and is a graduate and Fellow of the Australian Institute of Company Directors.

Board Responsibilities: Member of the R&D Investment Committee and the Audit and the Finance Committee.



INDEPENDENT NON-EXECUTIVE DIRECTOR

Vince Erasmus

Mr Erasmus is a director of the Forest Stewardship Council Australia. Previously, he was the managing director of Elders Forestry Limited (formally ITC Limited), and a director of both the National Association of Forest Industries (NAFI) and the World Forestry Center in Portland, Oregon. He is an experienced industry participant and has extensive skills and expertise in the management of both softwood and hardwood operations internationally as well as broad experience in the solid wood-processing environment.

Board responsibilities: Chair of the R&D Investment Committee, Chair of the Wood Products Advisory Group.



INDEPENDENT NON-EXECUTIVE DIRECTOR

Mark Grey

Mr Grey is the CEO of the Queensland Eye Hospital. He is also non-executive director of CPA Australia and the Independent Ophthalmic Network, as well as a trustee of the Derwent Chief Superannuation Fund, chair of Livingstones Australia Pty Ltd and chair of Corporate Advisory Board of Verifact. Mr Grey has degrees in Asian Studies, Marketing and Corporate Governance and is a Certified Practising Marketer, a Chartered Secretary, a Fellow of the Australian Marketing Institute, Fellow of the Australian Institute of Company Directors and Fellow of the Australian Institute of Management.

Board Responsibilities: Chair of the Audit and Finance Committee and Member of the Promotion, Services and Communication Committee.



NON-EXECUTIVE DIRECTOR

Nick Roberts

Mr Roberts is CEO of Forests NSW. He is also the deputy director general of Industry and Innovation NSW. Previously, he has been managing director of Weyerhaeuser in both New Zealand and Australia, held senior roles in sales, marketing and operations with Fletcher Challenge in pulp and paper and forestry businesses, was president of the New Zealand Forest Owners' Association, director of Forest Research, and inaugural chair of A3P. He holds a Master of Science in Wood Science.

Board responsibilities: Member of the Promotion, Services and Communication Committee and the Remuneration and HR Committee.



INDEPENDENT NON-EXECUTIVE DIRECTOR

Evan Rolley

Mr Rolley is a director of Tasports and of Ta Ann Tasmania, and he also operates a successful farming business, Huon Valley Vineyards. He was previously the chief commissioner for Forests, then managing director of Forestry Tasmania and was more recently Secretary of Premier and Cabinet in Tasmania. He holds tertiary qualifications in forestry and economics.

Board responsibilities: Chair of the Promotion, Services and Communication Committee, Member of the R&D Investment Committee, and Chair of the Sustainability and Resources Advisory Group.



NON-EXECUTIVE DIRECTOR

John Simon

(Appointed to fill a casual vacancy in March 2012)

Mr Simon is CEO of Simmonds Lumber Group. He is also a director of the Australian Timber Importers Federation and the Timber Development Association NSW, and is a member of the Housing Industry Association's Manufacturers and Suppliers Council. Mr Simon has been the managing director of Sterlands, CEO of Pine Solutions and managing director of Hudson Building Supplies. He holds a Master of Science in Timber Engineering and is a Fellow of the Australian Institute of Company Directors.

Board responsibilities: Member of the Promotion, Services and Communication Committee.



MANAGING DIRECTOR

Ric Sinclair

Mr Sinclair was appointed to the role of managing director of FWPA in June 2008. He is also a trustee of the J.W. Gottstein Memorial Trust. Previously, Mr Sinclair spent seven years in the grocery and food industry where he worked in operations, corporate finance and strategy roles. Mr Sinclair has held operations, marketing and strategy roles at Origin Energy, KH Foods, Chiquita Brands and Amcor/PaperlinX. He holds tertiary qualifications in forestry and a Masters of Business Administration.

Board Responsibilities: Member of the R&D Investment Committee and the Promotion, Services and Communication Committee, and invited guest to the Audit and Finance Committee.

Our staff*

Ric Sinclair

Managing director

Chris Lafferty

R&D manager

Jason See

Business manager

Brooke Garas

Corporate communications manager

Sarah Gyopar

Digital strategy manager

Boris Iskra

Standards manager

Kelly Goh

Assistant accountant

Jarrold Gooden

R&D projects officer

Su Chandrashaker

Database and web content administrator

Grace Davies

Administration assistant

*as of 30/06/2012

Our Members

A E Girle & Sons
 A.C.N. 009 326 756 LIM (T/A Pinetec Ltd)
 A.K.D. Softwoods
 Allied Timber Products Pty Ltd
 Alpine Mdf Industries Pty Ltd
 Auspine Pty Ltd
 Austral Plywoods Pty Ltd
 Australian Bluegum Plantations Pty Ltd
 Australian Solar Timbers
 Australian United Timbers Pty Ltd
 Auswest Timbers Pty Ltd
 Baradine Sawmilling Co Pty Ltd
 Bayswood Timber Wholesalers Pty Ltd
 Big River Group Pty Ltd
 Birnam Forests Pty Ltd
 Boral Timber Division
 Borg Panels
 Briggs Veneers Pty Ltd
 Britton Bros Pty Ltd
 Bunbury Treefarm Project
 Carter Holt Harvey Woodproducts Australia
 Department of Environment
 & Resource Management (DERM)
 Dindas Australia Pty Ltd
 Dindi Sawmill
 Elders Forestry Limited
 Environmental Forest Farms
 Management Ltd
 FEA Group of Companies*
 Fenning Investments Pty Ltd
 Forest Products Commission (WA)
 Forest Strategy Pty Ltd
 Forestry Plantations Queensland Pty Ltd
 Forestry Tasmania
 ForestrySA
 Forests NSW

Garry Davey Timber Cutting
 George Fethers & Co. Trading Pty Ltd
 Green Triangle Forest Products
 GTP Alexandra Pty Ltd (GUNNS Timber
 Products)
 GTP Heyfield Pty Ltd (GUNNS Timber
 Products)
 Gunnedah Timbers Pty Ltd
 Gunnersens Pty Ltd
 Gunns Forest Products Pty Ltd
 Gunns Ltd
 Hancock Victorian Plantations
 Pty Ltd (HVP)
 Highland Pine Products Pty Ltd
 Hume Forests Limited
 Hurford Hardwoods Pty Ltd
 Hyne Timber
 ITI (NSW) Pty Ltd
 J Notaras & Sons Pty Ltd
 J Wright & Sons Pty Ltd
 Jarrah Select Pty Ltd
 Jelfor Treated Timbers Pty Ltd
 Jetstar Enterprises Pty Ltd T/As Permapole
 John Cook & Sons Pty Ltd
 Koppers Wood Products Pty Ltd
 Machin's Sawmill Pty Ltd
 Mathews Timber Pty Ltd
 McCormack Demby Timber Pty Ltd
 Meyer Timber Pty Ltd
 Midway Limited
 Moran Logging Company Pty Ltd
 N K Collins Industries Pty Ltd
 Parkside Bldg Sup (Builyan)
 Pat Koppman
 Penrose Pine Products Pty Ltd
 Pentarch Forest Products Pty Ltd
 Planet Timbers (WA) Pty Ltd

Porta Mouldings Pty Ltd
 Radial Timber Australia
 Ridgewood Timber Pty Ltd
 Ryan & McNulty Pty Ltd
 SA Sawmilling Pty Ltd
 Sarawood (Aust)
 SFM Environmental Solutions
 Simmonds Lumber Pty Ltd
 South East Fibre Exports Pty Ltd
 Stora Enso Timber Australia Pty Ltd
 Swan Le Messurier Pty Ltd
 Tasman KB Pty Ltd
 The Australian Sawmilling Company
 Pty Ltd (TASCO)
 The Laminex Group
 Tilling Timber Pty Ltd
 Timbeck Cedar Products
 Timbercorp Forestry*
 Timberlands Pacific Pty Ltd
 VicForests
 WA Chip & Pulp Co Pty Ltd
 Weathertex Pty Ltd
 Wesbeam Pty Ltd
 Wespine Industries Pty Ltd
 Whittakers Timber Products
 Willmott Forests Ltd*
 Wilton Logging Pty Ltd
 Wright Forest Products Pty Ltd
 Timber Merchants Association**

* Under external administration and/or
controller appointed

** Associate Member

STRATEGIC FRAMEWORK

Over the past 12 months, FWPA has focused on cost-effectively delivering programs and activities as established within the five-year Strategic Plan and the Annual Operations Plan.

The 2011–15 Strategic Plan

Developed in consultation with both the industry and the Australian Government, the Strategic Plan contains seven drivers that will most influence the future success of the industry. Their role is to guide the FWPA Board as it fulfils its responsibilities to the industry.

The plan complies with the requirements of the five-year Statutory Funding Agreement with the Australian Government, which ends in September 2012.

Guided by the seven drivers are four key action strategies that provide the framework for the company's day-to-day program delivery.

SEVEN DRIVERS OF SUCCESS

Community trust and support

Australians' perceptions are concurrently moving in two directions, creating a knowledge gap between the industry and sections of the community. City-based populations are growing faster than regional ones, while many rural communities' values are changing in response to lifestyle and economic changes. Commercial forestry will continue to need access to both forested and non-forested land in many regions.

Balancing competing demands and understanding community attitudes will continue to require industry and community engagement.

Gaining community trust and support – 'social licence' – for sustainable management of forests and use of wood products is a key driver for FWPA.

Product use

To be successful, our industry needs to align with a new mix of factors that determine market preference for materials and their application. Many of the factors affecting traditional markets, such as housing, are extrinsic, for example regulation, life-cycle performance and development density. Others, such as design, reuse and recyclability, reliability and utility, are intrinsic. The industry will need to effectively disseminate market and product information and engage with regulators, standards bodies, specifiers, designers, and manufacturers. FWPA has a key role in managing these factors to the industry's profit and the nation's benefit.

Climate change

Climate change will have profound implications and create opportunities for Australia's forest and wood products industry. It resonates along the entire product chain, from genetics and ecology to end-of-product life. It encompasses key issues such as water, carbon sequestration and storage, energy and fuel sources, bushfire and biosecurity. FWPA's activity is informed by, and responds to, this driver.



Competitiveness

The industry must compete in an increasingly diverse marketplace, and face issues such as reducing trade barriers, asset consolidation, economies of scale, terms of trade and alternative materials. There is growing competition for input materials and a shift to new products and services. Australia's forest and wood products industry must continue to deliver value, including new products and services, while being internationally competitive. FWPA's actions are directed at meeting this competitiveness challenge.

Sustainability

Society increasingly demands that its goods and services are provided from demonstrably environmentally sustainable sources. The industry needs to continually demonstrate its sustainable management of ecological assets and processes. Customers are also seeking more certainty on the provenance of the goods they buy, with increasing preference for independent certification of sustainable forest management. FWPA's strategies are directed at addressing these imperatives.

Investment

Private and institutional financing models are creating new structures and opportunities for investment in industry, natural resources and infrastructure. In the forest and wood products industry, traditional modes of funding, including a significant government role, will not deliver all the investment required by Australia's industry.

By attracting and harnessing new sources and means of funding, the industry can competitively supply the expanding markets for its products.

FWPA's Priority Themes recognise the changing investment environment and its significance.

Industry capability

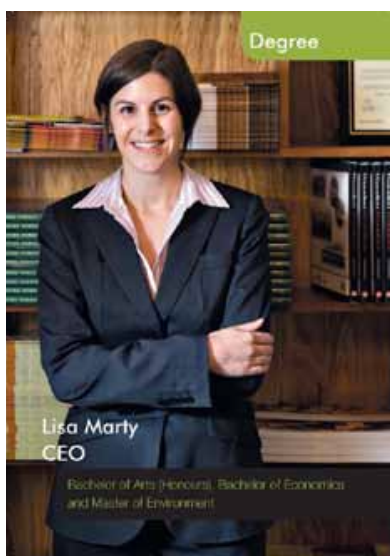
For an industry to be successful, it must be able to overcome its capability constraints in the context of an increasingly mobile workforce, competition for high-quality personnel, and evolving expectations of a modern workplace.

The forest and wood products industry will need to embrace innovation, knowledge generation and adoption, technical transfer, skill development, continuous improvement and international best practice.

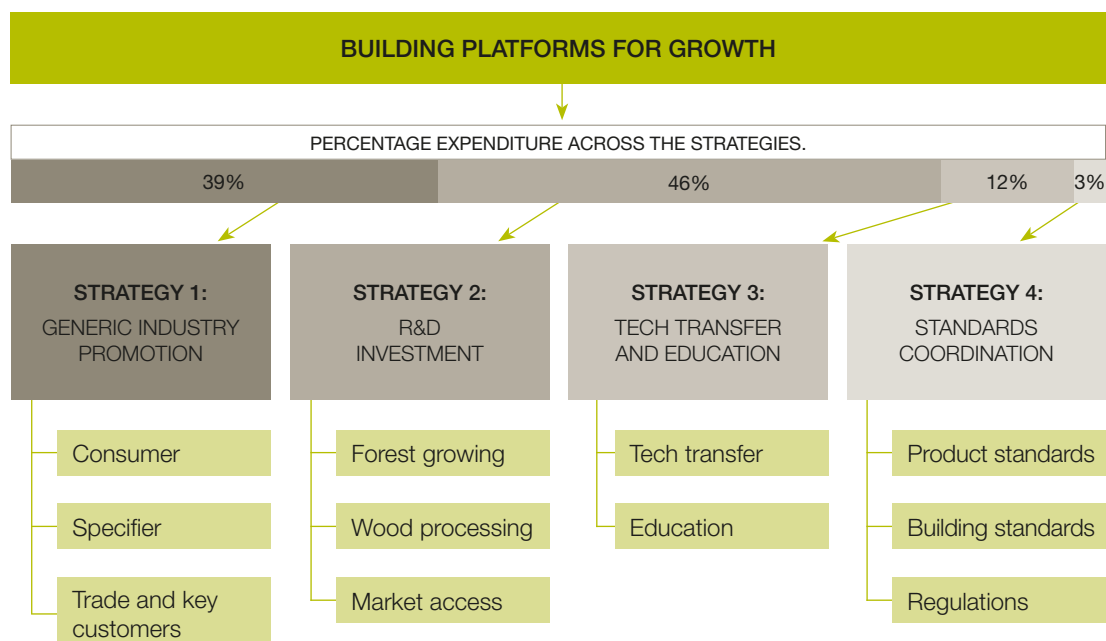
FWPA will play a key role in improving technical transfer and education resources, and facilitating industry investment to expedite the process.

🔗 Read the full 2011–15 Strategic Plan [here](#)

The GrowingCareers postcard series profiled a number of industry career options



Four strategies



Strategy 1: Generic industry promotion

The five-year Strategic Plan identifies the following priority themes for this strategy:

- Promote benefits of forest and wood products, especially environmental, including low embodied energy, carbon storage, renewability, reusability/ recyclability and evidence of sustainability
- Promote forest and wood products/applications over alternatives, and of new applications and services to meet emerging markets
- Engage with the community to understand attitudes and to assist industry decision-making and policy development
- Engage with regulators, standards bodies, opinion leaders and specifiers to maximise wood products' specification and use.

This strategy has three key outcomes:

- Increased consumption of forest and wood products
- Improved market awareness of, and satisfaction with, forest and wood products
- Improved community understanding of the socio-economic and environmental benefits of the industry.

Strategy 2: R&D investment

Through the five-year Strategic Plan, FWPA has derived seven priority themes for its R&D investments:

- Evaluate market trends nationally and internationally to enable industry to develop business and industry development strategies
- Maintain and expand markets for wood products and the new products and services required to meet these markets
- Develop knowledge and technology to improve existing production and utilisation processes
- Characterise the properties and variability of wood resources and maximise value recovery
- Enable genetic improvement and the management of biotic or abiotic risk factors
- Develop systems and technologies to maintain or improve productivity and utilise water efficiently
- Evaluate strategies for forest management under climate change and maximise greenhouse advantages of forest products.

Using investment priorities FWPA links industry requirements to research needs and resources. There are currently 11 investment priorities, eight of which now have investment plans and the other three are in development:

- › Information, analysis and interpretation of domestic and export markets
- › Timber construction in residential buildings
- › Timber construction in commercial and industrial buildings
- › Wood products in sustainable buildings
- › Performance and yield of products
- › Maximising product yields and values from current resources
- › Forest management tools
- › Genetic improvement
- › Water use efficiency and balanced policy outcomes
- › Forest biosecurity and preparedness
- › Mitigation of, and adaptation to, climate change.

This strategy has four key outcomes:

- › improved products matched to market needs
- › increased industry profitability and efficient use of inputs throughout the industry's value chain
- › improved industry investment confidence by reducing risk
- › enhanced sustainability as measured in economic, social and environmental terms.

Strategy 3: Tech transfer and education

The five-year Strategic Plan identifies the following four priority themes for this strategy:

- › Disseminate R&D outputs and maximise and accelerate knowledge adoption and technology uptake
- › Assist industry to access knowledge and technologies developed elsewhere
- › Enable industry's continuous improvement and adoption of best practice
- › Selectively develop educational initiatives to lift people's interest in, and skills for, the industry, its networks and research providers.

This strategy has four key outcomes:

- › Increased adoption of R&D findings
- › Increased availability of skilled personnel to the industry
- › Development and uptake of new and existing industry-oriented educational programs or resources
- › Improved interest and awareness of the industry as a career choice.

Strategy 4: Standards coordination

The five-year Strategic Plan identifies the following four priority themes for this strategy:

- › Analyse and prioritise standards and codes based on importance and impact to industry
- › Ensure effective consultation and engagement within industry on standards and codes
- › Use cost-effective and efficient mechanisms for the development and maintenance of standards and codes
- › Facilitate the uptake and adoption of standards and codes in a timely manner.

This strategy has three key outcomes:

- › Improved market access and/or reduced barriers to the use of wood products
- › Increased understanding and adoption of relevant standards and codes within the industry and building professionals
- › Reduced cost of delivery of standards development.

Construction of a house in the Yarra Valley, Victoria, using a timber frame



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STRATEGY 1

Generic industry promotion

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communication channels](#)[Programs](#)

STRATEGY ONE: Generic industry promotion

Objective

To promote the benefits and use of forests and wood products, in accord with changing community attitudes, environmental awareness, and market trends.

Stakeholder benefits

FWPA's investments in generic promotion focus on delivering the following benefits to stakeholders:

- improving market awareness of, and satisfaction with, forest and wood products
- increasing consumption of forest products and services that can avoid carbon dioxide emissions by substituting wood for more energy-intensive alternative materials
- increasing sequestration of carbon dioxide in the built environment through the carbon stored in wood products and avoiding emissions from more energy-intensive alternative materials.

Overview

This strategy is based on the results of research over many years, often funded by FWPA (and its predecessor), that found lack of knowledge was a major barrier to increased use of wood in building construction.

To address this issue, FWPA developed three programs within this strategy that focus on generating a positive disposition to the use of wood products and to have wood products used

more widely in both decorative and construction situations. These consumer, specifier and partner programs promote the positive benefits of wood and address any real or perceived impediments to the use of wood.

In addition to promoting forest and wood products, this strategy includes a secondary objective of promoting the industry itself. Many organisations and individuals either do not know or are confused about the role and activities of the forest and wood products industry. FWPA aims to develop a better understanding of the industry as a whole and its potential to significantly contribute to a sustainable, productive national economy.

Activities within the industry promotion strategy frequently incorporate the results of FWPA-funded R&D projects and technology transfer activities, especially the WoodSolutions program, aimed at building material specifiers. This congruence of activities and cross-usage of information demonstrates the value of an integrated strategic plan and lateral communications.

Achievements

1. Increased consumer awareness of advertising and/or brand awareness and improved perceptions of wood as environmentally positive and suitable material as measured through periodic consumer tracking surveys.
2. Increased building specifier awareness of activities and improved perceptions of wood as environmentally positive and suitable material as measured through website tracking and periodic opinion surveys.
3. Increased industry support of generic promotion activities as measured through participation in the partner program (and use of logos and materials) and promotional activities, periodic opinion surveys and invitations to present the program at industry events.
4. Delivery of promotional activities in accordance with the Annual Operations Plan, marketing plan and budget.

Measure of success for WoodSolutions

Measure	Results
Number of daily visits to website	1,400
Number of registered website users	4,500
Percentage of seminar participants who said they would be using more wood in their future projects	80%
Percentage of seminar participants who wanted to receive up-to-date and relevant information on designing with wood	94%



Targeting audiences with branded communication channels

During the year, FWPA continued to develop the three-channel strategy:

- Wood. Naturally Better.™ consumer program focuses on the benefits wood
- WoodSolutions specifier program has activities that provide information about using wood and wood products
- Wood. Naturally Better.™ partner program to communicate to industry and trade.

Wood. Naturally Better.™ is aimed at a broad consumer audience, while WoodSolutions is aimed at a subset – building specifiers (people who are involved in the choice of building materials – including architects, engineers, building designers, developers and other building professionals).

Wood. Naturally Better.™ communicates the benefits of wood as a material – the WHY to use wood. WoodSolutions follows with the next step, information about using wood – the HOW to use wood. The Wood. Naturally Better.™ partner program aims to allow members of the supply chain to leverage the strengths of the Wood. Naturally Better.™ and WoodSolutions brands to increase the industry's market share.

WHY use wood	HOW to use wood
 <p>WOOD NATURALLY BETTER www.naturallybetter.com.au</p>	 <p>Wood Solutions™ design and build woodsolutions.com.au</p>
Communicated benefits	Communicated information
<ul style="list-style-type: none"> • environmental • aesthetic • economic • performance 	<ul style="list-style-type: none"> • technical design guides • building codes and standards • R&D reports • teaching resources • species properties • general technical data • building applications • BCA information • case studies • supplier listings
Channels	Channels
<ul style="list-style-type: none"> • paid and unpaid media (PR) • website • partnerships, sponsorships and events 	<ul style="list-style-type: none"> • paid and unpaid media (PR) • website • publications • partnerships, sponsorships and events
Wood. Naturally Better.™ Partner program	

Programs

CONSUMER PROGRAM: WOOD. NATURALLY BETTER.™

In June 2011 a new television commercial was introduced, hosted by Peter Maddison, an award-winning architect and host of Grand Designs Australia, and presented under Planet Ark's Environmental Edge brand.

The commercial was designed to follow the key messages of the preceding print advertising, reinforcing the perception that wood is beautiful, fashionable and aspirational, and communicating the fact that because wood stores carbon, using more wood has positive environmental benefits.

Following the success of the 2011 television campaign, the commercial was extended through to 2012. To date, the results have been excellent, contributing not only to an increased understanding of the advantages of wood, but also indirectly towards increasing the social licence for the industry to operate.

Consumer research

Understanding community attitudes is an ongoing process achieved by combining both formal market research and informal discussions with stakeholders and allied and partner organisations.

During the past year, formal consumer research involved two tracker studies.

The long-running consumer tracker studies, which use a consistently selected national sample of some 1,000 people to deliver statistically significant results, showed a continuation of previously observed trends. Areas covered include:

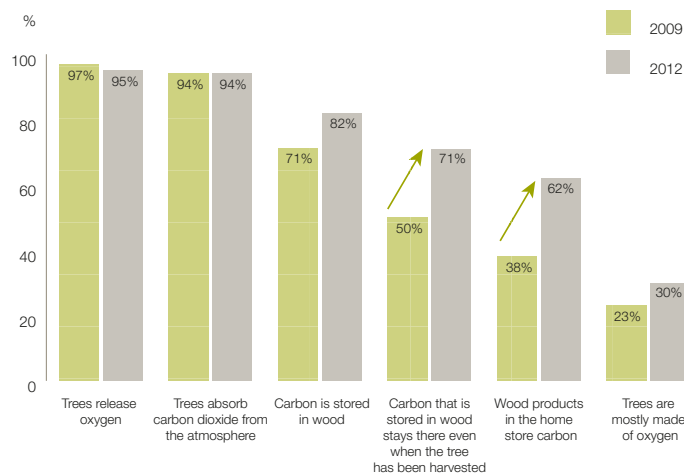
- › attitudes towards building materials and their attributes
- › the role of various considerations in the choice of materials
- › awareness of sources of information and their reliability
- › understanding of the carbon cycle and the roles of forest and wood products
- › degree of recall of FWPA advertising and related communications.

The tracker studies have shown an increase in consumer understanding of the fact that wood stores carbon.

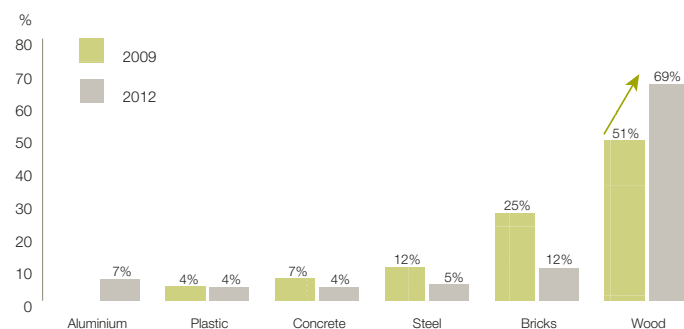
In particular, there was a marked increase in consumer awareness of: 'carbon that is stored in wood stays there even when the tree has been harvested' and 'wood products in the home store carbon'.

There was also an increased association of wood as an environmentally friendly material.

Consumers' understanding of wood and carbon



Consumers' association of various materials with 'environmentally friendly'





Case study

THE PLANET ARK PARTNERSHIP

FWPA's consumer promotion campaign, Wood. Naturally Better.™, and the partnership with Planet Ark promotes the use of sustainably sourced wood products rather than other building materials. Increased understanding of the environmental benefits of wood products, especially in a carbon constrained economy, can help support the industry's social licence to operate.

Planet Ark is one of Australia's most trusted sources of information about environmental issues. The performance of the TV campaign is measured regularly using consumer tracking research (see Figures on page 27). This research clearly demonstrates that the campaign has been successful in improving consumer understanding of the role of wood and carbon and has improved consumer perceptions across a wide range of measures.

Campaign elements, developed in conjunction with Planet Ark have included:

- a 30 second **television commercial** and print poster
- the '**Make It Wood**' **video** (an Australian adaption of the 'A Convenient Truth' video developed by the UK Forest Commission)
- the Make It Wood campaign and website
- press coverage (generated by Planet Ark and Make It Wood)
- a certification forum and workshop hosted by Planet Ark.

Wood. Naturally Better.™ sponsorships and partnerships

Carefully chosen partnerships can be a cost-effective way of generating awareness and media coverage.

During the past year, Wood. Naturally Better.™ sponsored, partnered and participated with a select range of events and organisations, including:

- National Carpenters Day
- Sustainable House Day
- Planet Ark
- Grand Designs Australia Live
- Building and Home Improvement Expo
- Brisbane Home Show
- Adelaide HIA Home & Garden Show.

Visit the Wood. Naturally Better.™ **website**

WOOD. NATURALLY BETTER.™ PARTNER PROGRAM

As awareness of the Wood. Naturally Better.™ logo grows, it becomes a more valuable asset to promote the use of wood and timber products.

The Wood. Naturally Better.™ Partner program is free to businesses and organisations operating in the forest and wood industry and licenses them to use the logo in their branding and communications. The Partner program also provides organisations that supply wood and wood products to the design and construction industries with a link to the WoodSolutions brand and related activities. Additionally, partners have access to a range of branded promotional items.

Find out more about the Wood. Naturally Better.™ Partner program **here**

SPECIFIER PROGRAM: WOODSOLUTIONS

Research has continually identified the lack of readily accessible, credible information as a major impediment to architects, engineers, building designers, quantity surveyors, property developers and other people involved in specifying the use of particular building materials.

WoodSolutions was created to establish a credible platform for delivering independent, generic information to building specifiers.

Activities to date have included:

- › an authoritative website and knowledge database – www.WoodSolutions.com.au
- › a national seminar program – WoodSolutions Seminars
- › onsite technical presentations – WoodSolutions Tutorials
- › design and specification information – WoodSolutions Technical Design Guides
- › sponsorships, events and alliances with key professional associations.

Where possible, WoodSolutions activities are aligned with the continuing professional development (CPD) requirements of professional bodies such as the Australian Institute of Architects, Engineers Australia and the Building Designers Association.



Website: www.WoodSolutions.com.au

This online industry database, with more than 3,000 pages, aims to make information about the use of wood and timber products more accessible to building specifiers. The information has been sourced from research studies, technical guides, building codes and standards.

The site contains presentations and videos from WoodSolutions seminars and events and also provides links to product suppliers so it can be a single, authoritative source of information.

The WoodSolutions website is a world first and a leading example of how the internet can aggregate and disseminate complex information.

WoodSolutions Seminars, 2011 and 2012

WoodSolutions hosted two seminar series during 2011/12.

The first, a series of one-day events held in Adelaide, Sydney and Melbourne during September 2011 featured two international keynote speakers, Hermann Kaufmann, a renowned Austrian architect, and Liam Dewar, a principal of UK firm Eurban that specialises in the design and construction of cross-laminated timber (CLT) buildings.

Each seminar featured a case study relevant to the location, during which the audience could question a panel of representatives from the developers, architects and engineers.

The seminars were well received; an on-the-spot event survey reported an overwhelming majority (80%) of respondents would now consider using or recommending more wood in their future projects.

The second WoodSolutions seminar, Advanced Timber Building Systems, comprised two half-day events, featuring speakers covering EXPAN, CLT and a site visit to Forte, a 10 storey multi-residential building being constructed by Lend Lease in Victoria Harbour, part of Melbourne's Docklands. Both the morning and afternoon sessions were sell outs.



*Hermann Kaufmann of Architekten
Hermann Kaufmann ZT GmbH*



WoodSolutions Tutorials 🔍

Designed to be delivered at workplaces, professional meetings or viewed online, WoodSolutions Tutorials are another facet of the technical and training resources created to promote the use of wood through increasing knowledge. During 2011/12, more than 5,000 people participated in the 149 tutorials that were held across New South Wales, the Australian Capital Territory, Victoria, Queensland and Tasmania.

WoodSolutions Tutorials held in 2011/12

	Number of events	Number of participants
NSW and ACT	71	1,468
VIC	63	1,259
QLD	13	2,246
TAS	2	80
TOTAL	149	5,053

	Design Guide	Total downloads
1	Timber-framed Construction for Townhouse Buildings Class 1a	805
2	Timber-framed Construction for Multi-residential Buildings Class 2, 3 & 9c	557
3	Timber-framed Construction for Commercial Buildings Class 5, 6, 9a & 9b	407
4	Building with Timber in Bushfire-prone Areas	618
5	Timber Service Life Design: Design guide for durability	602
6	Timber-framed Construction: Sacrificial timber construction joint	329
7	Plywood Box Beam Construction for Detached Housing	403
8	Stairs, Balustrades and Handrails: Class 1 buildings – construction	495
9	Timber Flooring: Design guide for installation	729
10	Timber Windows and Doors	468

Technical Design Guides 🔍

WoodSolutions Technical Design Guides are part of a suite of technical and training resources produced to support the use of wood and how it can be specified. Since the launch of the WoodSolutions website, the 10 guides have been downloaded more than 5,400 times in total, with more titles currently in development.



WoodSolutions sponsorships and events

The WoodSolutions 2012 UK Field Tour provided some 20 architects and related professionals with the opportunity to view iconic projects and meet and talk to some of the principals behind them. Participants described the event as a rare opportunity and an experience that would inspire them to use more wood in future projects.

In addition, WoodSolutions partnered with professional organisations and sponsored and participated in a select range of events and activities, including:

- supporting the Australian Institute of Architects Continuum (professional development) series
- providing a speaker and presentation for the AIA's National Seminar Series
- attending the Dallas WoodSolutions Fair and Woodworks meeting
- building Designers Association of Victoria (BDAV) sponsorship
- Inter-University Invitational Civil Engineering Competition, Monash University team sponsorship
- 2011 Australian Timber Design Awards
- BNP Sustainability Awards 2011
- Frame Australia sponsorship.

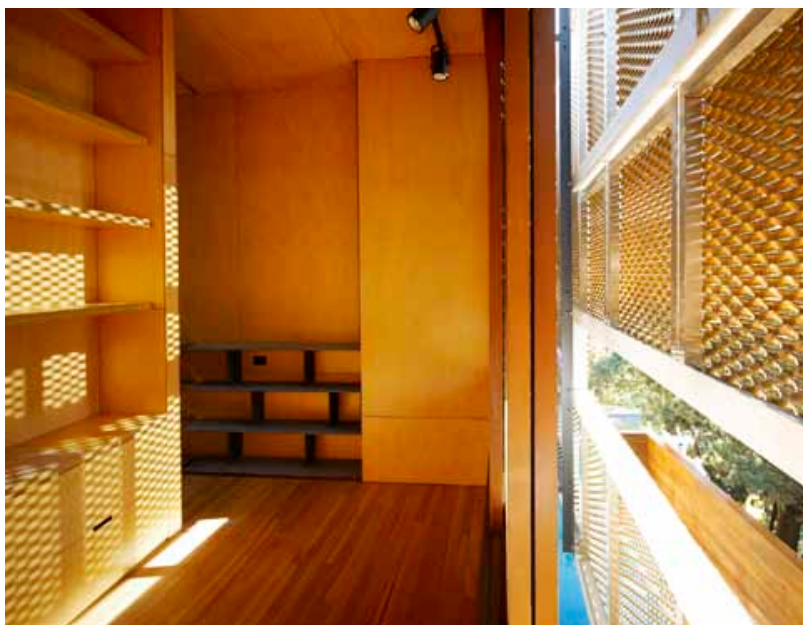
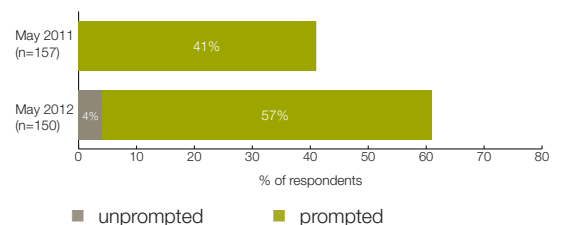
WoodSolutions specifier market research

In May 2011, a benchmarking research project sought to identify attitudes and awareness among architects and engineers towards wood and wood products and WoodSolutions activities. This was repeated in May 2012.

Comparing results from May 2011 to May 2012, WoodSolutions was mentioned by a significantly higher proportion of respondents, both unprompted (at 4%, up 4% from 0%) and prompted (at 57%, up 16% from 41%). The totals, as shown below were 41% in May 2011 and 61% in May 2012.

This was a pleasing result, especially since WoodSolutions has been supported by minimal advertising expenditure, relying instead primarily on email newsletters and internet search engines.

Awareness of WoodSolutions activities



*The Birdcage: winner of the 2011 Australian Timber Design award for excellence in use of timber products, timber flooring
Architect: Bureau SRH
Photographers: Jessica Maurer and David Mercer*

Case study

PROMOTING CROSS LAMINATED TIMBER (CLT) IN AUSTRALIA

Two large Australian projects using CLT have been officially announced, while several others are believed to be in the planning stages. One of the projects, Lend Lease's Forte – a 10-storey apartment building in Victoria Harbour in Melbourne's Docklands, is now under construction.

Promoting the use of innovative, engineered timber building systems, such as CLT, is a way of increasing demand for wood products and reposition wood as a design solution.

WoodSolutions information and activities has been influential in supporting the implementation of advanced timber building systems in Australia.

In 2009, FWPA sponsored a visit to Australia by British architect, Andrew Waugh, one of the principals behind Murray Grove, a CLT structure then, at nine storeys, the world's tallest residential timber structure. Andrew's visit generated considerable interest in the design and construction community.

In 2010, one of the keynote speakers at the first WoodSolutions seminar was Canadian architect Michael Green, an international proponent of engineered timber building systems. Again, this generated widespread interest in the design and construction communities and beyond.

In 2011, the second WoodSolutions seminar had two keynote speakers, Hermann Kaufmann and Liam Dewar, who spoke of their direct experience in the design and construction of CLT buildings.

Over the past three years, a range of WoodSolutions communication activities have raised awareness of the potential for CLT and helped create a community of interest.

Construction of a 10-storey residential building using cross-laminated timber (CLT) by Lend Lease. Forte is located in the Docklands (Melbourne, Victoria).

*Photographer: Keith Webb
Image courtesy of
Lend Lease Australia*



Case study

CERTIFICATION – GROWING CONFIDENCE AND SOCIAL LICENCE

To help promote market acceptance and value of certifications, FWPA contributed to the first event of its kind, Certification: Growing demand. Increasing confidence. National Wood Products Forum & Workshop 2012.

A group of almost 100 representatives from environmental non-government organisations (ENGOS), the forest and wood industry, retailers, manufacturers and engineers gathered at Dockside in Sydney's Darling Harbour on Thursday 31 May to discuss and workshop the current state of wood products certification in Australia.

The facilitated forum was engaging and interactive from the start.

The morning session aimed to identify the barriers to wood certification. The audience heard from a consumer research company, which discussed environmental or ecolabeling; academic certification specialists, who presented case histories of certification; and an analysis of the AFS and FSC standards. The group also looked at certification from a builder's point of view.

In workshops, the audience was asked to identify the barriers to certification. The top three were: consumer awareness and trust, clarity and complexity of the schemes, and the additional cost of certified wood.

The afternoon session focused on the positives. What do we need to do in order to increase awareness of certification? What are the triggers?

Speakers from the retail end of the supply chain provided the consumer perspective of sustainability while representatives from Australian Forestry Standard (AFS) and Forest Stewardship Council (FSC) discussed the growth and market acceptance of their organisations.

Participants were asked to list the triggers to initiate action to promote certification. Five key areas were identified: consumer demand, public procurement, collaboration, trust and balance.

Blue gum (Eucalyptus globulus) plantation in the Gippsland region of Victoria



An interesting conclusion was that there were more demand-based concerns than supply side. From the day's workshops it seems clear that in order to promote certification the whole supply chain, from growers to resellers and certification bodies, must work to increase the demand for it.

Future events are being planned to keep the momentum and promote the benefits of certification throughout the supply chain, building material specifiers and purchasers.

✖ Click [here](#) to read full article.

LOOKING AHEAD

During 2012/13, FWPA's industry promotion activities will be directed to:

- › Increasing consumer awareness of advertising and/or brand awareness and improving perceptions of wood as an environmentally positive and suitable material
- › Increasing building specifier awareness of activities and improving perceptions of wood as an environmentally positive and suitable material
- › Increasing industry support of generic promotion activities

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STRATEGY 2

R&D investment

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returns on investment](#)[R&D planning and investment priorities](#)[Research highlights and case studies](#)

STRATEGY 2: R&D investment

Objective

To invest in and coordinate R&D to improve the industry's competitiveness, inform its climate change response, enhance investment, increase usage, and ensure the sustainability of forests, wood products and services.

Stakeholder benefits

FWPA's R&D investments are required to deliver clear benefits to stakeholders (members, levy payers and the Australian Government) through:

- improving new products matched to market needs
- increasing industry profitability and efficient use of inputs throughout the industry's value chain
- improving industry investment confidence by reducing risk
- enhancing sustainability as measured in economic, social and environmental terms.

Overview

In the area of R&D, we continue to invest in projects that either create opportunity for the sector or deal with potential threats. New market opportunities can potentially flow from our investments in the New Zealand research consortium the Structural Timber Innovation Company (STIC), development of new timber flooring systems and reducing regulatory barriers and standards.

Productivity gains for the industry can be achieved from our investments into the Solid Wood Initiative (a New Zealand research consortium), near infrared technology and onboard harvesting computer systems. Potential threats have been addressed in the area of radiata pine gene conservation, carbon storage in native forests and new investment models for plantations.

During 2011/12, FWPA produced a series of benefit-cost evaluations of completed R&D programs in accordance with the 2009 protocols developed and endorsed by the Council of Chairs of Rural Research and Development Corporations (see [page 45](#)). The evaluation identified and measured the overall industry and community outcomes from FWPA sponsored programs quantified by social, environmental and economic measures.

Achievements

1. Increased industry and researcher engagement with FWPA's R&D investment priorities and plans.
2. Increased industry and government awareness of iconic or 'hero' R&D projects.
3. Optimised the amount of additional industry or government R&D funding (non-levy and matching) that was invested or co-invested using FWPA's systems.
4. Increased the acceptance and accuracy of periodic benefit-cost analyses (BCA) by industry and government stakeholders and BCA ratios equal or better than other comparable R&D investors.

Pinus radiata seedlings at a plantation in the Gippsland region in Victoria



Identifying and quantifying returns on investment

FWPA is committed to ensuring that its R&D investments have a strategic focus and will deliver real outcomes to the industry and to the Australian Government.

This is achieved through the development and implementation of R&D investment plans, appropriate resource allocation, leveraging sector expertise through our advisory groups, benefit-cost analysis of the research portfolio and tech transfer. Tech transfer is undertaken in Strategy 3.

FWPA's R&D investments are required to deliver clear benefits to stakeholders (members, levy payers and the Australian Government) through:

- improved new products matched to market needs
- increased industry profitability and efficient use of inputs throughout the industry's value chain
- improved industry investment confidence through reduced risk
- enhanced sustainability as measured in economic, social and environmental terms.

During the past year, FWPA commissioned, continued or finalised some 103 individual research projects. Details of the results and outcomes of selected projects are reported in case studies throughout this section.

🔗 Click [here](#) to see project listings.

FWPA Investment Priorities

FWPA's R&D investment priorities have been identified to provide a clear focus that can be linked to quantifiable outcomes. A core premise of the R&D program is that it helps the industry to increase the market share and value of its products, while improving the sustainability and economic contribution of the sector to the overall Australian community.



FWPA is working to increase industry profitability throughout the industry's value chain

R&D planning and investment priorities

The R&D planning and review process operates to ensure that levy-funded projects respond to the needs of industry and deliver results that are applicable and of value to the broadest range of stakeholders along the value chain.

FWPA uses a rigorous three-step planning methodology to identify R&D investments, both individual projects or program areas.

The three steps are:

- › FWPA R&D investment priorities
- › ranking and resource allocation
- › portfolio management and stakeholder engagement.

R&D project investments are managed and reported through three programs that represent the industry value chain:

- › Market Access and Development
- › Wood Products
- › Sustainability and Resources.

R&D themes and investment priorities

R&D themes		Industry benefits		Investment priorities
› Evaluate market trends nationally and internationally to enable industry to develop business and industry development strategies	→	› Improved new products matched to market needs (M)	←	› Information, analysis and interpretation of domestic and export markets
› Maintain and expand markets for wood products and the new products and services required to meet these markets	→	› Improved new products matched to the market needs › Increased industry profitability and efficient use of inputs throughout the industry's value chain (M) (W)	←	› Timber construction in residential buildings › Timber construction in commercial and industrial buildings › Wood products in sustainable buildings
› Develop knowledge and technology to improve existing production and utilisation processes	→	› Improved industry investment confidence through reduced risk (W)	←	› Solid wood, engineered wood pulp and paper products: performance and yield
› Characterise the properties and variability of wood resources and maximise value recovery	→	› Increased industry profitability and efficient use of inputs throughout the industry's value chain (S) (W)	←	› Maximising product yields and values from current resources › Improving wood quality and yield, and tools for forest management
› Enable genetic improvements and the management of biotic and abiotic risk factors	→	› Improved industry investment confidence through reduced risk › Increased industry profitability and efficient use of inputs throughout the industry's value chain (S)	←	› Genetic improvement and delivery for increased wood yield and quality and for managing risks
› Develop systems and technologies to maintain or improve productivity and utilise water efficiently	→	› Increased industry profitability and efficient use of inputs throughout the industry's value chain › Enhanced sustainability as measured in economic, social and environmental terms (S)	←	› Water use, efficiency, access to resources and balanced policy outcomes
› Evaluate strategies for forest management under climate change and maximise greenhouse advantages of forest products	→	› Improved industry investment confidence through reduced risk › Enhanced sustainability as measured in economic social and environmental terms (S)	←	› Forest biosecurity and preparedness › Mitigation of and adaption to climate change and the management of the carbon cycle in plantation and native forests
› Specific projects which are not linked to priority themes but considered to be of significant benefit	→	› Quantifiable benefits of individual projects representing significant stakeholder value and impact	←	› Biodiversity conservation in native forests and in vegetation in adjacent plantations › Use of chemicals in commercial forestry › Community engagement, perception and societal acceptance of the industry

(M) Market access and development

(W) Wood products

(S) Sustainability and resources

FWPA INVESTMENT PRIORITIES

Each R&D investment priority has been, or is being, developed into an investment plan based on industry and research community input. This process ensures that the investment plans focus on specific industry outcomes and benefits that can be delivered through effective technology transfer and industry adoption of R&D project outputs.

By their nature, these investment plans are prescriptive in design and work to inform both industry and the research community of the key areas of future forest and wood products industry research prioritised against the impact and benefits available to industry through the timely adoption of research outputs.

🔗 Completed investment plans available for download from www.fwpa.com.au

1. Information, analysis and interpretation of domestic and export markets

With this knowledge the industry can supply products that anticipate and satisfy the needs of various markets. Activities include competitive analysis; detecting, evaluating and monitoring trends; and business and consumer purchasing behaviour.

🔗 The investment plan has been published on the company [website](#).



2. Timber construction in residential buildings

R&D investments in this area will help define the drivers for increased use of timber within housing construction to deliver an increase in the net volume of wood products used in Australian residential construction.

🔗 The investment plan has been published on the company [website](#).



3. Timber construction in commercial and industrial buildings

Contrary to the emerging international trend, in Australia there has been limited use of wood as a construction material in medium to high-density buildings higher than three storeys. The investment in research in this area is leading to the knowledge, technology and products to develop this untapped market.



*Forte: Lend Lease's 10-storey residential building constructed using cross-laminated timber
Photo courtesy of Lend Lease*

4. Wood products in sustainable buildings

Research outcomes from this program are directed towards an increase in the market share for wood products by preferred specification and by mandatory building codes and other regulatory requirements for sustainable building materials in residential and commercial construction.

🔗 The investment plan has been published on the company [website](#).



The Birdcage: Winner of the 2011 Australian Timber Design award for excellence in use of timber products, timber flooring. Architect: Bureau SRH Photographers: Jessica Maurer and David Mercer

5. Performance and yield of products

Recognising and responding to market needs enables the forest and wood products industry to optimise systems and maximise production of appropriate products. This supports the industry's aim to create a better product by optimising production systems for energy use, drying, cutting, grading and sorting of wood. Developing quality control systems will create a more consistent product, particularly for structural applications.



6. Maximising product yields and values from current resources

Increasing the yield of commercial products from each tree will increase profitability. Research into the productivity, characteristics, properties and variability of wood resources and identifying the most commercially viable applications and products will realise maximum value and reduce unnecessary processing.



7. Forest management tools

Forest managers need to optimise their forest management systems to produce logs that processors value. The delivery and use of decision support tools to aid management of site productivity across rotations, forest planning to add value to log products, forest health and nutrition as well as supply chain optimisation all help optimise product values and returns.

🔗 The investment plan has been published on the company [website](#).



8. Genetic improvement

Planting is the first opportunity to control the quality and volume of commercial timber. This investment priority focuses on improvements to the planted estate in terms of accelerated deployment of genetic gain into new plantings, improvements in stiffness and strength properties of commercial softwoods, and matching of genetics to environment to optimise estate productivity and value.

🔗 The investment plan has been published on the company [website](#).



9. Water use efficiency and balanced policy outcomes

The activities supported under this program focus on improving knowledge and understanding of the impacts of commercial plantations on regional water use, improved remote sensing technologies to evaluate water use by forest estates and comparative analysis of water usage rates of competing land uses.

🔗 The investment plan has been published on the company [website](#).



10. Forest biosecurity and preparedness

In a global environment, forest resources face increased risk from imported pests and diseases. This risk can be reduced by an awareness of the immediate environment and its own risks, and the available controls including biological controls. Developing risk profiles of pests and forest diseases will lead to informed risk management strategies. Developing responses to prioritised risks will ensure the best outcome for industry and the environment.

🔗 The investment plan has been published on the company [website](#).



11. Mitigation of and adaptation to climate change

Assessing the impact of climate change on plantation productivity will increase understanding of the non-commercial values of carbon in plantation and native forests, and help industry make long-term planning decisions. Research funding in this area will support improvements in, and testing of, existing process-based growth models, as well as the development of linked integrated risk and impact assessment tools that can assist industry decision-making in regard to risks to productivity and profitability.

🔗 The investment plan has been published on the company [website](#).



RANKING AND RESOURCE ALLOCATION

The annual allocation of funding resources to the R&D program is a Board decision taken in consideration of currently contracted project commitments and the level of forecast activity and levy income.

The level of funding committed to each R&D priority is based on the anticipated returns to industry in relation to industry gain or risk. Priorities linked to market or productivity gains are accorded a higher level of funding than those targeted at risk management or mitigation. Where possible, FWPA seeks to attract third party cash or in-kind funding to leverage its project investments. This provides a direct multiplier to FWPA levy resources as well as signalling the degree of stakeholder commitment and support for particular project outcomes.

When considering endorsement of active research proposals, the company weighs up the following factors:

- › alignment to endorsed investment plans
- › level of funding requested
- › skills, capacity and prior performance of research team
- › industry support and commitment via in-kind and cash co-contributions, and tech transfer and adoption plans.

FWPA's Board has established three levels of project funding approval, depending on the proposed project budget and timeframe: the managing director, the Board R&D sub-committee, or the full Board. This combination, guided by the advisory groups, enables appropriate and efficient investment approval. All projects approved under the various delegations are reported to the full Board at its next meeting.



PORTFOLIO MANAGEMENT AND STAKEHOLDER ENGAGEMENT

All funding is managed through a contractual relationship with the research provider, which specifies key milestones and project requirements.

All major projects require a project steering committee made up of FWPA, key researchers and independent industry representatives, traditionally members of FWPA advisory groups. The engagement of independent representatives on the steering committees helps ensure close contact between the research providers and the proposed users or beneficiaries of the project results.

In addition, most projects require peer review and a tech transfer and adoption plan. This ensures that final outcomes are valid and are delivered in the form most conducive to stakeholder use and adoption.

FWPA INDUSTRY ADVISORY GROUPS

To fulfil its objectives of creating value and opportunity for its levy payers and members, FWPA operates a series of industry advisory groups. The advisory groups are formed to provide specific advice and feedback on industry R&D needs and the development of relevant R&D investment plans to guide FWPA project funding decisions.

FWPA's three advisory groups cover the full supply chain: market access, processing and forest growing.

The groups meet throughout the year to review and critique investment plans and project proposals. This ensures that the subsequent investments have a strong align to industry needs and address genuine information gaps.

The three groups, which are structured to cover the whole value chain, are:

- › Market Access and Development Advisory Group
- › Wood Products Advisory Group
- › Sustainability and Resources Advisory Group.

Current advisory group members*Market Access and Development Advisory Group*

Matthew Wood

Stora Enso Timber Australia Pty Ltd

Jeff Gibson

Hyne Timber

David Meyer

Meyer Timber Pty Ltd

Ian Ferguson

University of Melbourne Department of
Forest and Ecosystem Science

Gerry Gardiner

Asian Pacific Timber Marketing Pty Ltd

John Simon

FWPA director

Ron Adams

FWPA director

Tim Sherry

Carter Holt Harvey Woodproducts Australia

Christine Briggs

Auspine Pty Ltd

Gary Kiddle

Wespine Industries Pty Ltd

Clinton Skeoch

Boral Timber Division

Wood Products Advisory Group

Trevor Innes

Gunns Ltd

Michael Murphy

Carter Holt Harvey Woodproducts Australia

Craig Kay

Tilling Timber Pty Ltd

Stephen Holtorf

Hyne Timber

Kim Harris

Carter Holt Harvey Woodproducts Australia

Greg Duff

Wespine Industries Pty Ltd

Allan Hutley

Australian Solar Timbers

Peter Robinson

Boral Timber Division

Vince Erasmus

FWPA director

Peter Law

Wesbeam Pty Ltd

Chris McEvoy

Radial Timber Australia

Sustainability and Resources Advisory Group

Don Aurik

Timberlands Pacific Pty Ltd

Evan Rolley

FWPA director

Stephen Elms

Hancock Victorian Plantations Pty Ltd

Andrew Lyon

Forest Products Commission (WA)

Ross Dickson

Forests NSW

Ben Bradshaw

Australian Bluegum Plantations Pty Ltd

John Hickey

Forestry Tasmania

Andrew Morgan

SFM Environmental Solutions

Jim O'Hehir

Forestry SA

Stephen Walker

Department of Environment
and Resource Management

Edwin Schramm

Bunbury Treefarm Project

INTERNATIONAL COLLABORATIONS

Working with international collaborators delivers tangible benefits to FWPA levy payers.

For example, levy payers' funds invested by FWPA are matched by the Australian Government. When this money is invested in a New Zealand research company, the NZ Government matches the total FWPA investment, which provides very good leverage.

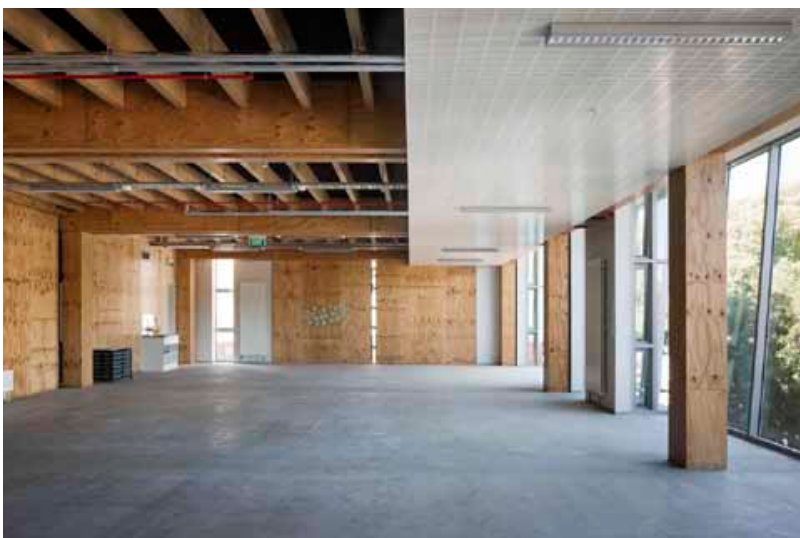
FWPA invests in two New Zealand research companies, the Solid Wood Initiative (SWI) and the Structural Timber Innovation Company (STIC).

Recent SWI successes include the Cant Optimisation Tool, which maximises cutting for structural timber and increases the value of processed timber by \$14 per cubic metre. Other initiatives include producing best practice and troubleshooting guides; developing dynamic kiln control schedules to optimise drying, a method to determine the warp stability of near-dry timber; and techniques to assess green timber for stiffness and warp.

Australian FWPA-qualified levy-paying sawmills can access this information and technology after signing a confidentiality agreement with SWI.

STIC develops technologies that maximise the structural applications of timber. After several years of intensive R&D, STIC has developed the EXPAN timber construction system, which includes post-tensioned frames and walls, timber and timber-concrete composite floors and Quick-Connect portal frames. The system reduces construction costs, while being exceptionally robust. The flexibility of timber means it has superior lateral stability and seismic capabilities, making it ideal for building in earthquake zones and high wind areas.

As a major financial contributor to STIC, FWPA recognises this important research will create significant market opportunities for wood growers and processors in Australia.



*The world's first commercial EXPAN
Pres-Lam engineered timber structure:
The Nelson Marlborough Institute of
Technology's Arts and Media building
Architect: Irving Smith Jack Architects
Photographer: Patrick Reynolds
Photos courtesy of the Structural
Timber Innovation Company*

Research highlights and case studies

ENSURING RESEARCH DELIVERS REAL RETURNS

Like all RDCs, FWPA is committed to undertaking regular ex ante and ex post benefit-cost analyses (BCA) of its R&D investments. External auditors undertake a BCA of randomly sampled projects to estimate the return on investment for industry and the Government according to three measures (net present value, benefit-cost ratio and internal rate of return).

In 2011/12, six research projects were selected from each of FWPA's broad research themes: growing, processing and market access research.

All the quantified projects show positive net present value, internal rate of return and benefit-cost ratio, as seen in the table below. These positive values demonstrate that these projects will produce value over the predicted lifetime of the research results.

Although a BCA is relatively straightforward when it can clearly measure the economic benefits of a project, it is less straightforward for projects where economic benefits are not quantified so easily. The economists emphasise that these other benefits produce real value for industry, such as providing a source of knowledge that saves the need for further research in the future. They also stress there is a benefit to society from maintaining research capacity, as this capacity, particularly in terms of scientists, engineers and technicians, cannot be established quickly. Reduction in research capacity could mean future productivity improvements decline and Australia becomes increasingly reliant on the international research effort. This could reduce the competitiveness and performance of Australia's forest and wood products sector.

Theme	Project Number	Project title	NPV (\$'000)	BCR	IRR
Growing	PNC057-0809	Managing subtropical pines for improved wood production based on a better understanding of genetics, silviculture, environments and their interactions	\$3,345	3.7	74%
	PRC179-0910	Rapid screening of commercial forestry species to <i>Uredo rangellii</i> (myrtle rust) and distinguishing <i>U. rangellii</i> from <i>Puccinia psidii</i> (guava rust)	\$187	6.3	326%
Processing	PNB040-0708	MOE and MOR assessment technologies for improving graded recovery of exotic and radiata pines in Australia	\$236	1.5	15%
	PN06.2029	Comparison of face bond quality tests for structural glulam	\$63	2.1	36%
Market-facing	PNA023-0809	Pine timber roof environments in Western Australia and susceptibility to European House Borer	\$6,692	5.1	70%
	PN04.2005	Maximising impact sound resistance of timber-framed floor/ceiling systems	Not estimated	Not estimated	Not estimated

NPV: Net present value

BCR: Benefit-cost ratio

IRR: Internal rate of return



Case studies

MAXIMISING THE VOLUME OF STRUCTURAL TIMBER CUT FROM A TREE MAXIMISES INCOME FOR MILLERS

The Cant Optimisation Tool, developed by Solid Wood Innovation (SWI) NZ with support from FWPA, enables sawmillers to optimise the value of structural lumber sizes cut from each cant. A commercial evaluation trial of more than 500 radiata pine logs confirmed the Cant Optimisation Tool increased the value of processed timber by an estimate of \$14 per cubic metre.

The Cant Optimisation Tool measures each cant at commercial mill speed for its sonic resonance and x-ray derived green density profile. The two measures are processed using SWI-developed algorithms to accurately predict the 'pith to bark' green stiffness of the wood in the cant and centres the low stiffness zone. The tool then instructs the sawing system to optimise cutting for structural product based on timber stiffness. It is a very robust system that uses proven and readily available x-ray and acoustic measuring equipment.

SWI is now looking to deploy the system for the benefit of its stakeholders. The technology is available to all SWI shareholders, including Australian FWPA-qualified sawlog processors. Companies simply register with SWI and sign a confidentiality agreement. Although terms and conditions are yet to be finalised, SWI will charge a licence fee for this technology in recognition of shareholders who have contributed to the development but can't use the technology directly.

The first commercial installation is already in place and has been operating successfully for six months.

Click [here](#) for more information



PLYWOOD STANDARDS FOR THE FUTURE

Australian standards for plywood are based on hardwood timber harvested in the 1960s and earlier, but are they appropriate for plywood made from the softwoods and hardwoods used today? One of the standards lists three techniques for determining plywood stress grades, two of which were not in existence when the original plywood strength properties were developed. Different standards also list different grade stresses for the same plywood grades. The result is that designers are often uncertain about which standard they should trust.

This project involved testing batches of machine-graded plywood made from Australian-produced softwood and hardwood or from New Zealand-produced softwood. The plywood sheets were machine graded at their place of manufacture with the assistance of the EWPAA before being sent to the testing agency. There, they were tested to destruction, measuring bending, stiffness, tension, compression and shear strengths.

The results show Australian standard AS1720.1:2010 is the best fit for the current grade stresses, apart from shear. Designers can have renewed confidence in the strength properties of plywood as there will be minimal impact on the design standards for the material.

Furthermore, AS 1720.1 aligns well with the F8, F11 and F14 plywood resource from both Australia and New Zealand. This suggests that plywood producers will not have to make significant changes to their plywood production methods in order to accommodate any future standard modifications.

Click [here](#) for more information

Case studies

WEATHERING THE WEATHER: H3 TREATMENT OPTIONS FOR GLULAM

A long-running research project examining the H3 treatment options for pine glulam exposed to weather found that treating glulam before gluing will generally give better performance than post-gluing treatment. It also found that glulam posts require special attention to prevent water penetrating the end grain.

The researchers treated test specimens (made from either *Pinus radiata* or *P. elliottii*) with H3-rated azole LOSP (light organic solvent preservative) either before or after gluing and to a normal retention rate of 35–40 litres per cubic metre or a higher retention of 70–80 litres per cubic metre.

The specimens were positioned either vertically or horizontally before exposure to weathering at Innisfail (a wet tropic site) or in an Accelerated Field Simulator (AFS) designed to give accelerate exposure. After three years, test specimens were assessed and rated on a scale of 8 (sound) through to 0 (destroyed by decay).

Pinus radiata and *P. elliottii* had similar results, with glulam treated before gluing (with either normal or high rates of LSOP) performing better than when treated after gluing. The horizontal beams performed very well, however, decay was measured in vertically exposed specimens, suggesting glulam posts need special attention to prevent water penetration. Sealing the ends with copper naphthenate or zinc naphthenate improved decay resistance slightly, but was insufficient for post end protection. These results indicate designers should include barriers such as metal caps or use details where the end is either in a very well-drained position or not exposed to rain.

✕ Click [here](#) for more information



Highlight snippets

LOWERING ATMOSPHERIC PRESSURE SAVES DRYING TIME

Vacuum drying of some Australian commercial hardwood species produces material of the same or better quality in just 41% to 66% of the time taken by conventional methods.

The research developed an economic model that compares the costs of vacuum and conventional drying and a predictive model to determine vacuum drying heat and mass transfer principles. This model can also help develop drying schedules for other species.

✕ Click [here](#) for more information

GLULAM LAMINATING TIMBERS – THE SHORT ARE STRONG AND PROFITABLE

Glulam beams made from laminating timbers as short as one metre in length are more than strong enough to meet the AS/NZS standards. These exciting results will reduce the timber input costs of manufacturing glulam beams by 30% or more.

For sawmillers shorter lengths of timber can now find a larger market and potentially have a significantly higher value. Glulam manufacturers can further improve timber by cutting out any defects, in effect upgrading the strength qualities of the timber.

✕ Click [here](#) for more information

HIGH-VALUE ENGINEERED VENEER PRODUCTS FROM EUCALYPTUS PULPWOOD

Variable world woodchip prices mean growers of pulp-grade hardwood logs must consider other, possibly more valuable, markets in the future.

Researchers investigated potential products manufactured using rotary peeled veneer from plantations of *Eucalyptus nitens* and *E. globulus* managed for fibre production, and found small-diameter or poor quality logs can be successfully peeled and dried, and the veneer used to produce LVL. This LVL can be re-sawn to produce a range of high-quality, appearance-grade products such as flooring, furniture and framing.

✕ Click [here](#) for more information

THE EFFECT OF USING DIFFERENT BUILDING MATERIALS AND SYSTEMS ON SLOPING SITES

A recent life cycle assessment (LCA) report is helping designers and practitioners in the construction industry understand the environmental impact of cut and fill excavation construction on sloping sites (from 1:10 to 1:2 gradients) in NSW. It also developed an evaluation matrix that compares environmental impacts and GHG emissions. The results showed that a steep slope substantially increases the cumulative energy demand and greenhouse gas emissions. Alternative solutions such as suspended flooring systems may minimise the disturbance to the land and natural habitat.

✕ Click [here](#) for more information

TREEPLAN® PLANS EVEN BETTER PLANTATIONS

The successful TREEPLAN® software has been extensively broadened to cover all the common species used in Australian plantation forestry and, for the first time in forestry, has combined DNA-based molecular data with performance records of traits for growth, wood density and pulp yield to predict genetic values and the economic worth of *Eucalyptus nitens* trees.

Since TREEPLAN® was first adopted in 2001, the predicted marginal profit per hectare from using improved genetics has increased at an annual rate of more than \$150 for radiata pine and \$125 for Blue gum, a cumulative gain over the past decade of \$1,500 and \$1,250 per hectare respectively. The enhancements to TREEPLAN® are expected to deliver an additional \$10 million net present value (NPV) per year to industry through improved genetics. With broader industry adoption, the gain can be as high as \$25 million NPV per year.

✕ Click [here](#) for more information

HARVESTING FORESTS TO REDUCE CO₂

This research examines how carbon values should be incorporated into Australian forest management and how forests could best be managed to take up and store carbon from the atmosphere.

A key message is that while forests are dynamic living systems able to sequester large amounts of atmospheric CO₂ into biomass, the stored carbon is not 'locked up'. Instead, there is a constant cycle of forest carbon being returned to the atmosphere when trees naturally die and decay, or through bushfire. However, carbon can be stored in harvested wood products for long periods of time. If those wood products are used instead of high-CO₂ producing products (e.g. steel or concrete) the 'saved' CO₂ is prevented from being released into the atmosphere.

The report is quoted in the Australian Government's Climate Commission paper, The Critical Decade: Tasmanian impacts and opportunities, and supports the commission's view that "with a carbon price, goods that have low levels of emissions associated with their production and use will be less expensive relative to goods that have high levels of emissions. This could provide new opportunities for forest industries".

✕ Click [here](#) for more information

LOOKING AHEAD

During 2012/13, FWPA's research and development activities will be directed to:

- › Refining R&D priorities to align with industry priorities
- › Increasing the acceptance and accuracy of periodic benefit-cost analyses (BCA) by industry and government stakeholders and BCA ratios equal or better than other comparable R&D investors
- › Increasing industry and researcher engagement with FWPA's R&D investment systems (i.e. investment priorities and plans) as measured via level of consultation, web downloads and reduced number of ad hoc research requests
- › Increasing industry and Government awareness of iconic or 'hero' R&D projects as measured via periodic opinion surveys
- › Increasing additional industry or Government R&D funding (non-levy and matching) that is invested or co-invested using FWPA's systems

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STRATEGY 3

Tech transfer and education

[Objective](#)[Stakeholder benefits](#)[Overview](#)[Achievements](#)[Programs](#)

STRATEGY 3: Tech transfer and education

Objectives

Grow the industry's capacity and capability through the effective technical transfer of R&D findings and focused education activities that support the industry and its products.

Stakeholder benefits

FWPA's investments in this strategy are required to deliver clear benefits to stakeholders (members, levy payers and the Australian Government) through:

- increasing the adoption of R&D findings
- increasing the availability of skilled personnel
- developing and increasing participation in new and existing industry-oriented educational programs or resources
- increasing interest and awareness of the industry as a career choice.

Overview

In 2011/12, there was continuing progress in tech transfer and education. The regular delivery of the R&DWorks newsletter, regional R&D seminars and improved accessibility to research reports are ensuring the results of our R&D investments are being applied by the industry and other stakeholders.

The GrowingCareers program and the new ForestLearning website are promoting the sector as a career and providing teachers with curricula resources.

Achievements

1. Increased participation in FWPA tech transfer activities.
2. Increased industry and Government support of education activities through increased participation in programs.
3. Increase uptake of education program activities by the target user group through increased number of applicants, web downloads, and requested materials and/or presentations.



Students exploring the forest environment at Cumberland State Forest.

Programs

Tech transfer

Through its R&D investment plans, FWPA oversees the enhancement of the knowledge of industry best practice and the creation of new technologies. The benefit of such activities are only realised when adopted by the industry in its commercial practices.

A key factor in all R&D projects is a requirement for the research provider to have an active program of engagement with industry and disseminate the R&D findings through appropriate mechanisms.

Effectively communicating R&D outcomes to industry stakeholders and the research community is essential to encourage the adoption of best practices, greater knowledge adoption and technology uptake and more rapid achievement of industry goals.

FWPA uses a number of methods to communicate research findings to industry, including:

- a corporate website that has sophisticated research report search functionality, report summaries and video capabilities – 8,853 R&D reports and corporate documents were downloaded



- R&DWorks newsletter – a monthly e-newsletter reporting on worldwide research relevant to industry (1,356 subscribers)
- ForWood – a quarterly e-newsletter reporting on FWPA programs' activities (1,903 subscribers)



- the R&DWorks seminar series – 16 seminars on R&D project outcomes were delivered throughout Australia
- industry press articles – including articles submitted to Australian Forests and Timber News and Timber eNews
- advertising spots – including Friday Offcuts and Australian Forests and Timber News
- media releases
- DVDs and memory sticks
- executive summaries
- other FWPA channels, where relevant, such as news items on the WoodSolutions website.



Workshops and targeted seminars are also used to reach relevant audiences. In addition to the annual Ideas Fair presentations held in conjunction with the Annual General Meeting, the R&DWorks seminar series continued to make research and researchers accessible. The seminar series focuses on technical tools that can be implemented by industry rather than ongoing research and tailors presentation topics to the regions visited. Over the past year, 16 seminars were held across 14 regions:

- | | |
|--------------|--------------|
| ➤ Bairnsdale | ➤ Launceston |
| ➤ Bathurst | ➤ Melbourne |
| ➤ Brisbane | ➤ Mt Gambier |
| ➤ Bunbury | ➤ Perth |
| ➤ Grafton | ➤ Sydney |
| ➤ Gympie | ➤ Tumut |
| ➤ Hobart | ➤ Wangaratta |

These activities increase awareness of research results and encourage their adoption by the industry.

Case study

R&DWORKS SEMINARS

FWPA's successful R&D Works program continued in 2011/12 with seminars in Western Australia, South Australia, and the eastern states.

"The seminars provide an easy, accessible snapshot of various FWPA-supported research programs in a time efficient way; I find that illuminating," says Ian Telfer, general manager of wood chips operations at WAPRES. "I attended the seminar in Bunbury and have already passed on information to our research staff for them to consider how it might be useful in our operations."

Each half-day seminar involves 12 short, sharp talks for senior executives and key decision makers, delivering solutions and valuable information about new technologies and processes for the forest and wood products sector. It also gives audience members a great opportunity to talk with, and ask questions of, researchers, helping strengthen bonds between the industry and research communities.

"Reading a report can be too abstract for many people, but these seminars help close the gap and let people see where research is going," Ian says. "It helps make people more receptive to the importance of R&D and how it can apply to their business, and that they can have an input into R&D."

The seminars have covered a wide range of topics applicable to different sectors in the forest and wood industries. Research and development is a critical part of doing business and it is important for leaders to be aware of R&D in sectors of the industry not immediately related to their business. 'Most of the research that applied directly to us we were already involved with; however, I was impressed with a lot of the solid wood research information. Although perhaps I can't use things yet, information was presented that I thought could be useful in the future,' Ian says.

FWPA
R&Dworks.
2012 SEMINAR SERIES

**12 short, sharp talks for senior executives
and key decision makers in the industry**

Launceston Tasmania
 24 April 2012 8.30 am to 12.30 pm

**REGISTER
HERE**

EDUCATION

ForestLearning

The ForestLearning program is designed to consolidate and create forest and wood products materials for teachers to use in primary and secondary education.

A collaboration of forest educators and forestry communications specialists across Australia, the ForestLearning program aims to embed forestry and wood product information into primary and secondary schools educational processes.

Since the launch of ForestLearning.edu.au in July 2011, which saw more than 100 resources and activities for teachers brought together under one brand and online portal, the program has to gone from strength to strength.

More than 25,000 people have visited the site, 75,000 pages were accessed and 8,900 schools registered to receive the quarterly e-newsletter.

The program is active in facilitating and coordinating submissions to the Australian Curriculum, Assessment and Reporting authority (ACARA) to ensure forestry and wood products are embedded in the Australian Curriculum.

The program has been promoted through a range of channels, targeted at the education community.

GrowingCareers

In 2011, the national careers program, GrowingCareers continued to address the long-term skills shortage the industry faces. The information website, GrowingCareers.com.au, continued with steady visitation with 70,000 visitors to the site over 12 months.

The program focused on promotion through a number of marketing and communication channels including:

- › participation in the National Careers and Employment expos in both Brisbane and Adelaide and the virtualcareersexpo.com.au
- ✕ Click [here](#) to view case study
- › advertising in the Hobson's Careers Guide that was distributed to every school career adviser and library in Australia; the Careers Wallchart and student-based magazines including CareerChick and Spress
- › regular monthly e-newsletters to the GrowingCareers database which has more than 1,800 registered readers
- › search engine marketing and search engine optimisation.

Tracking research has shown an increase in desirability to work within the forest and wood products industry by 8% from May 2011 to May 2012.






Case studies

GROWING CAREER OPTIONS FOR STUDENTS

The GrowingCareers team was kept busy at the National Careers and Employment Expos as students and career seekers packed the display stand wanting to find out more about a career in the forest and wood products industry.

Students were after all sorts of information, from specific careers they were interested in to discovering just how many careers were available. FWPA had information on a variety of careers, including forestry, engineering, harvesting, production, management, sales and more. Sustainable forest management and environmental roles were the hot topic with many students having an interest in this area.

The events were held in Brisbane on 4 and 5 May and in Adelaide on 11 and 12 May. More than 15,000 people came through the doors at each of the events. GrowingCareers is also participating in the Virtualcareerexpo.com.au .



A UNIFIED APPROACH TO FOREST EDUCATION – WORKING WITH TOGETHER GOVERNMENT AND INDUSTRY

A network of forest educators and forestry communication managers from across Australia came together in 2011. They faced the daunting task of pulling together more than 130 forest-related lesson plans, fact sheets, videos, online games and posters and making them available to primary and secondary teachers on one online portal.

This task was achieved by the Australian Forest Education Alliance (AFEA). Within three months, the team launched ForestLearning.edu.au – a one-stop-shop portal for teachers wanting to embed forestry and forest learning into their classroom.

AFEA is made up of Forests NSW, Sustainable Forestry Program, Southern Cross University, PIRSA Forestry, Forest Education Foundation, Australia Forest Products Association, Forest Products Commission WA, Vic Forests and Forest and Wood Products Australia. It is a perfect example of how government and industry can work together to achieve a great outcome. Each of the partner organisations contributed significantly to the development of the site through expertise, knowledge and resources.

The group has since coordinated a marketing and communications program to reach primary and secondary teachers across Australia that includes e-newsletters, teacher associations networking, event marketing and school visits. The next major item on the agenda is to embed forest teachings into the Australian Curriculum.

"The forest learning website is an excellent resource that I take pleasure in referring teachers to. It includes accurate and up to date forest education resources that are an asset to the AFEA partners." Amy McMurren, PIRSA

Industry capacity

Scholarships and awards programs, aimed at the industry and the research community, are designed to increase the industry's capability to create and apply knowledge. These programs address both people beginning their careers and those in mid-career, to maximise the opportunities for industry participants to increase their knowledge and develop their skills. Scholarships include mid-career prizes, diversity programs and course development.

PhD scholarships

In 2012, a full scholarship was awarded to Ben Slee from the University of Sydney. Ben has worked on a remarkably diverse range of projects from cutting-edge contemporary design, engineering and manufacture to the repair of 12th century stonework on Southwark Cathedral in the heart of London.

Ben is leading a research project at the University of Sydney with Richard Hyde looking at the integration of thermal mass and lightweight timber construction. The scholarship will allow this FWPA-funded project to develop into an investigation of the storage (thermal mass) and transfer (ventilation) of thermal energy in lightweight (timber) spaces.

A top-up scholarship was awarded to Kirsty Stephen from the University of the Sunshine Coast, Queensland. Kirsty's research focuses on termites (local and other pest species) and bacterial symbionts.

FWPA funds 15 PhD scholarships covering a wide range of topics of future benefit to the sector.

Sponsorships

Sponsorship of selected technical conferences and support of peer review and discussion of scientific research enables FWPA to facilitate the exchange of knowledge and flow of information in the forest and wood products industry. FWPA engaged in a number of strategic sponsorships in 2011/12, for example AUSTimber 2012 and the Forest Industry Engineering Association.

AUSTimber 2012

AUSTimber is the largest forestry and timber expo in the southern hemisphere, showcasing the latest in technology, machinery, products and services for the industry. AUSTimber 2012 was conducted on a single location in the forest, 15 km from Mount Gambier, SA, and featured both softwood and hardwood harvesting, as well as residue management, biofuel production, establishment techniques and silvicultural practices.

Forest Industry Engineering Association

FWPA is a key sponsor of the Forest Industry Engineering Association (FIEA). With a regular series of conferences, practical workshops and managed exhibitions every year, FIEA is a vehicle for technology transfer for forestry and wood products companies. Forestry and wood product companies, product suppliers, researchers and technology providers from throughout the world are targeted and involved with the programs. In addition to these events, new resources from the technology programs are being supplied to New Zealand and Australian companies.

FIEA events include:

- ▶ Wood Preservation 2012
- ▶ 2012 Future Forestry Finance Conference
- ▶ ForestTECH 2011.



LOOKING AHEAD

During 2012/13, FWPA's tech transfer and education activities will be directed to:

Tech transfer

- › Increasing the number attendees, including a high rate of return attendees, to the R&DWorks seminars
- › Increasing the number of subscribers to the R&DWorks and ForWood newsletters
- › Delivering 11 issues of the R&DWorks newsletter and four issues of ForWood
- › Increasing web downloads of R&D and corporate reports and investment plans

Education

- › Including forest and wood product topics in the national curriculum
- › Supporting the development and delivery of undergraduate curriculum materials related to forest products processing and manufacture
- › Increasing stakeholder participation in FWPA technology transfer programs
- › Increasing the number of applications for scholarships and mid-career development awards

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STRATEGY 4

Standards coordination

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for wood-based products](#)[Standards Reference Group/
Standards Industry Network](#)[Liaising with Standards Australia](#)[Increasing the awareness and uptake
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STRATEGY 4: Standards coordination

Objective

To coordinate the industry's management of consensus-based standards and building codes to maintain or improve market acceptance of the industry's products.

Stakeholder benefits

FWPA's investments in this strategy are required to deliver:

- improved market access and/or reduced barriers to the use of wood products
- increased understanding and adoption of relevant standards and codes within the industry and building professionals
- reduced cost of delivery of standards development.

Overview

As the result of continued work in the area of building codes and standards, FWPA and industry are starting to see benefits of coordinated action to develop identified opportunities and counter threats.

Standards Australia has reconfigured both its Building Sector Board, made up of 13 industry groups, and the Australian Building Codes Board. FWPA is one of only two material groups represented on the Building Sector Board and is also represented on 14 Standards Australia building and timber committees.

Achievements

1. Recruited more than 60 members to the Standards Reference Group and Standards Industry Network.
2. Proposed, with industry input, the deletion of a number of standards that affect the industry.
3. Engaged with industry seeking their input/feedback on a number of standards.
4. Engaged with industry, through consultants, to increase the uptake of standards.



Reducing the barriers to using wood is an important step towards increasing its use

Maintaining or increasing access for wood-based products

Since FWPA's standards coordination program began in 2009, its aim has been to increase the use of wood-based products through efficiently and effectively developing and/or maintaining key standards, codes and handbooks that support the manufacture and use of timber and wood products (except forest management standards).

The industry currently has 264 Australian Standard documents (Standards, supplements, handbooks and amendments), including about 150 standards relating to timber and wood product standards, and is exposed to nearly 80 building standards that influence the use of timber and wood products. In addition, many building regulations also reference standards that affect the use of timber and wood products.

Standards Reference Group/ Standards Industry Network

Timber Industry stakeholder participation in FWPA standards and codes activities was facilitated through FWPA's Standards Reference Group – Codes & Standards Activity Steering Committee (SRG) and Standards Industry Network (SIN – a broader group of interested stakeholders). The 60 members of the SRG and SIN are kept informed of changes to timber standards and other relevant building codes and standards. Comments on relevant timber and building related standards are also sought from the SRG and SIN members.

Current group members are:

STANDARDS REFERENCE GROUP

Geoff Stringer (Chair), Hyne Timber
 Vincent Corlett, Nannup Timber Processing
 Simon Dorries, Engineered Wood Products Association of Australasia
 Trevor Innes, Gunns Timber Products
 Kim Harris, Carter Holt Harvey Woodproducts
 Craig Kay, Tilling Timber Pty Ltd
 Colin MacKenzie, Timber Queensland
 Frank Moretti, Gunnersens Pty Ltd
 Peter Robson, Boral Timber
 Richard Schaffner, Wespine Industries Pty Ltd
 Chris McEvoy, Radial Timber



*Nailplate apex joints
in timber roof joists*

Liaising with Standards Australia

FWPA works closely with Standards Australia to ensure cost-effective Standards are delivered to the advantage of all stakeholders. In 2011/12, FWPA held discussions with Standards Australia's senior management about processes and procedures for developing or deleting Australian Standards relating to wood and wood products.

REDUCING THE NUMBER OF STANDARDS AND CODES

There are currently 264 Australian Standard documents (Standards, supplements, handbooks and amendments) that may require review, updating or deletion. Assessing such a large volume of documents adds significantly to the workload of the limited number of industry technical people and increases financial demands on industry.

In 2011/12 the SRG and SIN identified a number of standards that could be deleted and circulated the list to the timber committees in a discussion paper.

The existing catalogue of timber standards and documents has been reviewed, with standards being identified to be confirmed, revised or withdrawn. A paper describing the processes and procedures for developing Australian Standards has been finalised and is being circulated by Standards Australia to its eight timber committees for review and comment.

Increasing the awareness and uptake of standards by industry stakeholders

FWPA's standards coordination activities are communicated to the Standards Reference Group and Standards Industry Network (which includes trade media contacts) through emails and more broadly by way of FWPA's quarterly newsletter ForWood. These articles and emails give levy payers and other stakeholders a view of current activities as well as the program's results.

Other activities targeted building professionals, such as seminars about *AS 1684 Residential timber-framed construction* in Queensland, New South Wales and Victoria, and informed users of timber products about changes to timber standards.

Program highlights

PRESERVATIVE TREATED TIMBER – ROUND AND SAWN (AS 1604 SERIES-FIVE PARTS)

The draft Standards were prepared (funded by FWPA) and submitted for review by the responsible Standards Australia Committee. The drafts were issued for public comment and sent to FWPA's Standards Industry Network. The draft Standards will be finalised and available as published standards early in the new financial year.

DEVELOPING BUSHFIRE ATTACK LEVEL SOFTWARE

AS 3959 Construction of buildings in bushfire-prone areas provides two methods of determining the Bushfire Attack Level (BAL) appropriate for a particular building: a deemed-to-satisfy approach (Section 2) and Appendix B Detailed Method for Determining the Bushfire attack Level (BAL) – Method 2. The deemed-to-satisfy approach, by its nature, is more conservative and potentially requires houses to be built to a higher bushfire level. The detailed method approach uses site specific inputs to determine the appropriate BAL.

FWPA has funded the development of a BAL software package to give designers and building authorities a more accurate approach to assigning BALs and remove some of the unnecessary penalties, and associated costs, with building in bushfire-prone areas. The program is designed to be an on-line tool that will allow users to enter the appropriate site data and generate a printout of inputs and their results.

SECURING CO-FUNDING AND RESOURCES FROM INDUSTRY GROUPS TO PROGRESS STANDARDS DEVELOPMENT

A consultant has been engaged to develop a draft Australian Standard for the design of timber trusses with support funding from FWPA, major nailplate manufacturers, the Frame & Truss Manufacturers' Association (FTMA) and Standards Australia.

The need for this Standard resulted from a Coroner's report following a tragic collapse of a truss in South Australia. The new Standard will provide confidence in the timber trusses used in both residential and commercial buildings.

 Read more about FWPA's Standards coordination activities [here](#)

LOOKING AHEAD

During 2012/13, FWPA's standards coordination activities will be directed to:

- › Identifying the appropriate pathway through which each Standard will be processed
- › Securing co-funding and resources from industry groups to progress Standards development
- › Ensuring effective communication of activities to the industry via email, newsletters and the FWPA website
- › Working closely with Standards Australia to ensure the cost-effective delivery of Standards
- › Promoting the use of Standards through SAI Global
- › Promoting knowledge transfer to industry through workshops and industry presentations

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FINANCIAL STATEMENTS AND CORPORATE GOVERNANCE

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DIRECTORS' REPORT

Directors

During the reporting period, eight non-executive directors served on the Board, as well as the managing director. Seven directors (including the managing director) were directors of the Company for the full financial year. One director completed his term 29 February 2012 and one director was appointed on the same time.

Election of directors

According to the Company Constitution, FWPA's Board shall comprise between five and nine directors (including the managing director) at least two of whom are independent directors. After the first annual general meeting, directors, with the exception of the managing director who is an employee of the Company, are appointed on a rotational basis by the Company's voting members at the annual general meeting. The appointments are for terms of three years, with a maximum of three consecutive terms.

Board of directors

Ron Adams

Michele Allan

Vince Erasmus

Mark Grey

Nick Roberts

Evan Rolley

John Simon (appointed 29 February 2012)

Jim Snelson (until 29 February 2012)

Ric Sinclair

Board committees

Board committees ensure appropriate management and review of company operations, and make certain that investments are adequately evaluated and deliver outcomes to company members and other stakeholders. The Board committees are: Audit and Finance Committee; Research and Development Investment Committee; Promotion, Services and Communication Committee; and Remuneration and Human Resources Committee. All committee members listed below were members of the committee for the entire year, unless otherwise specified.

AUDIT AND FINANCE COMMITTEE (A&FC)

Members:

Mark Grey (Chair)

Michele Allan

Nick Roberts

Invited guests:

Ric Sinclair

Jason See

The key tasks of the Audit and Finance Committee are:

- Ensure prudent management of the Company's finances; ensure the Board makes informed decisions regarding the Company's overall expenditures; ensure activities approved by the Board are consistent with Australian law relating to prudent financial management; ensure the terms and conditions of employment of the Company's staff are consistent with the relevant Commonwealth and State Government policies and laws; and provide a general overview of the Company's financial management.
- Liaise with FWPA's auditors; review the adequacy of internal controls and of compliance with relevant laws, regulations, policies and procedures; report to the Board on the adequacy of audit procedures; and promote accurate, high-quality and timely disclosure of financial and other information to the Board and key stakeholders.

REMUNERATION AND HUMAN RESOURCES COMMITTEE (R&HRC)

Members:

Ron Adams (Chair)
Mark Grey
Nick Roberts
Lesley Austin (Secretary)

The Remuneration and Human Resources Committee was formed during the year and formally met once. The secretary is an independent and external consultant.

The key tasks of the Remuneration and Human Resources Committee are:

- Ensure that the Company's remuneration and human resources policies and systems support the Board's desired organisational culture and capacity.
- Approve procedures and systems for the Company relating to staff and director remuneration, human resources and OH&S that are in accordance with agreed Board policies and directions.
- Approve annual adjustments for the remuneration of the managing director and the managing director's direct reports.
- Approve annual performance targets and assessment of performance against the targets.

RESEARCH AND DEVELOPMENT INVESTMENT COMMITTEE (R&DC)

Members:

Vince Erasmus (Chair)
Ron Adams
Evan Rolley
Michele Allan

The key tasks of the Research and Development Investment Committee are:

- Approve research investments as specified within the Company Delegation Authority.
- Provide recommendations to the Board regarding the Company's R&D project investments and policies; ensure the prudent management of the Company's contractual R&D commitments; and work in association with industry advisory groups to develop R&D strategy and identify priorities.

PROMOTION, SERVICES AND COMMUNICATION COMMITTEE (PS&CC)

Members:

Evan Rolley (Chair)
Jim Snelson (Chair) (until 29 February 2012,
Mark Grey
John Simon

The key tasks of the Promotion, Services and Communication Committee are:

- Approve investments as specified within the Company Delegation Authority.
- Oversee the Tech Transfer and Education program, including advising the Company on knowledge management and tech transfer from R&D activities; develop and implement the Company's communication and tech transfer plans; and provide informed advice to the Board regarding the Company's marketing, communication and technology transfer activities.

Board meetings

During the reporting period the Board held seven meetings.

Details of attendance by individual Board members are provided below.

DIRECTOR	BOARD		AUDIT AND FINANCE COMMITTEE		RESEARCH AND DEVELOPMENT INVESTMENT COMMITTEE		PROMOTION, SERVICES AND COMMUNICATION		REMUNERATION AND HUMAN RESOURCES COMMITTEE	
	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend
Mr Ron Adams	7	7			2	3			1	1
Dr Michele Allan	6	7	1	2	2	3				
Mr Vince Erasmus	7	7			3	3				
Mr Mark Grey	6	7	2	2			2	2	1	1
Mr Nick Roberts	6	7	2	2					1	1
Mr Evan Rolley	7	7			3	3	2	2		
Mr John Simon ⁺	2	2					1	1		
Mr Jim Snelson [*]	5	5					1	1		
Mr Ric Sinclair	7	7			3	3	2	2		

^{*} Term ended 29 February 2012

⁺ Term began 1 March 2012

Nature of operations

The major activities of the FWPA during the financial year comprised:

- providing research and development to support the Australian forest and wood products industry
- providing domestic marketing and promotion services to the Australian forest and wood products industry.

There have been no significant changes in the nature of these operations during the period.

Results of operations

The operating result for the financial year to 30 June 2012 was a planned operating deficit of \$2,275,825.

Rounding amounts

FWPA is a Company of the kind specified in the Australian Securities and Investments Commission class order 98/0100. In accordance with that class order, amounts in the financial statements and the directors' report have been rounded to the nearest dollar unless specifically stated to be otherwise.

Significant events after the balance date

There have been no events between the end of the financial year and the date of this report that, in the opinion of the directors, are likely to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

Code of conduct

The FWPA Code of Conduct requires the Board and all staff to promote high standards of ethics and integrity. The language, attitudes and actions of directors, senior management and staff must reflect the principles of integrity and ethics, as well as the company's values and culture. The Code of Conduct recognises that FWPA's employees are vital to the fulfilment of the Company's purpose and, consequently, the highest level of staff satisfaction, health and safety must be maintained. It also encourages directors and staff to commit to the philosophy of continuous improvement at the corporate and individual levels.

Conflict of interest and register of interests

A director must disclose an interest wherever he or she considers there is a potential perceived conflict of interest and a Declaration of Directors' Interests is a standing agenda item for all Board meetings. This policy is consistent with Section 21 of the *Corporations Act 2001*.

Risk management, fraud control and business recovery

The Company has risk management, business recovery and fraud control plans in place. It also maintains a human resource policy and procedures, a Corruption and Fraud Control and Whistleblower policies. During the year, a policy and a procedure manual was developed.

Environmental regulation and performance

The Company is not subject to any particular or significant environmental regulation.

Indemnification and insurance of directors and officers

Appropriate insurance policies were maintained for the period to cover directors and officers for professional indemnity; general liability; property loss, destruction or damage; increased cost of working/business interruption; official overseas travel and workers' compensation.

Auditor independence

The auditors' independence declaration in relation to the audit of the Company's accounts for the financial year 30 June 2012 is set out in the financial report and forms part of the directors' report.

Registered office and principal place of business

Level 4, 10–16 Queen Street
Melbourne Victoria 3000
Phone: (03) 9927 3200

Signed in accordance with a resolution of the Board of Directors.



Ronald Adams
Director

16 August 2012



Alaric Sinclair
Director

16 August 2012

FINANCIAL STATEMENTS

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DIRECTORS' DECLARATION


The Directors of the Company declare that:

- 1 The financial statements and notes, as set out on pages 71 to 88, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the period ended on that date of the Company.
- 2 In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of directors.



Ronald Adams
Director



Alaric Sinclair
Director

Dated this 16th day of August 2012

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2012

	<i>Note</i>	2012 \$	2011 \$
Revenue	2(a)	8,721,963	9,636,232
Other income	2(c)	433,364	585,211
Generic industry promotion	3(a)	(3,919,556)	(4,412,057)
R&D investment	3(b)	(4,643,378)	(4,707,432)
Tech transfer and education	3(c)	(1,165,812)	(1,847,497)
Standards coordination	3(d)	(300,328)	(268,519)
Corporate costs	3(e)	(1,402,078)	(1,212,834)
Net surplus/(deficit)		(2,275,825)	(2,226,896)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION as at 30 June 2012

	<i>Note</i>	2012 \$	2011 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	2,558,239	512,172
Trade and other receivables	5	704,991	817,007
Financial assets	6	1,965,006	6,160,117
Total current assets		5,228,236	7,489,296
Non-current assets			
Furniture and equipment	7	110,019	138,411
Total non-current assets		110,019	138,411
Total assets		5,338,255	7,627,707
LIABILITIES			
Current liabilities			
Trade and other payables	8	230,345	268,549
Short-term provisions	9	146,179	74,044
Other current liabilities	10	6,000	6,000
Total current liabilities		382,524	348,593
Non-current liabilities			
Other long-term provisions	9	77,211	118,769
Other non-current liabilities	10	-	6,000
Total non-current liabilities		77,211	124,769
Total liabilities		459,735	473,362
Net assets		4,878,520	7,154,345
EQUITY			
Retained surplus		4,878,520	7,154,345
Total equity		4,878,520	7,154,345

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2012

	Note	2012 \$	2011 \$
Opening balance at beginning of year		7,154,345	9,381,241
Net surplus/(deficit)		(2,275,825)	(2,226,896)
Closing balance at the end of year		4,878,520	7,154,345

Note: The Company's equity balance at year end should be read in the context of the following Schedule of Commitments.

SCHEDULE OF COMMITMENTS for the year ended 30 June 2012

	2012 \$	2011 \$
BY TYPE		
Commitments		
Commitments ¹	5,199,740	7,072,956
Total commitments by type	5,199,740	7,072,956
BY MATURITY		
Commitments		
One year or less	3,288,290	3,670,311
From one to five years	1,911,450	3,402,645
Total commitments by maturity	5,199,740	7,072,956

	Commitments 0–1 year	Commitments 1–5 years	Total commitments
Market access development	927,788	328,000	1,255,788
Solid wood processing	451,910	-	451,910
Sustainability and resources	1,760,774	1,454,123	3,214,897
Tech Transfer and Education	128,218	114,327	242,545
Other R&D matchable activities	19,600	15,000	34,600
	3,288,290	1,911,450	5,199,740

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOW for the year ended 30 June 2012

	<i>Note</i>	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and government		8,891,385	9,715,785
Payments to suppliers and employees		(11,345,725)	(12,255,347)
Interest received		423,830	481,828
Net cash provided by (used in) operating activities	12	(2,030,510)	(2,057,734)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(23,424)	(34,799)
Acquisition/redemption of financial assets	6	4,100,000	2,000,000
Net cash provided by (used in) investing activities		4,076,576	1,965,201
Net increase (decrease) in cash held		2,046,067	(92,533)
Cash at the beginning of the reporting period		512,172	604,705
Cash at end of financial period	4	2,558,239	512,172

The accompanying notes form part of these financial statements.

Notes to the Financial Statements 30 June 2012

1 Accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Forest and Wood Products Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report of Forest and Wood Products Australia Limited complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(A) BASIS OF PREPARATION

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(B) SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have an impact on future periods.

(C) COMPARATIVES

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

(D) REVENUE

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Members' levies are recognised on advice of entitlement from the Department of Agriculture, Fisheries and Forestry and from State growers* estimates of their levies payable.

Government contributions for matched payments are recognised at fair value where there is reasonable assurance that the contribution will be received and all conditions will be met.

All revenue is stated net of the amount of goods and services tax (GST).

*State government forest growers

(E) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(F) FURNITURE AND EQUIPMENT

Each class of furniture and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Purchases of furniture and equipment are recognised initially at cost, except for purchases costing less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total). The cost and related accumulated depreciation on furniture and equipment sold or otherwise disposed of are removed from the accounts and any gain or loss is reported as current period's revenue or expense.

Notes to the Financial Statements 30 June 2012

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

- Office equipment 13%–27%
- Leasehold improvements 20%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The carrying amount of furniture and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(G) FINANCIAL INSTRUMENTS**Recognition and initial measurement**

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Company becomes a party to contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Held-to-maturity investments

These investments have fixed maturities, and it is the Company's intention to hold these investments to maturity. Any held-to-maturity investments held by the Company are stated at amortised cost using the effective interest rate method.

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Notes to the Financial Statements 30 June 2012

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

(H) TRADE PAYABLES

Trade and other payables are stated at cost, which approximates fair value due to the short-term nature of these liabilities.

(I) EMPLOYEE BENEFITS

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration

is given to expect future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows

Superannuation

Employees of the Company are members of the Australian Government Employees Superannuation Trust (AGEST), State Super Financial Service (SSFS), Equisuper, Commonwealth Personal Super, BT Financial Group, AustralianSuper and LUCRF. Contributions are made to the Company employee superannuation funds and are charged as expenses when incurred.

(J) PROVISIONS

Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect is material, provisions are determined by discounting the expected future cash flows using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

(K) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Notes to the Financial Statements 30 June 2012

(L) LEASE

Leases are classified as finance or operating leases. A lease that transfers substantially all of the benefits and risks incidental to the ownership of property is classified as a finance lease. All other leases are accounted for as operating leases wherein rental payments are expensed as incurred. The Company does not have any finance leases.

(M) IMPAIRMENT OF ASSETS

The Company monitors the recoverability of assets, based on factors such as current market value, future asset utilisation, business climate and future undiscounted cash flows expected to result from the use of the related assets. The Company's policy is to record an impairment loss in the period when it is determined that the carrying amount of the asset may not be recoverable. The impairment loss is calculated as the amount by which the carrying amount of the asset exceeds the undiscounted estimate of future cash flows from the asset. To 30 June 2012, no impairment losses have been recorded.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

(N) INCOME TAXES

No provision for income tax has been raised as the Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(O) ROUNDING OF AMOUNTS

The Company has applied the relief available to it under ASIC Class Order 98/0100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest \$1.

Notes to the Financial Statements 30 June 2012

2 Revenue

	<i>Note</i>	2012 \$	2011 \$
(a) Revenue breakup			
Commonwealth matching	3(g)	3,903,668	4,416,594
Industry contributions	2(b)	4,818,296	5,219,638
Total revenue		8,721,964	9,636,232
(b) Industry contributions			
Processors		2,772,982	2,963,605
Importers		869,952	958,841
Growers		673,233	596,737
State growers		481,113	676,296
Penalties		21,016	24,159
Total industry contributions		4,818,296	5,219,638
(c) Other revenue			
Bank interest received		325,644	487,279
Industry project contributions		95,189	95,189
Others		12,531	2,743
Total other revenue		433,364	585,211

Notes to the Financial Statements 30 June 2012

3 Program Expenses	2012 \$	2011 \$
(a) Generic industry promotion		
Consumer activities	2,334,056	1,899,371
Specifier activities	405,772	544,742
Specifier information and education activities (matchable)	907,414	1,440,244
Program Partner activities	40,996	232,460
Program support management	231,318	295,240
	3,919,556	4,412,057
(b) R&D investment		
Market access development	1,237,905	1,058,450
Solid wood processing	861,900	946,420
Sustainability and resources	2,059,882	2,237,710
Stakeholder consultation and development	88,014	113,969
Program support management	395,677	350,883
	4,643,378	4,707,432
(c) Tech transfer and education		
Technology transfer activities	557,648	612,854
Education activities	493,357	1,149,227
Program support management	114,807	85,416
	1,165,812	1,847,497
(d) Standards coordination		
Program activities	147,018	79,983
Program support management	153,310	188,536
	300,328	268,519
(e) Corporate costs*		
Employees benefits	506,606	561,079
Depreciation	17,752	18,187
Other expenses	877,720	632,938
	1,402,078	1,212,834
(f) Employee benefits expenses		
Wages and salaries	1,038,190	1,028,971
Annual leave	9,304	5,778
Long service leave	21,273	10,102
Superannuation contribution	80,747	75,069
Payroll tax	25,103	31,792
	1,174,617	1,151,712
(g) Matchable expenses		
Specifier information and education activities	907,414	1,440,244
R&D expenses	4,643,378	4,707,432
Tech transfer and education expenses	1,165,812	1,847,497
Corporate costs (matchable)	1,090,732	838,015
	7,807,336	8,833,188
Commonwealth Matching (total matchable divide by two)	3,903,668	4,416,594

* Note: The increase in corporate costs was due to: (i) Consultancy – FWPA performance review, \$86,612
(ii) Levy review process – industry consultation and business plan development, \$97,286

Notes to the Financial Statements 30 June 2012

4 Cash and cash equivalents	2012 \$	2011 \$
Cash on hand	200	200
Cash at bank	558,039	511,912
Short-term bank deposits	2,000,000	-
	2,558,239	512,172
5 Trade and other receivables		
CURRENT		
Commonwealth matching	589,339	517,944
Levies receivable	155,829	281,957
Interest receivable	1,232	4,306
Prepayments	10,235	5,831
GST receivable/ (payable)	(51,644)	6,969
	704,991	817,007
6 Other financial assets		
Held to maturity investment: long term bank deposits	1,937,051	6,037,051
Interest receivable	27,955	123,066
	1,965,006	6,160,117
7 Furniture and equipment		
Office equipment		
At cost	112,426	180,779
Less accumulated depreciation	(69,090)	(118,993)
Total office equipment	43,336	61,786
Improvements		
At cost	188,732	167,797
Less accumulated depreciation	(122,049)	(91,172)
Total improvements	66,683	76,625
Total furniture and equipment	110,019	138,411

(a) Movements in carrying amounts

	Office Equipment \$	Improvements \$	Total \$
Balance at 30 June 2011	61,786	76,625	138,411
Additions	2,488	20,935	23,423
Depreciation expense	(19,346)	(22,209)	(41,555)
Program depreciation expense	(1,592)	(2,668)	(4,260)
Lease incentive amortise	-	(6,000)	(6,000)
Carrying amount at the end of period	43,336	66,683	110,019

Notes to the Financial Statements 30 June 2012

8 Trade and other payables

	2012 \$	2011 \$
CURRENT		
Trade payables	180,922	209,231
Deposit	10,000	10,000
	190,922	219,231
Other payables & accruals		
Audit fee	11,000	10,500
Director fees	-	6,530
PAYG tax & FBT (BAS)	28,423	32,288
	39,423	49,318
	230,345	268,549

9 Provisions

	Make good of premises \$	Long-term employee benefits \$	Total \$
Balance at 30 June 2011	24,500	168,313	192,813
Additional provisions	-	30,577	30,577
Amounts used	-	-	-
Balance at 30 June 2012	24,500	198,890	223,390
Number of employees at 30 June 2012: 9			
		2012 \$	2011 \$
Analysis of total provisions			
Current		146,179	74,044
Non-current		77,211	118,769
		223,390	192,813

10 Other liabilities

	2012 \$	2011 \$
CURRENT		
Lease incentive liability	6,000	6,000
NON-CURRENT		
Lease incentive liability	-	6,000

11 Members' guarantee

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$1 each towards any outstanding obligations of the Company. At 30 June 2012 the number of members was 96.

Notes to the Financial Statements 30 June 2012

12 Cash flow information

	2012 \$	2011 \$
Reconciliation of cash flow from operations with profit after income tax		
Net income/loss for the period	(2,275,825)	(2,226,896)
Non-cash flows in profit		
Depreciation, amortisation and impairments	45,815	42,111
Changes in assets and liabilities, net of the effects of transfers of operations		
(Increase)/decrease in trade and term receivables	207,127	(22,918)
Increase/(decrease) in trade payables and accruals	(38,204)	134,089
Increase/(decrease) in employee provisions	30,577	15,880
Cash flow from operations	(2,030,510)	(2,057,734)

13 Financial instruments**(a) Financial risk management**

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and accounts payable. It does not have any derivative financial instruments at 30 June 2012.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:

	2012 \$	2011 \$
Financial assets		
Cash and cash equivalents	2,558,239	512,172
Held-to-maturity financial assets	1,937,051	6,160,117
Receivables	704,991	817,007
	5,200,281	7,489,296
Financial liabilities		
Other liabilities	230,345	268,549
	230,345	268,549

(b) Net fair values

For financial assets and liabilities the net fair value is equal to their carrying values. No financial assets or financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Fair values of held-to-maturity investments are based on quoted market prices at the ending of the reporting period.

Notes to the Financial Statements 30 June 2012

14 Non-executive directors' remuneration

	2012	2011
	\$	\$
\$NIL–\$29,999	7	7
\$30,000–\$49,999	1	1
Amounts received, or due and receivable, by directors	\$209,311	\$207,651

The names of directors who have held office during the period are detailed in the Directors' report.

15 Auditors' remuneration

	2012	2011
	\$	\$
Remuneration of the auditor of the Company for		
Auditing the financial report	11,000	10,500

16 Related party transaction

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties were directors' remuneration, as disclosed in Note 14.

Various project expenditures were made to the following director related entities. The directors involved took no part in any relevant decisions of the Board. The directors related to the various entities are listed next to them.

	2012	2011
	\$	\$
Income		
Forests NSW (N. Roberts)	256,248	221,526
Project expenditure		
Australian Forest Products Association (J. Snelson, V. Erasmus)	62,382	99,123
World Forestry Centre (V. Erasmus)	5,772	-
J.W. Gottstein Memorial Trust (R. Adams, R. Sinclair)	1,400	1,400
Timber Development Association (J. Simon)	114,500	-

17 Contingent liabilities

At 30 June 2012 the Company had no contingent liabilities.

18 Amounts guaranteed

The Company has issued a guarantee in the amount of \$37,051 in favour of Parkside Properties Pty Ltd with respect to an agreement for leased premises at Level 4, 10–16 Queen Street, Melbourne. The guarantee is held in term deposit with Commonwealth Bank of Australia.

Notes to the Financial Statements 30 June 2012

19 Operating Lease Commitments

	2012 \$	2011 \$
BY TYPE		
Other commitments		
Operating leases [*]	68,316	128,666
Total commitments by type	68,316	128,666
BY MATURITY		
Operating lease commitments		
One year or less	68,316	71,481
From one to five years	0	57,185
Total commitments by maturity	68,316	128,666

Note: Commitments are GST inclusive where relevant

^{*} Operating leases included are effectively non-cancellable and comprise leases for office accommodation. Leasing arrangement: Lease payments are subject to annual increase in accordance with upwards movements in the Consumer Price Index.

Nature of lease	Annual Rental	Terms	Expiry	Commitments		Total Commitments
				0-1 year	1-5 years	
Level 4, 10-16 Queen Street Melbourne VIC 3000	\$78,619	5 years	13/05/2013	\$68,316	-	\$68,316

20 Assets held in trust

Russell Grimwade Prize Trust
Donations and Bequests Research Trust Account

Donations and bequests for specified research purposes are received from the public under formal trust arrangements. Monies received are placed in a special bank account and expended on the specified research projects in accordance with the terms of the trusts. The company took over control of the trust monies from Forest & Wood Products R&D Corporation on 3 September 2007. These monies are not available for other purposes of the company and are not recognised in the financial statements.

	2012 \$	2011 \$
Opening balance at the beginning year	228,127	213,677
Add: interest earned	11,751	14,450
Less: payments	-	-
Closing balance at the end of year	239,878	228,127

21 Events after the balance date

No events have occurred since 30 June 2012 which would significantly affect the operations of the Company.

22 Company details

The registered office of the Company is:
Forest and Wood Products Australia Limited, Level 4, 10-16 Queen Street, Melbourne Victoria 3000

AUDITOR'S INDEPENDENCE DECLARATION

under Section 307C of the *Corporations Act 2001*



Auditor's Independence Declaration to the Directors of Forest & Wood Products Australia Limited

In accordance with Section 307C of the Corporations Act 2001, I declare that, to the best of my knowledge and belief during the year ended 30 June 2012 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

CROWE HORWATH MELBOURNE

PETER SEXTON
Partner
Melbourne Victoria

Dated this 16th day of August 2012

INDEPENDENT AUDIT REPORT

under Section 307C of the *Corporations Act 2001*

Independent Auditor's Report To The Members of Forest & Wood Products Australia Limited

Report on the financial report

We have audited the accompanying financial report of Forest & Wood Products Australia Limited (the company), which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDIT REPORT

under Section 307C of the *Corporations Act 2001*



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- a. the financial report of Forest & Wood Products Australia Limited is in accordance with the *Corporations Act 2001*, including:
 - I. giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
 - II. complying with Australian Accounting Standards and *Corporations Regulations 2001* and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

CROWE HORWATH MELBOURNE

Peter Sexton
Partner

Dated this..... day of 2012

16

August

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RESEARCH PROJECTS

PROJECT DESCRIPTION	FWPA INVESTMENT \$	TOTAL PROJECT COST \$	STATUS	PROJECT NO.
Investment Priority 1. Information, analysis and interpretation of domestic and export markets				
Project: Coordinated supply of production, consumption, trade and socio-economic data for the forest and timber industry	828,882	1,292,274	➔	PNA225-1011
Research Provider: Australian Bureau of Agricultural and Resource Economics				
Project: Development of a forest resources business plan	17,325	17,325	✓	PRA278-1112
Research Provider: P F Olsen & Co Ltd				
Project: Economic Analysis of Selected FWPA Projects	18,000	18,000	➔	PRA292-1112
Research Provider: ESYS Development				
Project: Provision of a timber market survey and preparation of a quarterly report to provide information on prices and trends in Australian wood product markets	456,854	791,733	➔	PNA116-0809
Research Provider: URS Australia Pty Ltd				
Project: Statistical information and data improvement	15,631	15,631	✓	PRA238-1112
Research Provider: Industry Edge Pty Ltd				
Project: The case for renewed plantation development in Australia	192,475	192,475	➔	PNA243-1112
Research Provider: Centre for International Economics				
Project: Co-ordination of FWPA Statistics Programs	24,000	24,000	➔	PRA294-1112
Research Provider: Industry Edge Pty Ltd				
Project: Conduct an overview of the current Australian size and makeup of the outdoor timber and infrastructure applications market	10,000	10,000	✓	PRA213-1112
Research Provider: Timber Development Association (NSW) Ltd				
Investment Priority 2. Timber construction in residential buildings				
Project: A review and update of emerging technologies in residential timber construction (UTS)	68,000	68,000	➔	PRA245-1112
Research Provider: University of Technology Sydney				
Project: Alternative solution compliance resource for fire safe timber design	112,000	137,000	➔	PNA217-1011
Research Provider: Timber Development Association (NSW) Ltd				
Project: Finishing timber externally – WoodSolutions Design Guide	21,000	32,500	➔	PNA234-1112
Research Provider: University of Tasmania				
Project: Impact and assessment of moisture affected timber framed construction – Design Guide	34,000	34,000	✓	PRA241-1112
Research Provider: Timber Queensland Ltd				
Project: Noise transport corridors acoustic rated lightweight timber solutions – Design Guide	43,000	43,000	➔	PRA240-1112
Research Provider: Timber Queensland Ltd				
Project: Prefabricated lightweight timber ground floor systems	170,000	281,600	➔	PNA244-1112
Research Provider: BRANZ Ltd				
Project: Preparation of structural engineering software providers brief	30,000	30,000	✓	PRA215-1011
Research Provider: Timber Development Association (NSW) Ltd				
Project: Timber Construction for Thermal Performance - Design Guide	36,500	55,000	➔	PNA233-1112
Research Provider: University of Tasmania				



Complete



Active



Cancelled

*Note: for active projects the values are for planned expenditure


PROJECT DESCRIPTION	FWPA INVESTMENT \$	TOTAL PROJECT COST \$	STATUS	PROJECT NO.
Project: Timber in internal design – WoodSolutions Design Guide	31,500	47,500	➡	PNA232-1112
Research Provider: University of Tasmania				
Project: Updating of fire safety supporting documentation for BCA	61,000	61,000	➡	PRA277-1112
Research Provider: Exova Warringtonfire				
Investment Priority 3. Timber construction in commercial and industrial buildings				
Project: Commercial Buildings and Industrial Buildings Investment Plan	31,136	31,136	➡	PRA235-1112
Research Provider: Ezard Marketing Pty Ltd				
Project: Review of STIC commercialisation plan for the Australian market	23,046	23,046	✓	PRA242-1112
Research Provider: Marosszeky and Associates Pty Ltd				
Project: The development and implementation of innovative and sustainable structural timber building technologies	1,250,000	8,836,206	➡	PRA028-0809
Research Provider: Structural Timber Innovation Company Ltd				
Investment Priority 4. Wood products in sustainable buildings				
Project: Best practice for timber end-of-life options in whole-of-life building	12,000	21,000	➡	PRA253-1112
Research Provider: Timber Development Association (NSW) Ltd				
Project: Carbon storage in paper and composite wood products in landfills	120,000	630,000	➡	PRB180-0910
Research Provider: Industry & Investment NSW				
Project: Demonstrating legal timber – Industry benchmarking and due diligence tools	98,000	152,000	➡	PNA252-1112
Research Provider: Timber Development Association (NSW) Ltd				
Project: Effective use of thermal mass in residential timber-framed construction – Scoping study for developing rules of thumb for direct gain systems	90,005	190,088	➡	PNA214-1011
Research Provider: The University of Sydney				
Project: Enhancements to Embodied CO ₂ Emissions Module for AccuRate	22,000	22,000	✓	PNA219-1011
Research Provider: CSIRO				
 Project: LCA study investigating the impact of construction on sloping sites	48,500	48,000	✓	PRA188-1011
Research Provider: University of Technology Sydney				
Project: Life Cycle Assessment of a cross-laminated timber building	37,000	37,000	➡	PRA282-1112
Research Provider: RMIT				
Project: Opportunities for post-consumer H ₂ F treated 'blue-pine' off-cuts and resource recovery exemption application for end-of-life wood	54,000	84,000	➡	PNA251-1112
Research Provider: Timber Development Association (NSW) Ltd				
Project: Updating the R-Value for Timber-Framed Building Elements Publication – Version 2.1 (University of Adelaide)	8,000	8,000	✓	PRA231-1112
Research Provider: Adelaide Research & Innovation Pty Ltd				

✓ Complete

➡ Active

✗ Cancelled

*Note: for active projects the values are for planned expenditure

PROJECT DESCRIPTION		FWPA INVESTMENT \$	TOTAL PROJECT COST \$	STATUS	PROJECT NO.
Investment Priority 5. Solid wood, engineered wood and pulp and paper products: performance and yield					
 Project: Accelerated H3 decay testing for the faster evaluation of alternative preservative timber treatments		225,000	477,000	➡	PNB041-0708
Research Provider: CSIRO					
 Project: Determining optimised H3 LOSEP treatment options for decay protection in softwood glulam		79,481	159,281	✓	PNB038-0708
Research Provider: CSIRO					
Project: Development of eucalypt plantations & methods of machining and sawing of eucalypt plantation species		36,000	36,000	➡	PNB291-1112
Research Provider: CRC Forestry Limited					
Project: Establishing the comparative durability of African Mahogany (<i>Khaya senegalensis</i>) in weather exposed above-ground applications		9,275	9,275	➡	PRB287-1112
Research Provider: African Mahogany (Australia) Pty Ltd					
Project: FWPA R&D Investment Plan for: Solid wood, engineered wood and pulp and paper products: performance & yield		35,154	35,154	➡	PRB247-1112
Research Provider: Sylva Systems Pty Ltd					
Project: FWPA support for Plantation Hardwood Research project 'High value timber composite panels from hardwood plantation thinnings'		100,000	1,330,878	➡	PRB145-0809
Research Provider: Queensland Department of Primary Industries					
Project: Glulam design based on lamination grades and the use of mill shorts		110,000	279,558	➡	PNB157-0910
Research Provider: Monash University					
Project: Improving the durability of low-durability plantation hardwoods for use as power poles		216,000	482,000	➡	PNB146-0809
Research Provider: Queensland Department of Primary Industries					
Project: NIR Assessment of pyrethroid retention for H ₂ F treatment		77,890	139,801	➡	PNB204-1011
Research Provider: CSIRO					
Project: Opportunities for Using Sawmill Residues in Australia		29,960	29,960	➡	PRB280-1112
Research Provider: The Carnot Group Pty Ltd					
 Project: Revaluation of structural properties of machine stress graded plywoods		207,122	327,122	✓	PNB194-1011
Research Provider: SCION					
Project: Stage 1, AS/NZS4063.1:2010 shear test methods		45,000	45,000	✓	PRB249-1112
Research Provider: SCION					
Project: The Aus/NZ Solid Wood Initiative: Better performing structural products manufactured with higher efficiency and using less energy and water		1,593,512	8,853,512	➡	PNB131-0809
Research Provider: WQI Ltd					
Project: Uses of plantation eucalypts in engineered wood products		18,000	18,000	➡	PNB290-1112
Research Provider: Australian Forest Research Company Pty Ltd					
 Project: Schedule development, predictive modeling and economic viability assessment of vacuum drying Australian commercial hardwoods for potential industry investment		299,778	611,778	✓	PNB045-0809
Research Provider: Queensland Department of Primary Industries					
 Project: NIR assessment of resin quality for composite panel production		115,000	232,043	✓	PNB169-0910
Research Provider: CSIRO					



Complete



Active



Cancelled

*Note: for active projects the values are for planned expenditure

PROJECT DESCRIPTION	FWPA INVESTMENT \$	TOTAL PROJECT COST \$	STATUS	PROJECT NO.
Investment Priority 6. Maximising product yields and values from current resources				
Project: FWPA R&D Investment Plan for: Maximising product yields and values from current resources	31,041	31,041	➔	PRB284-1112
Research Provider: SANFOR				
Project: Impact of internal checking on the log and timber value of fire-salvage, ash-type sawlogs	83,000	238,800	➔	PNB182-0910
Research Provider: VicForests				
Project: The potential to recover higher value veneer products from Fibre Managed Plantation Eucalyptus and broaden product and market opportunities for this resource	240,000	640,000	✓	PNB139-0809
Research Provider: University of Tasmania				
Investment Priority 7. Improving wood quality and yield, and tools for forest management				
Project: A scoping study for the operational deployment of LiDAR derived information into resource systems currently in use by the major softwood growers in Australia	28,500	28,500	➔	PRC281-1112
Research Provider: Forestry Systems				
Project: Comparison of graded recovery and value of major sub-tropical exotic pine taxa	10,000	100,000	✗	PNC198-1011
Research Provider: Forestry Plantations Queensland Pty Ltd				
Project: Compromised Wood: Improving the properties of young radiata pine using fundamental chemical studies and NDE techniques	165,000	2,966,000	➔	PNC056-0809
Research Provider: University of Canterbury				
Project: Contribution of CAR reserves to mature forest biodiversity in production forest landscapes	260,000	522,474	➔	PNC142-0809
Research Provider: Forestry Tasmania				
Project: CRC for Forestry participant contribution	700,000	29,260,000	✓	PNC065-0607
Research Provider: CRC Forestry Limited				
Project: Development of Terms of reference for stage 2 plantation investment review	8,479	8,479	✓	PRC224-1011
Research Provider: Myoora Investments Pty Ltd				
Project: Forest industry cooperative pesticide research, chemical registration, industry and community education and chemical use and application regulation advice consortium	479,123	979,123	➔	PNC176-0910
Research Provider: Australian Plantation Products & Paper Industry Co				
Project: Predicting wood quality to improve sawlog value in radiata pine	332,000	868,458	➔	PNC196-1011
Research Provider: CSIRO				
Project: Raising Awareness in the Forest Industry of Improved Inter-Rotational Management in Radiata Pine	73,000	150,500	➔	PNC216-1011
Research Provider: Forsci Pty Ltd				
Project: The extent, severity and causes of second rotation productivity decline in blue gums	59,446	124,446	➔	PNC288-1112
Research Provider: CSIRO Ecosystem Sciences				
Project: The Forest Productivity Optimisation System – A decision support tool for enhancing the management of planted forests in southern Australia under changing climate	482,207	1,580,881	➔	PNC168-0910
Research Provider: CRC Forestry Limited				



Complete



Active



Cancelled

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	PROJECT DESCRIPTION	FWPA INVESTMENT \$	TOTAL PROJECT COST \$	STATUS	PROJECT NO.
✕	Project: Investment plan – Improving Wood Quality and Yield, and Tools for Forest Management	51,346	51,346	✓	PRC208-1011
	Research Provider: P F Olsen & Co Ltd				
	Investment Priority 8. Genetic improvement and delivery for increased wood yield and quality, and for managing risks				
	Project: Active Genetic Conservation and Utilisation of Native Radiata Pine Germplasm for Increasing Genetic Gain of Growth, Form and Wood Quality, and Risk Traits	210,000	820,925	➔	PNC135-0809
	Research Provider: CSIRO				
	Project: Genetic Selection Tools for Enhanced Wood Properties and Plantation Productivity in Australia's Temperate Eucalypts (The Hottest 1000)	1,352,575	3,604,451	➔	PNC209-1011
	Research Provider: CSIRO				
	Project: Matching Genotypes to Current and Future Production Environments to Maximise Radiata Pine Productivity and Profitability	825,000	2,197,641	➔	PNC246-1112
	Research Provider: CSIRO				
	Project: Optimal use of genetics in deployment and tree breeding	725,000	1,838,235	➔	PNC211-1011
	Research Provider: Southern Tree Breeding Association				
	Project: Utility of molecular breeding in forestry	30,000	100,700	✓	PNC220-1011
	Research Provider: Southern Tree Breeding Association				
✕	Project: Analysis of genetic and tree performance data across whole of industry using TREEPLAN to identify superior trees to lift productivity, quality and economic value of the forestry resource	375,000	939,554	✓	PNC076-0809
	Research Provider: Southern Tree Breeding Association				
	Investment Priority 9. Water use efficiency, access to resources and balanced policy outcomes				
	Project: Developing a LCI database for Australian agriculture (RIRDC)	20,000	20,000	➔	PRC254-1112
	Research Provider: Rural Industries R & D Corporation				
	Project: Predicting Eucalyptus nitens plantation water use using growth parameters	303,000	828,270	➔	PNC143-0809
	Research Provider: Forestry Tasmania				
	Project: Remote sensing of land-use-specific actual evapotranspiration of entire catchments containing plantations	300,000	800,000	➔	PNC286-1112
	Research Provider: CSIRO Water for a Healthy Country Flagship				
	Investment Priority 10. Forest biosecurity and preparedness				
	Project: Development of FWPA Research and Development Investment Plan for Forest biosecurity and preparedness	51,403	51,403	➔	PRC223-1011
	Research Provider: Peter J Bailey				
	Project: Evaluation of ethyl formate and nitrogen for disinfestation of eucalyptus weevil on export apples	15,000	15,000	✓	PRC178-0910
	Research Provider: Horticulture Australia Limited				
	Project: Introduction of the wasp, <i>Diaeretus essigellae</i> , for the biocontrol of pine aphid in Australia	1,022,629	1,564,069	➔	PNC063-0607
	Research Provider: South Australian R&D Institute				
✕	Project: Development of industry issues paper responding to current myrtle rust incursion in Australia (ALIEMI)	14,074	14,074	✓	PRC218-1011
	Research Provider: ALIEMI Pty Ltd				

PROJECT DESCRIPTION	FWPA INVESTMENT \$	TOTAL PROJECT COST \$	STATUS	PROJECT NO.
Investment Priority 11. Mitigation of and adaptation to climate change and the management of the carbon cycle in plantations and native forests				
Project: Adaptation strategies to manage risk in Australia's plantations	485,298	1,164,614	➔	PNC228-1011
Research Provider: CSIRO Ecosystem Sciences				
Project: Carbon stocks and flows in native forests and harvested wood products in SE Australia	300,000	1,652,000	➔	PNC285-1112
Research Provider: NSW Department of Primary Industries				
Project: Participation in a collaborative network for Climate Change Research Strategy for Primary Industries	15,000	15,000	➔	PRC226-1011
Research Provider: Climate Change Research Strategy for Primary Industries (CCRSPi)				
Investment Priority 12. Other				
Project: 2010 ESD Knowledge broker project	17,250	17,250	✓	PRD172-0910
Research Provider: TPC Solutions Pty Ltd				
Project: Accelerating social acceptance of and removing cultural barriers to prefabricated multi-story timber urban infill developments in Australia (using CLT construction systems)	10,000	50,000	➔	PNE293-1112
Research Provider: University of South Australia				
Project: Desktop update of research expenditure and capacity	8,400	8,400	✓	PRE248-1112
Research Provider: Forsci Pty Ltd				
Project: Development of FWPA governance documents	4,500	4,500	✓	PRE279-1112
Research Provider: Kathy Grigg				
Project: Enhancing the knowledge base in key areas of timber production and use	59,500	118,000	✓	PND184-0910
Research Provider: University of Tasmania				
Project: Forestry and wood products R&D funding environmental scan	49,000	49,000	➔	PRE171-0910
Research Provider: Howard Burvill				
Project: FWPA – Benefit Cost Analysis of R&D Projects	24,683	24,683	✓	PRE237-1112
Research Provider: URS Australia Pty Ltd				
Project: New Approaches to Termite Control: Understanding the relationship between the termite host and bacterial symbionts from the genus <i>Streptomyces</i>	18,654	103,288	➔	PGD283-1112
Research Provider: University of the Sunshine Coast				
Project: Provision of Secretariat support and coordination of research presentations and regional industry awareness for the FWPA R&D Works technology transfer seminar series	10,593	10,593	✓	PRD236-1112
Research Provider: TreeMod				

✓ Complete

➔ Active

✗ Cancelled

*Note: for active projects the values are for planned expenditure

PROJECT DESCRIPTION	FWPA INVESTMENT \$	TOTAL PROJECT COST \$	STATUS	PROJECT NO.
Investment Priority Not Assigned				
Project: Ecology factors affecting forest carbon stores in Tasmania (Ian Riley [Top-up])	51,000	51,000	➔	PGD229-1011
Research Provider: University of Tasmania				
Project: FWPA Indigenous Scholarship (Kerry Wharley)	5,000	5,000	✓	PGD222-1011
Research Provider:				
Project: FWPA Indigenous Scholarship (Martyn Ellis)	4,359	4,359	✓	PGD239-1112
Research Provider:				
Project: Generative design processes and technologies as applied to the use of engineered timber products in the design and construction of complex geometric structures (Tristan Morgan)	105,000	105,000	➔	PGD227-1011
Research Provider: University of Western Australia				
Project: Investigating and developing strategies for timber residential buildings in Australia (Doug Thomas)	105,000	105,000	➔	PGD230-1011
Research Provider: University of Technology, Sydney				
Project: Investigation of sawmilling by-products as feed stocks for the furafuel process (Levi George Reid)	90,000	228,000	➔	PGD096-0809
Research Provider: Monash University				
Project: Investigation of the causes of natural durability in Australian hardwoods: Applicable to quality control and tree breeding to support the development of plantations for high-value solid wood products (Lesley Francis)	90,000	90,000	➔	PGD104-0809
Research Provider: University of Queensland				
Project: Managing gene flow from <i>Eucalyptus globulus</i> plantations (Matthew Larcombe)	51,000	51,000	➔	PGD183-0910
Research Provider: University of Tasmania				
Project: Monitoring timber bridge beams for structural health (John Moore)	90,000	90,000	➔	PGD137-0809
Research Provider: University of New England				
Project: Optimising resin consumption, pressing time and density of particleboard made of hardwood sawmill residues by exploring use of alternative resins and mixes of softwood and hardwood (Kee Kong Wong)	90,000	90,000	➔	PGD132-0809
Research Provider: RMIT				
Project: Optimising Timber Use in Residential Building to Reduce Environmental Impact: A Life Cycle Assessment Approach (Hamidul Islam)	90,000	214,557	➔	PGD103-0809
Research Provider: RMIT				
Project: Postgraduate research into the environmental, economic and other costs incurred by increasing the thermal performance (star rating) of domestic construction in Australia, particularly on light-weight timber construction (Phil McLeod)	90,000	156,000	➔	PGD088-0708
Research Provider: University of Tasmania				
Project: Researching the social impacts of reduced native forest timber access, in order to aid the development of policy and packages designed to assist industry adaptation (Edwina Loxton)	90,000	222,250	✓	PGD102-0809
Research Provider: Australian National University				



Complete



Active



Cancelled

*Note: for active projects the values are for planned expenditure

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Project: The importance of environmental factors in microwave induced permeability of timber (Leigh Aitken)	105,000	309,000	➔	PGD077-0506
Research Provider: University of Melbourne (Forestry)				
Project: Timber housing in Australia: Using value added wood products, alternative framing and structural systems, prefabrication and design from the Scandinavian timber housing industry in the Australian Context (David Bylund)	90,000	90,000	➔	PGD148-0809
Research Provider: University of Western Australia				
Project: Use of genotypic information for <i>Pinus radiata</i> improvement (Adrian Hathorn)	98,400	98,400	✓	PGD080-0708
Research Provider: University of New England				
 Project: Variable Retention Silviculture: A comparison of biodiversity research and management practices between Tasmania, Australia and the Pacific Northwest (WFI awardee: Susan Baker)	27,492	27,492	✓	PGD167-0910
Research Provider: World Forest Institute				

✓ Complete

➔ Active

✗ Cancelled

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