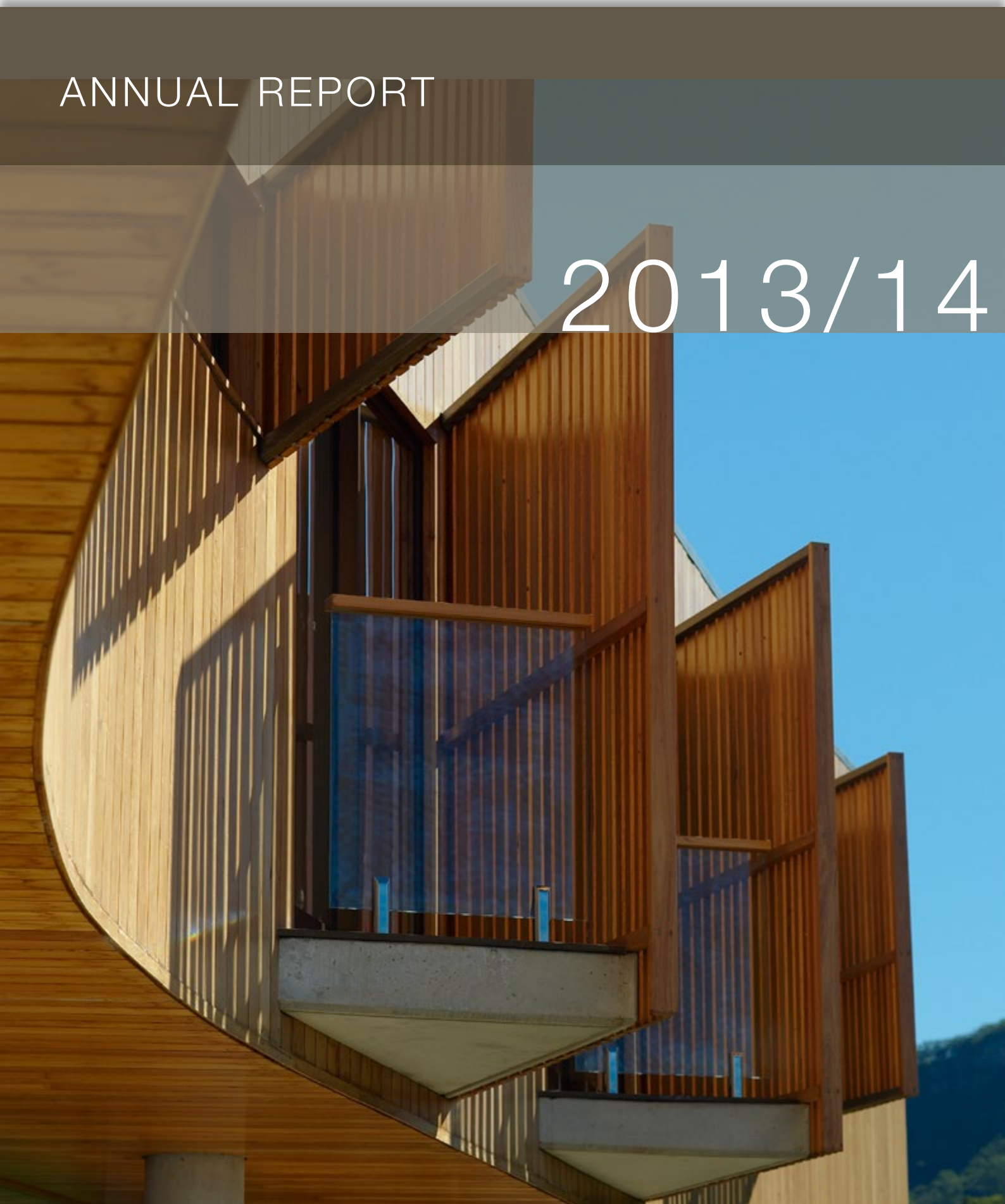


ANNUAL REPORT


2013/14




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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](#)'), which indicate a live hyperlink.

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 website in your internet browser.

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HIGHLIGHTS

FWPA 2014–19 STRATEGIC PLAN

The revised 5-year strategic plan was approved by the FWPA Board in June 2014. Essentially, it is an extension of the preceding 2013-18 Strategic Plan, the main points of which are demonstrated by the activities highlighted on these pages.

GOVERNMENT LEGISLATION INCREASES POTENTIAL FUNDS

Amendments to the *Forestry Marketing and Research and Development Services Act 2007* allow voluntary payments for industry to receive matching funds for eligible activities. This provides industry with the opportunity to access increased government funds for projects it is prepared to support.

NEW CRC FRAMEWORK DEVELOPED

A proposal for a new cooperative research centre – the CRC for Transforming Woodfibres – was developed. The concept was well received during discussions with industry and will be further pursued.

WOOD MESSAGING REACHES MORE CONSUMERS THROUGH TV

The Planet Ark/Environmental Edge, Wood. Naturally Better.™ television commercial nearly doubled awareness. Television remains the most efficient medium to deliver a message to a broad national audience.

CONSUMER RESEARCH FINDINGS CONFIRM COMMUNICATIONS EFFECTIVENESS

The eleventh consumer research study showed a continued growth in positive results, with perceptions of wood trending upwards on major indicators. This is not the case for most other materials.

PLANET ARK MAKE IT WOOD ACTIVITY CONTINUES

Engagement with local councils, outdoor advertising, newsletters, event participation and more continues to build the relationship with Planet Ark and communicate the environmental benefits of wood.

SPECIFIER RESEARCH SHOWS WOODSOLUTIONS AWARENESS CLIMBS

Awareness of the WoodSolutions program among its prime target audience has more than doubled since May 2011. This is matched by increased use of the website, which demonstrates the effectiveness of the program in delivering information to this influential group.

WOODSOLUTIONS WEBSITE TRAFFIC INCREASES

More than 450,000 site visitors, an increase of 35% on the previous year, accessed design and building information, performance data and downloadable Technical Design Guides and other resources.

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HIGHLIGHTS

ONLINE BUSHFIRE CALCULATOR LAUNCHED 🔍

This new tool allows users to estimate the bushfire attack level (BAL) of a particular building site and see how changing input values affects the BAL rating. The BAL rating can be a major influencing factor in the choice of building materials.

FORESTLEARNING EXPANDED 🔍

A greater range of teaching resources are now available on the ForestLearning website, which allows teachers to integrate information about forests and timber production into their lesson plans.

SOLID WOOD INNOVATIONS INVESTMENT EXTENDED 🔍

Following the successful conclusion to the first stage of the project, the SWI investment has been confirmed for another two years to continue further product research and development.

PROJECT REPORT: DUE DILIGENCE SYSTEM DEVELOPED FOR IMPORTERS 🔍

The Australian Industry Timber Due Diligence (AITDD) system helps ensure timber imports are legally sourced by providing an easy-to-use checklist and assessment tools.

PROJECT REPORT: FASTER ASSESSMENT OF PRESERVATIVE LEVELS IN TREATED TIMBER 🔍

Near infrared (NIR) spectroscopy provides a cheap and accurate way of measuring the preservative content in H2F treated timber.

BUILDING STRONGER VALUE CHAINS SEMINAR 🔍

An industry event that brought together senior personnel from companies along the value chain, was attended by more than 130 delegates, 83% of whom rated it as very good or better.

NEW STATISTICAL DASHBOARD LAUNCHED IN JUNE 2014 🔍

Accessible through the FWPA website, this new facility provides industry members with access to key timber sector economic statistics, aggregated from a range of sources.

STATISTICS AGGREGATION SYSTEM DEVELOPED AND LAUNCHED 🔍

This innovative tool allows industry members to anonymously contribute information, which is then aggregated so that they can benchmark their performance against other participating businesses.

CHANGES TO THE BUILDING CODE OF AUSTRALIA INCREASE OPPORTUNITIES FOR WOOD FRAMING 🔍

Continuing the FWPA strategy of removing impediments to the use of timber, changes to the BCA now mean that timber-framed 3-storey construction for hotels and motels (i.e. class 3 buildings) is now permissible.

CHAIRMAN'S REPORT



CHAIRMAN

Ron Adams

It is with some pleasure that I can report for the first time in four years that the general sentiment in the forest and wood products sector is on the upswing. This improved optimism has been driven by a lift in housing starts, a slight fall in foreign exchange rates and higher export woodchip demand.

Given the geographical and product diversity of the sector, it is hard to make generalised statements and certainly not all parts of the sector are enjoying an upswing. Notably, some parts of the paper industry are losing market share against competing technologies and some key markets for the hardwood sawmilling industry are facing stiff competition from prefabricated products like composite floors that are principally made offshore.

Providing hard statistical evidence to understand and explain the sector remains an ongoing challenge. FWPA's new statistics and economics program, which is now 16 months into operation, is trying to fill this gap. Pleasingly, the launch of the new statistical dashboard in June 2014 is a significant milestone and provides an important gateway to some of the key economic statistics that influence the sector.

Another key initiative of this program is the statistics aggregation system. Building upon the pre-existing softwood sales volume system, it has the capacity for any group of like-minded companies to aggregate commercially sensitive data and be assured that this data remains both secure and confidential. By comparing their individual company information against the aggregate, either as a share of the total or in comparison to the average, companies have the ability to objectively measure their performance. Equally important, the aggregated data provides information on the overall performance of the industry, especially when viewed on a trend basis.

The statistics aggregation system is a tool for collaboration and definitely not for collusion. The benefit to the whole sector grows significantly with greater participation by individual companies. Therefore, I implore my fellow industry executives to participate and expand their involvement with the statistics aggregation system.

As I have said many times, FWPA is a vehicle for industry collaboration and it exists for this purpose. The industry has other vehicles for collaboration such as associations, other service companies (e.g. ForestWorks, Southern Tree Breeders Association), research organisations, and formal and informal joint ventures.

The challenge for industry executives in relation to collaboration can be viewed as a three stage decision process. First, can collaboration achieve a better outcome than competition? Two, who are the partners and what is the best vehicle for the collaboration? Finally, what is the best mechanism for funding and resourcing the proposed collaborative activity?

Collaboration is not an objective in its own right. Rather, it is a tool for achieving a desired outcome.

Like other rural research and development corporations (RDCs), FWPA was established to address market failures, particularly in the area of research, development and extension (RD&E) and market development. The definition of market failure relates to the production of public goods where there is a potential for free riders.

In exchange for addressing these market failures, the Commonwealth of Australia provides FWPA with access to the compulsory levies and matching payments for eligible activities. This relationship is codified through the 5-year Statutory Funding Agreement.

As a consequence, FWPA is a vehicle for collaboration backed by the authority of government. This is a privileged position that the company does not take for granted. For this reason, the company invests considerable effort and resources in consultation and communication with members, levy payers and governments to ensure that its programs address clear market failures and benefit the largest proportion of all stakeholders.

FWPA is totally dependent on stakeholder support for its ongoing existence. Therefore, it is reassuring that the company was ranked as the most influential organisation in the sector from a perception survey of 253 respondents who were mostly middle to senior managers.

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CHAIRMAN'S REPORT

I would like to acknowledge the significant contribution that the Australian Government continues to make to FWPA. In December 2013, the Australian Government passed legislation in relation to the RDCs that made a number of changes to improve transparency and accountability of corporate governance, improve coordination in line with the National Primary Industries RD&E Framework, and improve effectiveness and efficiency of the RDC model. The Board of FWPA welcomed these changes.

The legislation resulted in specific amendments to the *Forestry Marketing and Research and Development Services Act 2007*, which is the enabling legislation that allows FWPA to access the compulsory levies and matching payments provided by the Australian Government. These amendments will allow FWPA to claim matching payments for voluntary contributions once the relevant regulations are enacted.

It is anticipated that the capacity to secure matching payments for voluntary contributions will lead to additional collaborative R&D investment in the sector. Importantly, voluntary contributions can help build support for the range of expanded FWPA activities that were explored in the 2012 Comprehensive Business Case.

I would like to take this opportunity to thank all my fellow directors for their commitment and contribution in their diligent oversight of the Company as it refocused its activities over the 2013/14 financial year. I would especially acknowledge the service of Dr Michele Allan, who retired from the Board in October 2013, and Vince Erasmus, who has decided not to re-stand for election this year.

I also thank the management of FWPA, members of our advisory groups, our research providers and marketing suppliers.

MANAGING DIRECTOR'S REPORT



MANAGING DIRECTOR

Ric Sinclair

FWPA is a relatively small organisation. By way of comparison, the company's expenditure is only a fraction of the larger rural research and development corporations (RDCs). For example, Horticulture Australia Limited is 10 to 12 times bigger while Meat Livestock Australia Limited is at least 20 times bigger than FWPA.

Of course, bigger is not necessarily better. There are distinct advantages in being small, such as a requirement for focus, reduced bureaucracy and speed of implementation. A smaller organisation also needs to be more creative and more collaborative to get more bang for its bucks.

Hopefully, FWPA exemplifies all these positive attributes of a small, effective organisation.

It all starts with our vision and mission. These are not abstract statements that are only dusted off at annual report time. Rather, they provide focus to our programs and investments and are the yardstick by which we measure progress.

Vision:

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

Mission:

To work with stakeholders to identify and deliver collaborative programs that improve the competitiveness, market and community acceptance of forest and wood products.

To paraphrase, we are focused on supporting the market for wood products and we will work collaboratively to achieve this outcome.

This vision and mission also makes a lot of sense when you consider our four major stakeholder groups: forest growers, wood processors, importers and the Australian Government. For the first three groups, the benefit of supporting the market for wood products is self-evident. For the Australian Government, the benefits include the carbon storage benefits of wood products and forests, and alignment with the national rural research priorities and the national strategic research priorities.

In terms of measuring success, we have good data regarding the perceptions of consumers and building specifiers. Unfortunately, despite several attempts, we have not yet been able to quantify market shares of wood versus other materials, although this remains a priority for the statistics and economics program.

It would be easy to assume that FWPA's vision and mission is just about generic marketing or market development. This would be a mistake. The five programs all contribute equally to the organisation's goal but they each have a different pathway and timeline for implementation.

For example, the timber standards and building codes program is fundamentally about improving the way wood products are used and this will have an impact on the costs of manufacture and market acceptance.

The statistics and economics program is about improving the accuracy and timeliness of information for decision makers. Better information will help reduce risk and hopefully lead to improved investor confidence, which, in turn, will lead to improved competitiveness and products and processes that are better aligned to current and future market needs.

FWPA is focused on the building blocks that will deliver on our corporate mission. Over the last 12 months, we have achieved the following important platforms that can be utilised by our stakeholders:

- Secured changes in the Building Code of Australia for 3-storey construction for hotels and motels (i.e. class 3 buildings)
- Developed the conceptual framework for a new cooperative research centre (i.e. CRC for Transforming Woodfibres)
- Launched the statistics data portal and expanded the statistics aggregation service
- Expanded the WoodSolutions program and our partnerships with building specifiers
- Expanded the teaching resources available on the Forestlearning website
- Improved community understanding of the environmental credentials of wood products through our partnership with Planet Ark and the Wood. Naturally Better.™ TV advertising.

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MANAGING DIRECTOR'S REPORT

Recently, the decline in institutional research capacity has been put firmly on the agenda and it has gained national and international attention. Australia once had world class research capacity in forest and wood products but this has been effectively dismantled over the last 10 years.

FWPA does not have the funds or the mandate to solve this problem. Again, by way of comparison, FWPA's current budget is about 25% of what CSIRO was spending on forest sector research 12 years ago or about the same size as the R&D budget of a large State forest agency.

I was recently asked if I had the "solution" for putting the forest and wood products sector onto a growth path. Of course, the answer was no. The forest and wood products sector is far too diverse in products, markets and geography for there to be a single problem, let alone a uniform solution.

However, the one theme that underpins much of the discussion about the current situation and future opportunities for the sector is investor confidence. While investor confidence is very much about the future, it is also haunted by the past and many investors have been previously burnt by the sector.

Building investor confidence will take time and some changes in the macro-economic settings for the sector. One thing is for sure: we all want to be in a growing industry rather than one in decline.

There is no doubt that the achievement of FWPA's vision will have a direct impact on investor sentiment.

COMPANY OVERVIEW

Industry services company

Forest and Wood Products Australia (FWPA) Limited is the industry-owned services company that:

- › Invests in outcome-oriented research and development and encourages the adoption of R&D findings (RD&E)
- › Manages the generic promotion of the forest and wood products sector
- › Plays a role in education and industry skills and capacity
- › Coordinates the sector's approach to timber standards and building codes
- › Coordinates the collection and analysis of reporting of industry statistics and economic measures.

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 RD&E and other eligible activities.

The 2013/14 Annual Report provides a summary of the company's operations over the past 12 months, the company's financial position and its statutory and contractual reporting requirements.

VISION

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

MISSION

To work with stakeholders to identify and deliver collaborative programs that improve the competitiveness, and market and community acceptance, of forest and wood products.



COMPANY OVERVIEW

ACCOUNTABILITY TO STAKEHOLDERS

The Board and management of FWPA are committed to delivering outcomes to stakeholders through strong corporate governance and efficient and transparent company operations. To this end, each program has a strategic focus and performance measures that are outlined within the five-year strategic plan, annual operating plan and other key planning documents (e.g. R&D investment plans). The corporate plans are developed in close consultation and ongoing dialogue with key stakeholders and are regularly reviewed by the Board. The planning documents are publicly available on the corporate website and communicated directly to company members and other stakeholders through a range of communication channels.

CORPORATE GOVERNANCE

Under the company constitution, FWPA's Board has between five and nine directors, including the managing director, at least two of whom are Non-Member directors. The Board currently has seven directors.

FWPA management is accountable to the Board and aims to provide accurate, timely and meaningful information to the Board, as well as to key stakeholders. All key company functions are undertaken by FWPA staff, although additional resources may be contracted on an 'as needed' basis.

The Board oversees and determines policies consistent with the Strategic Plan and emerging industry needs. It has direction over resources and the way in which strategies are implemented in accordance with the Company's delegation authority.

The Board is expected to meet at least four times during the year. At least one meeting is in a regional location that is important to the forest and wood products industry.

During 2013/14, the Board's activities included:

- Initiating a director selection process leading to the election of two directors by FWPA members in October 2013
- Presenting proposed amendments to the company's Constitution to align with the new Statutory Funding Agreement (SFA) and improve management of the member register
- Overseeing the implementation of FWPA responses to the initiatives identified in the Government's Rural R&D Policy Statement released in July 2012.

The Board has also instituted a remuneration and human resources committee made up of three non-executive directors. Secretariat support to the committee is provided by an external HR consultant. The committee is responsible for the company's remuneration policy, including suitable benchmarking measures for the managing director and the MD's direct reports.

Independent 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 of its obligations.

The review was commissioned as part of FWPA's obligations under its five-year 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 to be well run and that it had met all of the obligations under the Statutory Funding Agreement with the Government during the review period.

🔗 Read the full document [here](#)

The 2014 – 19 Strategic Plan

The revised five-year Strategic Plan was approved by the FWPA Board [in](#) June 2014 and published on the FWPA website. Copies were also sent to members and key stakeholders.

The Strategic Plan incorporates the investment priorities determined by consultation with members and key stakeholders to identify priority activities for R&D investments, generic marketing and standards coordination, and the statistics and economics program.

Developed in consultation with both the industry and the Australian Government, the Strategic Plan defines seven drivers that will most influence the future success of the industry. The drivers provide direction to the FWPA Board as it fulfils its responsibilities to the industry.

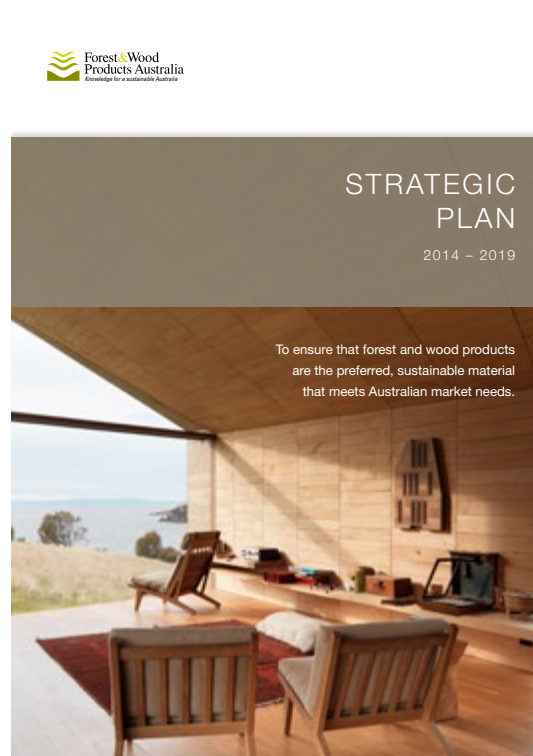
The Strategic Plan incorporates a strategic analysis of FWPA and its operating environments, which is summarised in the table on the [following page](#).

These issues are addressed in the Strategic Plan and operational strategies, objectives and measures of success defined under each of the five programs.

The plan complies with the requirements of the five-year Statutory Funding Agreement (SFA) with the Australian Government, which ends in September 2017.

[Read the SFA here](#)

[Read the 2014-2019 Strategic Plan here](#)



Strategic analysis of FWPA and its environment

Importance
(A/B/C)

Importance rankings

- A:** Critical to the future existence of the company
- B:** Important to longer-term stability and effectiveness of the company
- C:** Required as part of best practice and continuous improvement

STRENGTHS

Consistent and predictable revenue stream and confidence to make long-term commitments	A
Government has endorsed RDC model	A
Strong corporate governance	A
Industry services and R&D role provides credibility to external stakeholders	A
Good networks within industry	A
Co-investment and collaborative business model	A
Good relationship between Board and management	A
Strong strategic planning process and priority setting	B
Whole-of-industry approach (except pulp and paper)	B
Expanding capacity for information dissemination	B
Benefit-cost analyses demonstrate high return on investment	C

WEAKNESSES

Industry's willingness/ability to pay for collaborative programs	A
Short-term focus pressure will lead to loss of capacity for long term	A
Ability to provide regular communication with senior industry executives, as well as operational staff, in their preferred format	B
Time and cost involved in meeting statutory and other compliance requirements	B
Reliance on key suppliers	B
Speed of implementation	B

Ranking

- H(igh):**
High impact on FWPA
- M(edium):**
Moderate impact on FWPA
- L(ow):**
Low impact on FWPA

Rank
(H/M/L) Prob
(H/M/L)

OPPORTUNITIES

Potential to increased levy revenue (matching payments from 0.2% to 0.5% of GVP)	H	L
Ability to get Government matching for voluntary contributions for R&D following legislative changes	H	H
Stronger partnerships with building specifiers	H	H
Greater adoption and use of research outputs	H	M
Demonstrate the benefits from collaboration innovation and increase industry support	H	M
Plantation volumes increasing revenue in short term	M	H
Increasing linkages between researchers and industry	M	M
Developing cooperative R&D partnerships within Australia and internationally	M	M
Engagement with key stakeholders and industry associations	M	M

Probability
of occurrence

- H(igh):**
High likelihood to occur over the five-year plan
- M(edium):**
May occur over the five-year plan
- L(ow):**
Unlikely to occur over the five-year plan

THREATS

Capacity/capability of research providers is declining	H	H
Skills base in industry/demographics changing	H	M
Reduction in forest plantation estate	H	H
Low industry financial returns	H	H
Lack of appreciation of R&D and innovation in industry	M	H
Industry's social licence to operate under threat	M	L
No or low growth in productivity of forest resources and processing	M	H
International ownership of industry may reduce domestic investment in R&D and collaboration	L	M

THE INDUSTRY AT A GLANCE

The forest and wood products industry's extensive value chain ranges from forests with their inherent environmental services through to wood processing, product development, consumer use, reuse, recycling and disposal. The diverse properties of forest and wood products enable them to be used in a huge array of product types and applications, and to provide a range of functional benefits.

In the next decade and beyond, the forest and wood products sector – which grows, harvests, processes, imports and markets wood and wood fibre products – has the potential to increase its already substantial contribution to Australia's economy and environmental sustainability. The sector also has opportunities to develop new tree crops for carbon sequestration, energy and other applications, and new engineered timber building systems to increase construction sector volumes.

The industry makes a significant contribution to the Australian economy:

Total Australian forest area	125 million hectares
Forest as a proportion of land area	16 per cent
Native forest area	123 million hectares
Forest area in nature conservation reserves	21.5 million hectares
Public native forests where timber production is permitted (gross area)	10.2 million hectares
Total carbon stored in forests	12.8 billion tonnes
Plantation forest area	2.0 million hectares
Total logs harvested (2011)	26.5 million m ³
Total imports of wood products (2011)	\$4.4 billion
Total exports of wood products (2011)	\$2.5 billion
Total direct employment (2011)	73,267
Value of turnover in forest product industries (2011)	\$24 billion
Forestry and forest products industries contribution to GDP (2011)	0.6 per cent

Source: State of the Forests Report 2013

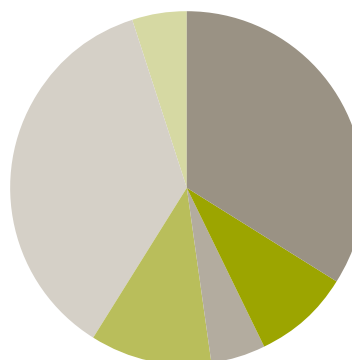
Financial summary

In 2013/14, FWPA had revenue of \$8.2 million. The company's revenue is derived from a levy contribution from industry and matched funding from the Australian Government. The industry's financial contribution is a fixed levy rate based on each company's volume of activity for each of the industry sectors. In addition, FWPA receives monies collected under the *Primary Industries (Customs) Charges Act 1999* from imported timber products. The rate varies, dependent on the product type and related Ministerial determination. The Government's contribution matches the industry's levy contributions where these are invested specifically in R&D activity, up to a maximum of 0.5% of the industry's gross value of production. The breakdown by source of revenue is shown below and opposite:

In previous years, and in response to stakeholder support, FWPA funded a number of new initiatives from its cash reserves as a means of commencing pilot programs and demonstrating the benefits of collaborative programs. With the current cash reserves now approaching the company's prudential limits, the company has increased its expenditure by 2% to \$7.7 million and ensuring adequate cash reserves.

Revenue: \$8.2 m

- Processors levy 34%
- Growers levy 9%
- State growers levy 5%
- Importer charge 11%
- Commonwealth Government matching payments 36%
- Other revenue 5%



	2013-14 \$'000	2012-13 \$'000	2011-12 \$'000
REVENUES			
Processors levy	2,783	2,535	2,773
Growers levy	763	600	673
State growers levy	412	474	481
Importer charge	929	843	870
Australian Government matching payments	2,915	2,684	3,903
Other revenue	387	454	455
Total Revenue	8,189	7,590	9,155
EXPENSES			
Generic promotion	3,073	2,419	4,189
Research, Development and Extension	3,116	3,537	5,517
Capacity and education	470	727	1,383
Standards coordination	452	268	342
Statistics & economics	593	637	-
Total Expenses	7,704	7,588	11,431
NET SURPLUS / (DEFICIT)	485	2	(2,276)

Statutory Funding Agreement

FWPA is one of 15 Australian rural research and development corporations (RDCs) and is the nominated industry-owned service company under the *Forestry Research and Development and Marketing Act 2007*. FWPA access to the levies and matching payments from the Australian Government, and the associated obligations, is specified through a Statutory Funding Agreement (SFA).

Amendments to the Act

In December 2013 the Australian Government legislated amendments to the *Forestry Marketing and Research and Development Services Act 2007*, which is the enabling legislation that allows FWPA to access the compulsory levies and matching Government payments. These amendments will allow FWPA to claim matching payments for voluntary contributions once the relevant regulations are enacted.

It is anticipated that the capacity to secure matching payments for voluntary contributions will lead to additional collaborative R&D investment in the sector. Importantly, voluntary contributions can help build support for the range of expanded FWPA activities that were explored in the 2012 Comprehensive Business Case [✕](#).

Aligning with national priorities

The Australian Government is a major contributor to FWPA programs through matching R&D funding. The Annual Operating Plan demonstrated how the Company's investment priorities aligned with the Australian Government's new Strategic Research Priorities announced in June 2013.

These priorities include:

- Enhancing the sustainability and efficiency of production systems
- Improving competitiveness through a whole-of-industry approach
- Maintaining and extending markets for wood products
- Responding to climate change and creating an innovative culture.

The 2014-19, five-year Strategic Plan provides the strategic context in terms of drivers, programs, outputs and outcomes that are included in this report.

In 2013/14, the Australian Government provided \$2.9 million to FWPA programs through matching funding. The funding increased 7.4% compared to the previous year.

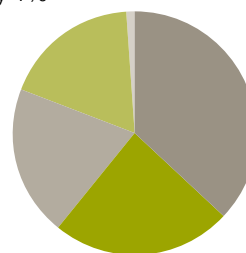
The Company's RD&E investment priorities align with the Australian Government's strategic and rural research priorities and their associated community and industry outcomes.

[✕](#) View the Rural Research and Development Policy Statement [here](#)

Rural Research & Development Priorities

The percentage of R&D expenditure across rural R&D priorities 2013/14

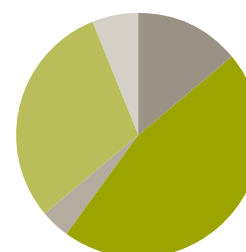
- Productivity and adding value 37%
- Supply chain and markets 24%
- Natural resource management 20%
- Climate variability and climate change 18%
- Biosecurity 1%



Strategic Research Priorities

The percentage of R&D expenditure estimates across Strategic Research Priority Goals 2013/14

- Living in a changing environment 14%
- Managing our food and water assets 46%
- Promoting population health and wellbeing 4%
- Lifting productivity and economic growth 30%
- Other 6%



PEOPLE

The Board

FWPA's Constitution allows 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 be classified as Independent directors, which means they do not hold a position within an FWPA member company. One-third of FWPA's directors are elected each year at the annual general meeting (AGM).

During the reporting period, there were eight directors on the Board, including the managing director. At the 2013 AGM, two directors, Michele Allan and Ron Adams completed their three-year terms. At that meeting, Ron Adams and Craig Taylor were elected to the Board.



CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Mr Ron Adams

Managing Director of Wespine Industries Pty Ltd, Mr Adams 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 the 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.



DEPUTY CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Mr John Simon

John Simon is CEO of Simmonds Lumber Group and has more than 25 years' experience in the Australian wood products sector. After completing his master's in timber engineering, Mr Simon worked in timber research at the Council for Scientific and Industrial Research (CSIR) in South Africa. Since arriving in Australia 28 years ago, he has been the Managing Director of Sterlands, the largest timber frame and truss producer in Australia; CEO of national timber distributor Pine Solutions; Managing Director of merchant and retailer Hudson Building Supplies; and Chairman of the Timber Development Association for 10 years. Currently he is a Director of the Australian Timber Importers Federation, Director of the Timber Development Association and is a member of the Housing Industry Association's Manufacturers and Suppliers Council. He is also a Fellow of the Australian Institute of Company Directors.

Board responsibilities: Member of Remuneration and HR Committee, and Chair of the Market Access and Development Advisory Group.



NON-EXECUTIVE DIRECTOR

Mr John McNamara

John McNamara is CEO of Parkside Group Milling and currently holds a number of directorships. Since beginning his career as a mechanical engineering cadet for BHP in Wollongong, Mr McNamara has accrued more than 30 years experience in the forest and forest products industry, including time spent in Tasmania and in Mount Gambier as General Manager of Auspine's Group sawmilling and wholesale distribution business. Mr McNamara is currently the CEO of Parkside Group Sawmilling businesses which specializes in Native Hardwood sawmilling and value add processing in Queensland. Previously, Mr McNamara was the Managing Director of Hyne Timber, a role he held for 18 years.

Board responsibilities: Chair of the Audit and Finance Committee and Member of Remuneration and HR Committee (from 15 May 2014).

**NON-EXECUTIVE DIRECTOR****Mr Evan Rolley**

Mr Rolley was previously the Chief Commissioner for Forests, then Managing Director of Forestry Tasmania and, more recently, Secretary of Premier and Cabinet in Tasmania. He is currently Executive Director of Ta Ann Tasmania and a Director of Tasports, and operates a successful farming business, Huon Valley Vineyards. He holds qualifications in forestry and economics.

Board responsibilities: Chair of the Sustainability and Resources Advisory Group.

**NON-EXECUTIVE DIRECTOR****Mr Vince Erasmus**

Mr Erasmus is an experienced industry participant with extensive skills and expertise in the management of softwood and hardwood operations internationally and has broad experience in the solid wood-processing environment. He is a former Director of the Forest Stewardship Council (FSC) Australia, the National Association of Forest Industries (NAFI), Australian Forest Products Association (AFPA) and the World Forestry Center in Portland, Oregon.

Board responsibilities: Chair of the Wood Products Advisory Group and Member of the Audit and Finance Committee

**NON-EXECUTIVE DIRECTOR
(FROM OCTOBER 2013)****Mr Craig Taylor**

Mr Taylor is Director and Principal of the Fifth Estate, a Sydney-based consulting firm that works at high corporate levels to determine strategy and develop business. A tertiary qualified forester, he was Vice President and Associate Principal for Jaakko Pöyry Consulting, running the Asia Pacific groups solid wood consulting group between 1997 and 2003.

Mr Taylor has held executive roles with the State Forests of New South Wales and Boral Timber and has wide experience in harvesting and log yard operations, production, planning and sales. He has published and presented internationally in the areas of hardwood plantations for high-value wood products, woodchip supply, demand and markets, plantations and water, regional industry development, forest products markets, restructuring the Australian wood panels industry, plantation investment and industry development strategies.

Board Responsibilities: Member of the Audit and Finance Committee (from 15 May 2014).

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NON-EXECUTIVE DIRECTOR (UNTIL OCTOBER 2013)

Dr Michele Allan

Dr Allan is 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 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 also 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), Doctor of Business Administration, Master of Commercial Law, and is a Graduate and Fellow of the Australian Institute of Company Directors.

Board Responsibilities: Chair of the Audit and Finance Committee and Member of Remuneration and HR Committee.



MANAGING DIRECTOR

Mr 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 Master of Business Administration.

Board Responsibilities: Invited guest to the Audit and Finance Committee.

FWPA staff

as at 30 June 2014

Ric Sinclair

Managing Director

Chris Lafferty

Company Secretary and RD&E Manager

Jason See

Business Manager

Eileen Newbury

Marketing and Communications Manager

Boris Iskra

National Manager Codes and Standards

Jim Houghton

Statistics and Economics Manager

Kelly Goh

Assistant Accountant

Jarrod Gooden

RD&E Project Coordinator

Grace Davies

Administration Assistant

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as at 30 June 2014

🔗 [Membership Application Form](#) [here](#)

FULL MEMBERS

AA &FK McBurnie
 Albany Plantation Export Company Pty Ltd
 Allied Timber Products Pty Ltd
 Alpine MDF Industries Pty Ltd
 ANZFIF Sub 1
 (Australia New Zealand Forest Investment Fund)
 ANZFOF Sub1
 (Australia New Zealand Forest Operating Fund)
 Associated Kiln Driers Pty Ltd
 trading as A.K.D. Softwoods
 Auspine Pty Ltd*
 Austral Plywoods Pty Ltd
 Australian Bluegum Plantations Pty Ltd
 Australian Solar Timbers
 Australian Sustainable Hardwoods Pty Ltd
 Australian United Timbers Pty Ltd
 Australian Wood Panels 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
 Bluebat
 Blueleaf Corporation Pty Ltd
 trading as Whittakers Timber Products
 Boral Timber Division
 Borg Panels
 Briggs Veneers Pty Ltd
 Britton Bros Pty Ltd
 Bunbury Fibre Exports Pty Ltd
 Bunbury Fibre Plantations Pty Ltd
 Bunbury Treefarm Project
 Carter Holt Harvey Woodproducts
 (Southern Region) Pty Ltd
 Carter Holt Harvey Woodproducts
 (Central and Northern Regions) Pty Ltd
 Carter Holt Harvey Woodproducts Australia
 D&R Hendersen Pty Ltd
 D.S. Fuller & L.R. Fuller
 trading as Dale & Lindsay Fuller Partnership
 D.M. and L.A. Pratt
 Dale & Meyers Operations Pty Ltd
 trading as DTM Timber


Department of Environment & Resource
 Management (DERM)
 Dindas Australia Pty Ltd
 DMK Forest Products Pty Ltd
 Elders Forestry Limited
 Endeavour Foundation trading as NangarinTimbers
 Environmental Forest Farms Management Ltd
 FEA Group of Companies (under external
 administration and/or controller appointed)
 Fenning Investments Pty Ltd
 Forest Products Commission (WA)
 Forest Strategy Pty Ltd
 Forestry Corporation
 Forestry Tasmania
 ForestrySA
 Garry Davey Timber Cutting
 George Fethers & Co Trading Pty Ltd
 Green Triangle Forest Operating Sub Trust
 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*
 Hallmark Oaks Pty Ltd
 Hancock Victorian Plantations Pty Ltd (HVP)
 Hexan Holdings Pty Ltd trading as Whiteland Milling
 Highland Pine Products Pty Ltd
 HQPlantations Pty Ltd
 Hume Forests Limited
 Hurford Sawmilling Pty Ltd
 Hyne Timber
 Injune Cypress
 Intech Operations Pty Ltd
 trading as Mucherts Sawmill (QLD)
 Ironwood Taree Pty Ltd
 ITI (NSW) Pty Ltd
 ITI (Queensland) Pty Ltd
 ITI (SA) Pty Ltd
 ITI (Victoria) Pty Ltd
 J Notaras & Sons Pty Ltd

* Under external administration

J Wright & Sons Pty Ltd
 Jarrah Select Pty Ltd
 Jarrahwood Australia Pty Ltd
 Jeff and Lilian Ang
 Jelfor Treated Timbers Pty Ltd
 Jetstar Enterprises Pty Ltd trading as Permapole
 John Cook & Sons Pty Ltd
 Koppers Wood Products Pty Ltd
 KSI Sawmills Pty Ltd
 Le Messurier Timber & Building Products
 LM Hayter & Sons Pty Ltd
 Lormier Timber Pty Ltd trading as Davids Timber
 Machin's Sawmill Pty Ltd
 Mathews Timber Pty Ltd
 McCormack Demby Timber Pty Ltd
 McDonnell Industries Pty Ltd
 McKay Timber
 Meyer Timber Pty Ltd
 Midway Limited
 Millmerran Timbers Pty Ltd
 Moran Logging Company Pty Ltd
 Moxon & Company Pty Ltd
 N K Collins Industries Pty Ltd*
 Nannup Timber Processing (NTP)
 New Forests Asset Management Pty Ltd
 trading as The Trust Company (Australia) Ltd
 Norske Skog Paper Mills (Australia) Ltd
 NSFP Smartfibre Pty Ltd
 Onefortyone Plantations Pty Ltd
 Oregon Sales Pty Ltd (Trading as Timbeck Cedar
 Products)
 Parkside Bldg Sup (Builyan)
 Pat Koppman
 Penrose Pine Products Pty Ltd
 Pentarch Forest Products Pty Ltd
 PF Olsen TISA Pty Ltd as Trustee for Timberland
 Australasian Fund II
 Planet Timbers (WA) Pty Ltd
 Porta Mouldings Pty Ltd
 Private Forestry Service Queensland
 Radial Timber Australia
 Ravenshoe Timbers Pty Ltd
 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
 Ta Ann Tasmania Pty Ltd
 Tarmac Sawmilling Pty Ltd
 TASCO trading as Dongwha Timbers Pty Ltd
 Tasman KB Pty Ltd
 The Laminex Group
 Tilling Timber Pty Ltd
 Timber Corporation Pty Ltd
 trading as Harper Timber
 Timberlands Pacific Pty Ltd
 Timberlink Australia
 Timothy J Mitchell
 Urgenty Pty Ltd trading as Mary Valley Timbers
 VicForests
 WA Chip & Pulp Co Pty Ltd
 Weathertex Pty Ltd
 Wesbeam Pty Ltd
 Wespine Industries Pty Ltd
 Whiteheads Timber Sales Pty Ltd
 Wilton Logging Pty Ltd
 Wright Forest Products Pty Ltd

ASSOCIATE MEMBERS

 Read about the benefits of becoming an Associate
 Member [here](#)

AA E Girle & Sons
 American Hardwood Export Council
 Australian Forest Products Association (AFPA)
 Kennedys Classic Aged Timbers Pty Ltd
 Lonza Wood Protection
 trading as Arch Wood Protection (Aust) Pty Ltd
 Poyry Management Consulting (Australia) Pty Ltd
 Pryda
 Rodpak
 Rothoblaas SRL
 The Timber Preservers Association of Australia
 Timber Development Association (NSW)
 Timber Merchants Association (VIC)
 Timber Queensland Ltd
 Victorian Association of Forest Industries
 Wood Products Victoria Ltd

* Under external administration

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PROGRAM 1:

Generic promotion

Objective

Stakeholder benefits

Background

Targeting audiences with branded
communication channels

Key activities

Looking ahead

PROGRAM 1: Generic promotion

Objective

To promote the use of wood and wood products, the program seeks to generate a positive attitude towards wood products and to have them used more widely in both decorative and structural applications. The generic promotion program will achieve this by promoting the positive benefits of wood and addressing any real or perceived impediments to its use.

Activities within the generic promotion program will often incorporate results from FWPA-funded R&D projects and technology transfer activities, especially in the specifier information program.

Stakeholder benefits

FWPA's investments in generic promotion focus on delivering stakeholder benefits by:

- 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 replacing more energy-intensive alternative materials with wood
- 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
- Building the social licence that allows the industry to operate with broad community approval.

Background

Research over many years, often funded by FWPA (and its predecessor, FWPRDC), found that lack of knowledge was a major barrier to increased use of wood in building construction.

To address this, FWPA developed three activities within this program that focus on generating a positive disposition to the use of wood products in both decorative and functional applications. The consumer, specifier and partner programs promote the benefits of wood and address real or perceived impediments to the use of wood.

In addition to promoting forest and wood products, this program 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.

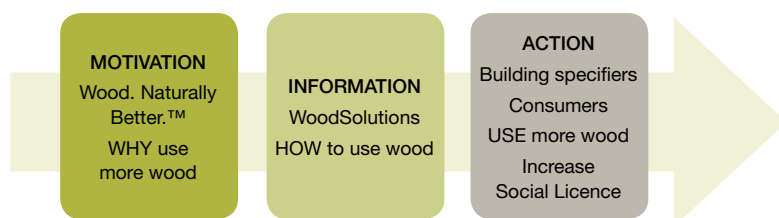
Activities within the industry promotion strategy frequently incorporate the results of FWPA-funded R&D projects and technology transfer activities, especially the WoodSolutions program, aimed at building material specifiers. It also builds upon the outputs from the Standards Coordination Program and the new Statistics and Economics Program. This cross-fertilisation of the programs demonstrates the value of an integrated strategic plan and communications activities.



Targeting audiences with branded communication channels

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

- Wood. Naturally Better.™ – the Consumer Program focuses on the benefits of wood
- WoodSolutions – the Specifier Program provides information about designing and building with wood and wood products to material specifiers
- Wood. Naturally Better.™ – the Partner Program communicates to industry and trade.



Wood. Naturally Better.™ is aimed at a broad consumer audience, while WoodSolutions targets 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 – WHY to use wood. WoodSolutions follows with the next step, information about using wood – HOW to use wood. The Wood. Naturally Better.™ Partner Program allows members of the supply chain to leverage the strengths of the Wood. Naturally Better.™ and WoodSolutions brands to increase the visibility of their own brands and the return from their marketing and sales investment.

Key activities

CONSUMER PROGRAM: WOOD. NATURALLY BETTER.™

Television advertising

In June 2011, a television commercial was introduced that was 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 is designed to confirm wood's aesthetic advantages by showing it in a beautiful setting – an award-winning house – while communicating the fact that wood stores carbon and that using more wood has positive environmental benefits.

The commercial was aired in the 2011/12, 2012/13 and 2013/14 financial years, with the last campaign, in April-May 2014, complemented by digital and online activity.

A short digital display campaign in Canberra airport provided a platform for the 2014 Planet Ark/

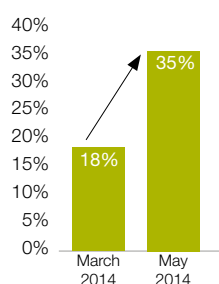
View the Planet Ark/Environmental Edge, Wood. Naturally Better.™ television spot here



Environmental Edge, Wood. Naturally Better.™ television advertising campaign. A budget approaching \$700,000 enabled a television schedule in major metro and regional markets, complemented by online video at popular news and entertainment websites.

The television commercial was seen at least once by more than 60% and 3+ times by more than 40% of people in metropolitan markets. The online element of the campaign was seen by nearly 20,000 people.

Tracking research showed continuing excellent results, contributing not only to an increased understanding of the advantages of wood, but indirectly towards increasing the social licence for the industry to operate.



The graph indicates that awareness of the commercial – and its messaging – rose significantly after the campaign in May 2014.

Consumer research

Understanding community attitudes is an ongoing process achieved by combining formal market research and informal discussions with stakeholders and allied and partner organisations. Information about the audiences addressed by FWPA programs can increase the effectiveness and lower the cost of communications and associated activities.

During the past year, formal consumer research involved two studies, one a full tracker in a series (number 11), the other a version with a smaller sample size that was undertaken to measure the effect of the television and online advertising campaign.

The long-running full tracker studies used a nationally representative sample of about 1,000 people to deliver statistically significant results. They continued to show 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.

Perceptions of wood over other materials

Steel



Bricks



Aluminium



Wood

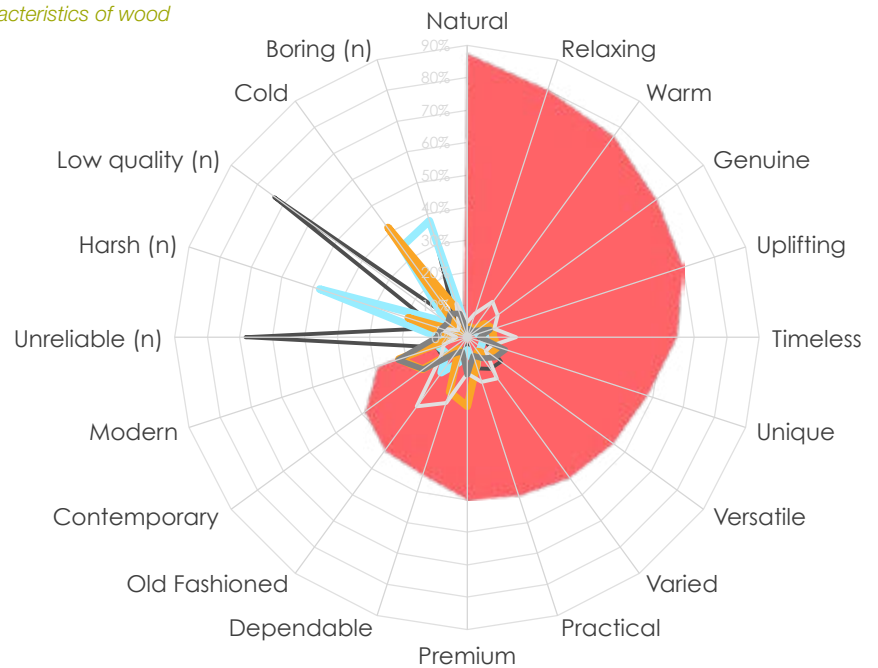


The tracker studies have shown an increase in consumer understanding of the fact that wood stores carbon. In particular, there was a marked increase in consumer awareness of the following key messages:

- carbon that is stored in wood stays there even when the tree has been harvested
- wood products in the home store carbon
- wood is an environmentally friendly material.

The positive emotional characteristics of wood

- Wood
- Plastic
- Concrete
- Steel
- Bricks
- Aluminium

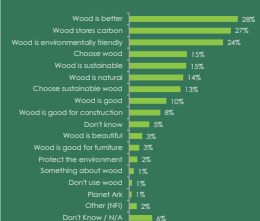


Consumer research webinar

Click the link below to view the research webinar, presented to industry members by Howard Parry-Husbands, Pollinate, as part of the FWPA R&DWorks webinar series. The presentation looks at the latest consumer research and discusses the results and perceptual trends that have been identified.



Message out take is direct and on target – being about wood, carbon and the relation with the environment



"Carbon is better in trees than the atmosphere"	"Choose sustainable wood"	"Wood is naturally better"
"Buy wood because it's good for the environment"	"Build your home with wood"	"Wood is better for the environment"
"Carbon is stored in wood and it's naturally better for the home"	"Buying wood tackles climate change"	"Wood is a responsible choice as a building material"

Very low 'don't know' – indicating the TVC is a clear communication piece

WOOD. NATURALLY BETTER.™ SPONSORSHIPS AND PARTNERSHIPS

Carefully chosen partnerships can be a cost-effective way to generate awareness and media coverage while building relationships of value.

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

- WOOD: art design architecture
- Planet Ark
- Melbourne Building & Home Improvement Expo
- National Carpenters Day
- Grand Designs Live
- Women in Design Seminar
- Going Bush TV series, View Episode5, Segment A.

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.

Membership of the Wood. Naturally Better.™ Partner Program is free to businesses and organisations operating in the forest and wood products industry. The program licenses partners to use the logo in their branding and communications and gives them access to a range of Wood. Naturally Better.™ promotional items.

The Partner Program also provides organisations that supply wood and wood products to the design and construction sectors with a link to the WoodSolutions brand and related activities that can support their products and sales.

Read more about joining the Partner program [here](#).



Wood Ideas Colony



In the 1800s, Kauri pines perhaps more than a thousand years old were felled in northern New Zealand and shipped to Australia. The timber was used for bridges, boats and storage silos because of its strength and natural resistance to rot.

§ In what ways tell us?

§ Move around angles and dots

§ Back at school research this tree and find out why it is such a good timber tree.

The artist has used recycled Kauri pine taken from longed distillery silos to construct this piece.

§ What evidence do you look for to see if timber is recycled?

§ Can you tell if this timber has been recycled?

§ In what ways tell us?

§ Move around angles and dots

§ Back at school research this tree and find out why it is such a good timber tree.

The artist has used recycled Kauri pine taken from longed distillery silos to construct this piece.

§ What evidence do you look for to see if timber is recycled?

§ Can you tell if this timber has been recycled?

The felled nature of Kauri pine – the tree and the wood – have informed the work's arrangement. Like a living forest, Colony is made up of like, repeated parts grouped together for strength, protection and support. It is vulnerable at the edges, where it is also most likely to grow and multiply.

Christina Wai
born 1974 Dundee
Glenelg
Colony 2013
Aged 100 x 100 x 100

The Julien chest of drawers is a finely made piece. The level of craftsmanship is exemplary both in the design and manufacturing process.

§ How is the chest design different from most others sold in shops?

§ Would you describe the design as modern or traditional? Why?

Fashioned from walnut, the curvaceous, raised drawer fronts are shaped by hand, and the decorative copper inlay will acquire a beautiful patina over time with use.

§ What would be the practical challenges of making this chest?

It is intended that the chest will last for many generations and the materials will age beautifully.

§ What features of quality wood furniture make them valued for generation after generation?

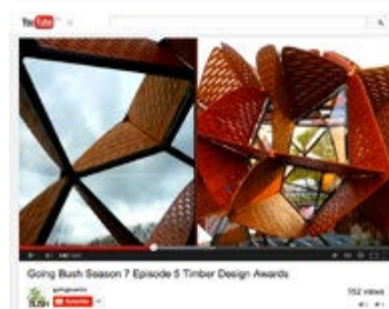
§ What makes this work more than just another piece of furniture?

Khai Li Lee
born 1982, Kuala Lumpur, Malaysia lives and works in Adelaide, South Australia

Julien chest 2012
solid American black walnut, polished copper
80 x 150 x 100 cm

Photo: Grant Hancock

@SMEB: Adelaide



Case study

THE PLANET ARK PARTNERSHIP

Partnering with Planet Ark provides FWPA's consumer promotion campaign, Wood. Naturally Better.™, with an increased profile and ability to cut through when talking to consumers. Planet Ark is one of Australia's most trusted sources of environmental information and the use of its Environmental Edge brand contributes to the Wood. Naturally Better.™ television commercial's strong performance.

Planet Ark's Make it Wood campaign promotes the substitution of sustainably sourced wood products for other building materials as a practical way to address climate change. 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.

During the year, a range of activities have been undertaken in conjunction with Planet Ark. These included:

30 second television commercial



Outdoor advertising

Large-format posters were displayed at selected Sydney train stations, reaching more than half a million people.



Wood Encouragement Policies for local councils

The Wood Encouragement Policies initiative encourages councils to think about using more wood in their own and public buildings. It included attending and supporting an initiative by Victoria's Latrobe City Council to develop a wood encouragement policy.

The Make It Wood Campaign newsletters and website – www.makeitwood.org

The Make it Wood newsletters and website provides a range of resources and encouragement to use wood. The Make it Wood campaign is particularly targeted at home renovators and DIY builders.

Melbourne Building & Home Improvement Expo

Planet Ark's Make it Wood and Wood. Naturally Better.™ sponsored the 'Building & Renovation Stage'. Hosted by Planet Ark's Rebecca Gilling, the stage featured 26 free seminars and demonstrations over three days.

Grand Designs Live – Sydney

More than 16,000 visitors to this event had the opportunity to see the Sustainability Stage presentations, display stand and expert advice sponsored by Make it Wood and Wood. Naturally Better.™

WOOD IN WESTMINSTER HALL, LONDON
– STORING CARBON SINCE 1399



WOOD IN CURL CURL, SYDNEY
– STORING CARBON SINCE 2011



MakItWood.org
USE us on Facebook

Renovate your home with responsibly sourced wood and do your world some good.

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NATIONAL CARPENTERS DAY

The fifth National Carpenters Day, sponsored by Wood. Naturally Better.™, was celebrated at more than 180 venues around Australia by more than 10,000 carpenters. Many of the barbecue hosts were Wood. Naturally Better.™ Program Partners. Other supporters included building industry organisations, training bodies and the Australian Government through Australian Apprenticeships.



SPECIFIER PROGRAM: WOODSOLUTIONS

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

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

Activities during the year built on established platforms and included:

- An authoritative website and knowledge database – www.WoodSolutions.com.au
- Personally delivered technical presentations – WoodSolutions Tutorials and Seminars
- Design and specification information – WoodSolutions Technical Design Guides
- Sponsorships, events and alliances with key professional associations
- The WoodSolutions education microsite.

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, Building Designers Associations and other key bodies at national and state levels.

WoodSolutions website

This online knowledge database makes 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 also contains inspirational case studies, presentations and videos from WoodSolutions seminars and events, and links to product suppliers so it can be a single, authoritative source of information.

During the year, the functionality of the site was enhanced by the addition of an event calendar section. This allows industry members to promote events relevant to building specifiers.

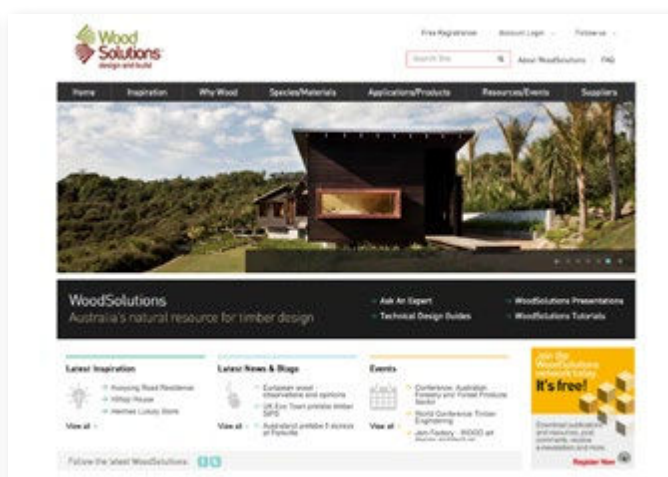
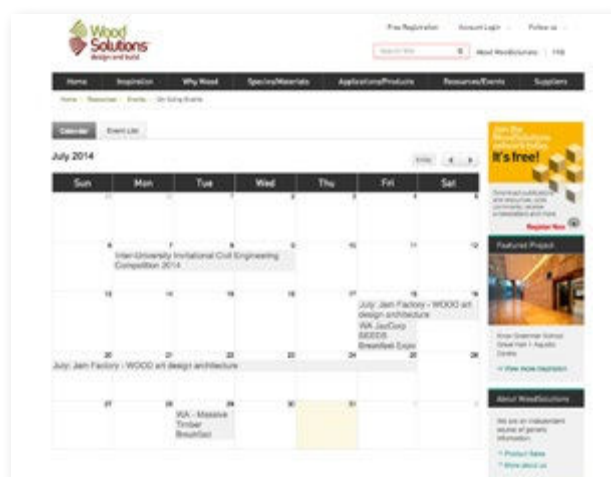
🔍 Visit the website events calendar [here](#)

The WoodSolutions website is an innovative example of how the internet can aggregate and disseminate complex information.

🔍 Visit the website [here](#)

WoodSolutions website activity 2013/14 financial year		Increase on previous year
Site visitors	461,280	35%
Page views	1.5 million	23%
Documents downloaded	17,300	22%

Content added throughout the year included technical design guides, videos, presentations and case studies



WoodSolutions Tutorials

Designed to be delivered at workplaces, professional meetings or viewed online, WoodSolutions Tutorials and Seminars are part of the technical and training resources created to promote the use of wood through increasing knowledge. The tutorials and seminars were delivered by State associations (e.g. Timber Queensland, Timber Development Association), universities, representatives of product and service suppliers and private consultants.

✕ See the tutorials online [here](#)

WoodSolutions Tutorials held in 2013/14

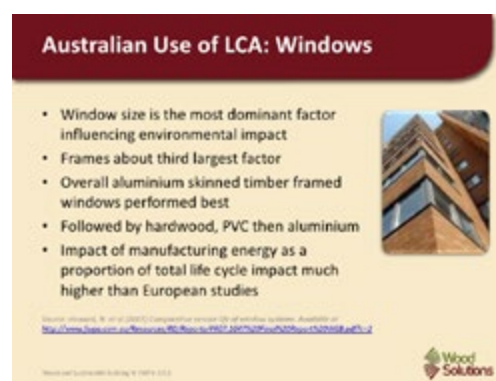
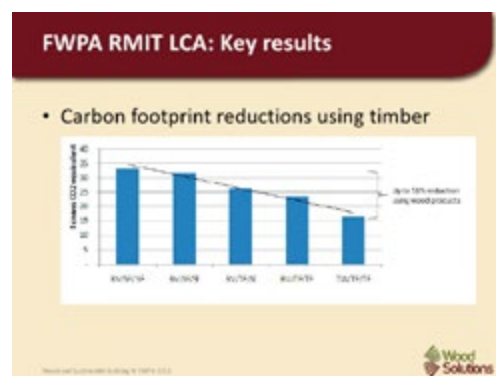
State	Number of participants
QLD	822
NSW/ACT	1,290
VIC	548
WA	1703
TAS	120
SA	49
Total	4,532

WoodSolutions Presenter Workshop

To improve the delivery of WoodSolutions tutorials and seminars, a presentation skills development program was delivered to the technical team in December. It was followed by a strategic planning meeting which discussed a range of issues that will inform the development of future tutorials and seminars.

“The series presented by WoodSolutions and Timber Queensland have been thoroughly worthwhile! Our staff have enjoyed Colin’s relaxed and highly informative presentations, and their knowledge of the local timber industry, available products, and how to specify timber has certainly increased tremendously. We would definitely recommend these talks to everyone in the industry!”

– Michael Bailey
Cox Rayner Architects



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. During the year, four guides were completed and published on the website, which brings the total to 20.

Domestic Timber Deck Design and Fire Precautions During Construction of Large Buildings were two new titles published during the year.

🔍 See the Guides online [here](#)



Guide number	Title
1	Timber-framed Construction for Townhouse Buildings Class 1a attached buildings
2	Timber-framed Construction for Multi-residential Buildings Class 2, 3 & 9c
3	Timber-framed Construction for Commercial Buildings Class 5, 6, 9a & 9b
4	Building with timber in bushfire-prone areas
5	Timber service life design – design guide for durability
6	Timber-framed Construction – sacrificial timber construction joint
7	Plywood box beam construction for detached housing
8	Stairs, balustrades and handrails Class 1 Buildings – construction
9	Timber flooring – design guide for installation
10	Timber windows and doors
11	Timber-framed systems for external noise
12	Impact and assessment of moisture-affected, timber-framed construction
13	Finishing timber externally
14	Timber in internal design
15	<i>New title will be advised in due course</i>
16	Massive timber construction systems: Cross Laminated Timber (CLT)
17	Alternative Solution Fire Compliance: Timber Structures
18	Alternative Solution Fire Compliance: Facades
19	Alternative Solution Fire Compliance: Internal Linings
20	Fire Precautions During Construction of Large Buildings
21	Domestic Timber Deck Design

WoodSolutions Software

Software presented under the WoodSolutions brand is part of both the Generic Promotion, and Standards and Codes programs, and demonstrates the synergies of FWPA's Strategic Plan.

To be supported by FWPA, software must produce results that simplify and encourage the specification and use of wood and wood products.

Bushfire Calculator

The online bushfire calculator, launched in the first half of 2014, gives home owners, architects, building designers, developers and others a convenient way to estimate the bushfire attack level (BAL) without having to manually look up tables. The calculator shows how different placements or orientations of a home on a site can change the BAL. The rating has implications for both the design of a building and the specification of materials. Extensive testing has ensured that the results are within the scope of the bushfire standard (AS 3959).

🔗 See the Bushfire Calculator [here](#)

Timber Solutions Software

The updated Timber Solutions software package was being tested by a range of users at the end of the 2013/14 year. The update includes the revised properties for MCP10, 12 and 15 timber products. The software allows users to generate AS 1684 type span tables, individual timber member designs, bracing and tie-down designs for non-cyclonic and cyclonic wind regions. There is also the ability to cost materials for a particular design. It is anticipated that version 2.0 of this popular program will be released in the second half of 2014.

WoodSolutions Education

Overlapping with Program 3, Capacity and Education, educational activity under the WoodSolutions brand demonstrates the synergistic nature of FWPA's strategy.

Structural Timber Kit Survey

A teaching aid that included a structural timber kit of examples of commonly used timber and engineered wood products was distributed to 60 TAFEs in a pilot program.

A survey in early November 2013 to evaluate the program's benefits achieved a 30% response rate, with a good national representation.

The survey respondents reported that:

- 86.7% have used the structural kit in their teaching
- 85.7% felt confident using the kit and 71.4% have shared the kit with colleagues
- 92.9% said they would use the kit again
- 42.9% said they would pay \$50 for the kit, 35.7% said they would pay \$100 and 21.4% said they would pay less than \$50
- 80% of respondents use the WoodSolutions education website.

WoodSolutions education micro-site

Tertiary education is one of the areas that WoodSolutions targets. While many students register and download materials from the main WoodSolutions site, providing educational materials to teachers and lecturers promotes the inclusion of wood-based topics in curricula.

The WoodSolutions education micro-site was launched in March 2013. During the past year, the navigation of the site has been restructured to provide easier access for different course topics.

In December 2013, a survey was distributed at the Australasian Association for Engineering Education Conference. WoodSolution's participation at the conference reaffirmed engineering educators' enthusiasm for the educational program support and a desire for ongoing assistance.

The survey results showed that there is scope to raise the profiles of both the main WoodSolutions site and the education site. However, a large majority of those that were aware of the websites rated them as either excellent or good. Many respondents who were not aware of the WoodSolutions resources indicated that they would consider using them with their students.

Establishment of the WoodSolutions Education Advisory Group

The Education Advisory Group was formed to discuss the current needs of timber-related courses in the university sector, how the existing resources might serve these needs and what new resources or approaches are required. The group will continue to share information and meet as required to provide feedback and guidance for current and future activities.

✎ View the WoodSolutions education microsite [here](#).



WoodSolutions sponsorships and events

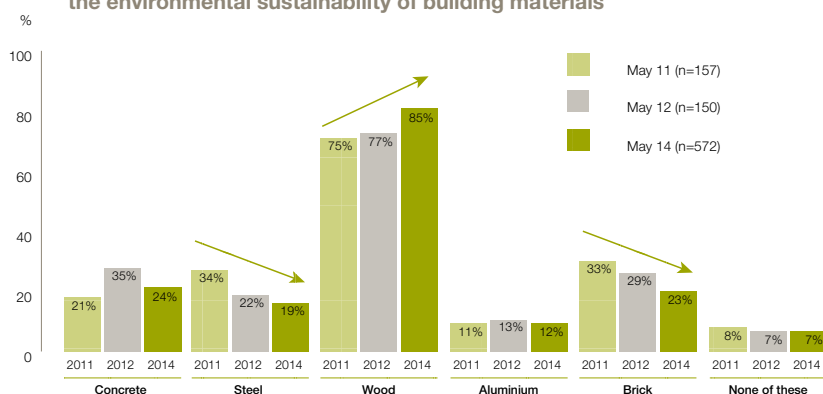
During the year, WoodSolutions partnered with professional organisations and participated in a select range of events and activities, including:

- › Supporting the Australian Institute of Architects (AIA) Continuum (professional development) series
- › Providing a speaker and presentation for the AIA's National Seminar Series
- › Providing a speaker for Engineers Australia Structural Colleges – Qld, Vic, WA
- › Organising a coach tour to winning design projects for AIA Conference attendees.

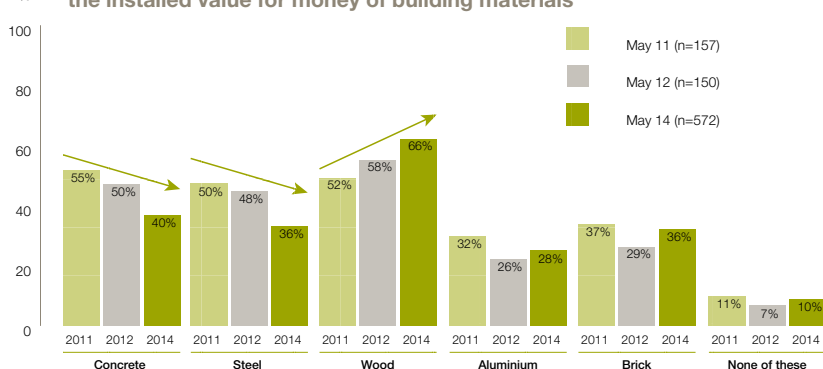
WoodSolutions also sponsored:

- › AIA National Conference Queensland Regional Architect Conference 'Spirit of Place'
- › AIA 1:1 student/mentor design and construct exhibition
- › Building Designers Association of Victoria (BDAV)
- › Master Builders Australia
- › Master Builders Conference and Awards
- › The 2013 Australian Timber Design Awards
- › Women In Design Speaker Series 2013
- › BAF Conference – Building Australia's Future Conference 2013
- › Victorian Building Authority Melbourne Forum 2013
- › Australian Institute of Building Surveyors Seminar 2013
- › DesignEX 2014
- › WoodSmart Construction tour to New Zealand 2014
- › Australian Healthcare Week Conference 2014
- › DesignBuild Exhibition Specifier Seminar 2014
- › Frame Australia 2014
- › Seminars in conjunction with industry bodies in WA, SA, ACT, NSW, Qld and Vic.

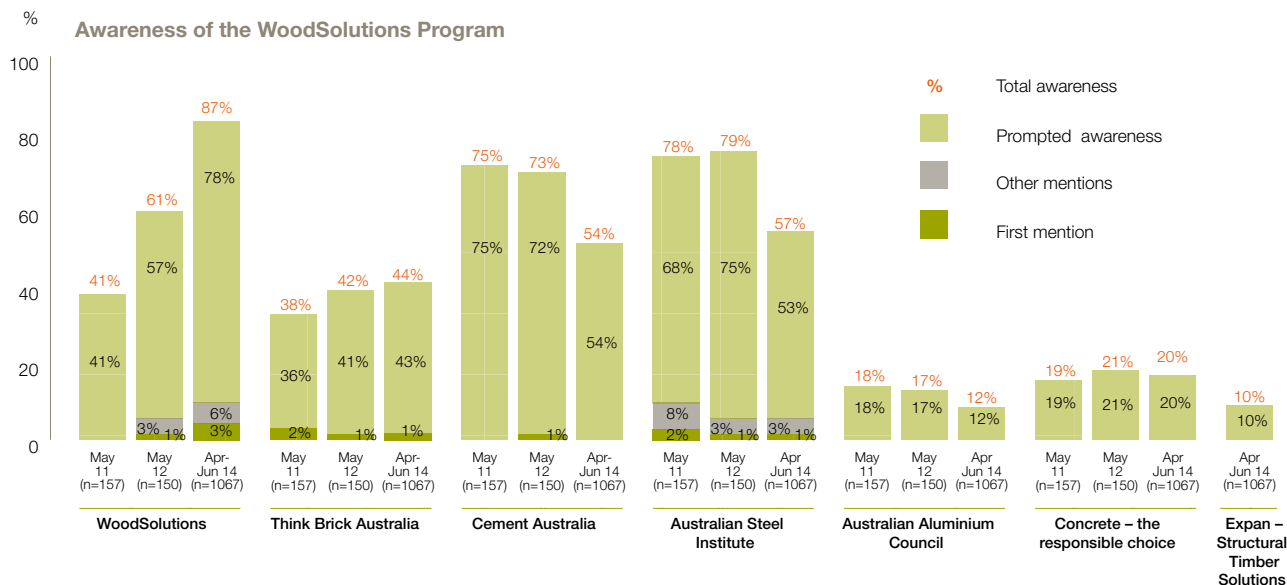
How building specifiers rate the environmental sustainability of building materials



How building specifiers rate the installed value for money of building materials



Awareness of the WoodSolutions Program



SPECIFIER RESEARCH CONFIRMS WOODSOLUTIONS ACTIVITIES

April to June 2014 saw the third round of the ongoing specifier research. The primary objective was to investigate the awareness and perceptions of the WoodSolutions program and the results will be used to inform future decision making about the program and associated activities.

For this round of research, the core audience of architects, building designers and engineers was supplemented by related professionals, accessed through relationships that FWPA have developed with their professional bodies. The extra participants included building and quantity surveyors.

The results showed that movements in perceptions of wood and wood products are generally aligned to the messaging in WoodSolutions communications. The graphs on this page show the perceptions of environmental sustainability and installed value for various materials.

LOOKING AHEAD

During 2014–15, FWPA's industry promotion activities will focus on the successful platforms that have been built over the past few years to:

- › Increase consumer awareness of advertising and/or brand awareness and improving perceptions of wood as an environmentally positive and suitable material
- › Increase building specifier awareness of activities and improve perceptions of wood as an environmentally positive and suitable material, as determined through website tracking and periodic opinion surveys
- › Increase industry support of generic promotion activities through active participation and support of the Wood. Naturally Better.™ Partner Program.

Activities to achieve these objectives will include:

- › Continued support of Planet Ark and the MakeitWood program
- › Some limited TV advertising
- › Continued development and enhancement of the WoodSolutions program
- › Increased focus on tertiary education materials for future building specifiers.

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PROGRAM 2:

Research, Development and Extension (RD&E)

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PROGRAM 2: Research, Development and Extension (RD&E)

Objective

To invest in and coordinate RD&E 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 RD&E 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

Background

The RD&E program accounted for one-third of the FWPA expenditure for 2013/14. Project investments are managed and reported through three sub-programs that represent the industry value chain:

1. Market Access and Development
2. Wood Products
3. Sustainability and Resources

Each sub-program is administered in collaboration with a Board-appointed industry advisory group of senior executives from FWPA member organisations.

The selection of projects and their priority within each advisory group are guided by a series of investment plans that describe the industry outcomes and benefits that are sought. Individual investment plans are developed by independent industry consultants. Industry, research providers and other key stakeholders assist in defining and prioritising preferred R&D outcomes through a broad consultation process.

🔗 Click [here](#) to see a complete list of projects

Industry and Government priorities

MARKET ACCESS AND DEVELOPMENT

The principal outcome from the Market Access and Development sub-program is continued and expanded industry access to key forest and wood products markets.

Priority research areas include increased understanding of market attitudes to – and perceptions of – wood products, as well as quantification and reporting of key environmental and design attributes of timber building products. Industry uses the results of projects funded under this program to support the expansion of product markets. The results assist in removing regulatory and market barriers to using timber products in domestic and commercial building applications.

WOOD PRODUCTS

Projects funded under the Wood Products sub-program aim to improve manufacturing processes to generate maximum value recovery from available resources. Priority areas include optimising and reporting the material properties of timber products, optimising process energy, chemical and water consumption, waste stream use, and developing new products –including hybrid materials – in response to market demands and opportunities.

SUSTAINABILITY AND RESOURCES

The Sustainability and Resources sub-program supports the acquisition of knowledge about the effects of management decisions on the functional processes of forests that are mainly managed for wood production. Industry objectives sought from this program include decision support systems for forest management, economically efficient and low environmental impact forest operations, and new environmental services.

Other priorities include: applied knowledge of wood properties; improved techniques for the segregation of standing trees, logs, timber and fibre to the most appropriate use; and methods to improve wood properties.

EXTENSION ACTIVITIES

A number of initiatives to communicate the results and benefits of completed research and development investments are resourced and coordinated within this program. Each project proposal includes a specific industry engagement and technology transfer plan designed to ensure stakeholders are aware of research outputs. This is achieved primarily through project steering committees and end-of-project workshops and seminars.

FWPA hosts a regular series of fortnightly webinars to highlight recent research findings to stakeholders and to generate broader awareness of the R&D activities within the sector. Each webinar is recorded and made available, along with the relevant final reports, on the FWPA website.

🔗 View the FWPA webinars [here](#).

A summary of FWPA-supported project highlights and general industry R&D activities are featured in FWPA's regular newsletters to members and stakeholders.



R&D project portfolio

During 2013/14, a total of 23 contracted research projects were completed and delivered to stakeholders and FWPA levy payers. In addition, three postgraduate scholarships were completed during the year.

MARKET ACCESS AND DEVELOPMENT

FWPA Market Access and Development (MAD) funding priorities are grouped around two priority areas identified by the MAD advisory group:

- Timber construction in commercial and industrial buildings
- Wood products in sustainable buildings

WOOD PRODUCTS

Continuing projects within the Wood Products program focus on the overall performance and yield of timber products. During 2013/14, these were primarily delivered through FWPA's established investment in the joint Australia-New Zealand Solid Wood Innovations research consortia. In view of the current market conditions and member feedback, further R&D investment in this sub-program has been deferred until trading conditions improve and sufficient levies can be secured to fully resource this program.

SUSTAINABILITY AND RESOURCES

Project investments within the Sustainability and Resources sub-program are aligned to the following active FWPA investment priorities:

- Maximising product yields and values from current resources
- Improving wood quality and yield, and tools for forest management
- Forest biosecurity and preparedness
- Mitigating and adapting to climate change and the management of the carbon cycle in plantations and native forests.

OTHER INVESTMENT PLANS

A further four R&D investment plans have been completed and approved for publication. These investment plans describe R&D priorities in the following areas:

- Genetics and tree improvement
- Product performance and yield
- Forest water use and efficiency and access to water resources
- The use of wood in residential construction.

In light of the current market conditions, it has been decided to defer further investment in these R&D priorities until industry profitability recovers to a point where the required levy increases can be supported.

OTHER PROJECTS FUNDED

FWPA accepts project funding proposals not implicitly linked to the endorsed R&D priorities on a case-by-case basis. To secure FWPA support, these projects must demonstrate direct relevance to industry needs and deliver sufficient public good benefit to be approved. In view of the current industry and market conditions, FWPA will focus its 2013/14 investments towards the delivery of identified industry R&D priorities and maintenance of other company programs using available levy resources.

Benefit-cost analysis

Each year, a subset of R&D projects completed over the previous five years are randomly selected for benefit-cost assessment in accordance with the evaluation protocol developed by the Council of Rural Research and Development Corporations. The assessments are undertaken by independent economists in close consultation with research providers and industry collaborators to determine the net social, environmental and economic impacts of FWPA-funded projects to both the industry and broader community.

Project investments

During 2013/14, FWPA invested \$3.12 million to support research and development projects and programs targeted towards delivering the industry outcomes identified within the investment plans for its identified R&D priorities.

The R&D investment plans describe the outcomes sought from each investment area as well as the recommended levels of FWPA funding. These funds are set on the basis that additional industry and/or collaborator funding and in-kind support would be pledged to proposals focused on the delivery of tangible industry benefits.

Ownership of intellectual property resulting from funded projects

The company funding policy is that all intellectual property (IP) created with FWPA funding is owned by the research provider, with FWPA maintaining an equity position in future IP commercialisation income. One of the conditions of FWPA funding for R&D projects is that levy payers have a beneficial right of access to final commercialised IP, through either reduced or waived royalty structures or other such arrangements that reflect the value of the levy funds provided to FWPA by the industry.

Where project outcomes are of value to the broader primary industry community, FWPA seeks to collaborate with other relevant RDCs and funding bodies to leverage the value of the levy funds invested.

This table contains the estimated benefit and weighted average Benefit Cost Ratio (BCR), aggregated for each investment category for the three year cumulative rolling average 2011-13.

Evaluation: category level aggregation (cumulative)	No. of projects	Total Value Invested (\$)	No. of selected sample projects	Value of sample projects (\$)	Sample projects as a % of total investment	Weighted average BCR*	Estimated benefits from total investment (\$)
Growing category	71	13,501,822	4	887,211	6.6%	5.4	72,909,839
Processing category	49	11,222,345	2	193,000	1.7%	1.6	17,955,752
Marketing category	102	13,419,455	3	459,888	3.4%	35.9	481,758,435

* Note: BCR is determined by rolling 3 year average

FWPA industry advisory groups

FWPA operates a series of industry advisory groups that are formed to provide specific advice and feedback on industry R&D needs and develop relevant R&D investment plans to guide FWPA's project funding decisions.

FWPA's three advisory groups meet throughout the year and review and critique investment plans and project proposals to ensure that the subsequent investments have a strong alignment 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

Mr John Simon (Chair)

FWPA Director 

Mr Matthew Wood
Stora Enso Timber Australia Pty Ltd

Mr Clinton Skeoch
Boral Timber Division

Mr David Meyer
Meyer Timber Pty Ltd

Mr Gerry Gardiner
Asian Pacific Timber Marketing Pty Ltd

Mr Jeff Gibbson
Hyne Timber

Ms Christine Briggs
Timberlink

Mr Gary Kiddle
Wespine Industries Pty Ltd

Wood Processing Advisory Group

Mr Vince Erasmus (Chair)

FWPA Director 

Mr Peter Law
Wesbeam Pty Ltd

Mr David Belfield
Wespine Industries Pty Ltd

Dr Trevor Innes
Timberlink Australia

Mr Michael Murphy
Carter Holt Harvey Woodproducts Australia

Mr Craig Kay
Tilling Timber Pty Ltd

Mr Stephen Holtorf
Hyne Timber

Mr Kim Harris
Carter Holt Harvey Woodproducts Australia

Mr Chris McEvoy
Radial Timber Australia

Sustainability and Resources Advisory Group

Mr Evan Rolley (Chair)

FWPA Director 

Mr Mike Sutton
Forests NSW

Dr Andrew Lyon
FPC (WA)

Mr Edwin Schramm
Bunbury Treefarm Project

Mr Don Aurik
Timberlands Pacific Pty Ltd

Mr Stephen Elms
Hancock Victorian Plantations Pty Ltd

Dr Ben Bradshaw
Australian Bluegum Plantations Pty Ltd

Mr John Hickey
Forestry Tasmania

Mr Andrew Morgan
SFM Environmental Solutions

Dr Jim O'Hehir
Forestry SA

INTERNATIONAL COLLABORATIONS

Working with international collaborators delivers tangible benefits to FWPA levy payers and extends the reach and purchasing power of its investments.

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 good leverage.

During the year, FWPA continued its investments in the New Zealand based research consortia; **Solid Wood Innovations (SWI)** and the Compromised Wood consortium. In early 2014, SWI obtained a two year funded extension to its research program. As part of the application to the NZ Ministry of Business, Innovation and Research, FWPA has also committed funding of \$250,000 a year for the period of the extension.

In addition to membership of the International **Union of Forest Research Organisations (IUFRO)**, the FWPA maintains membership in the European **Innovawood** consortium. This consortium combined four early R&D and technology transfer networks covering furniture manufacture, forest and timber education and technology transfer, advanced wood processing and engineering, and timber research. FWPA subscribed to the network to strengthen awareness and engagement with European-based research providers.



R&D projects

A full list of projects and their status can be viewed [here](#).

PNA252-1112: Demonstrating legal timber – Industry benchmarking and due diligence tools

Australian illegal logging laws to help legitimate forestry worldwide

New Australian legislation established penalties for any business importing or processing illegally harvested timber. The Illegal Logging Prohibition Act 2012 and the Illegal Logging Prohibition Amendment Regulation 2013 (Regulation), which take effect on 30 November 2014, stipulate that anyone importing illegally logged timber into Australia or processing illegally harvested raw logs, can face up to five years in jail in addition to fines of \$85,000 for an individual and \$425,000 for a corporation.

Under Australian law, illegally harvested timber is deemed to be timber that is harvested in contravention of the laws of the country in which it was harvested. The legislation is similar to that operating in Europe and the United States. Covering companies harvesting trees, producing wood products locally or importing timber and timber products into Australia, the legislation is designed to support legitimately harvested forestry by preventing cost undercutting and reducing competition from suppliers of timber products made from illegally harvested wood.

It is vital that businesses operating in the sector understand what they must do to comply with the legislation. Industry, via FWPA, supported the Timber Development Association (TDA), to develop a suite of tools and guidance for importers and domestic processors. The tools are based on compliance tools developed by industry in Europe and the United States; they have been extensively refined in consultation with Australian timber importers, domestic industry, industry associations and the Federal Department of Agriculture and Forestry.

An Australian Industry Timber Due Diligence (AITDD) system has been developed for importers to make importing legally harvested timber as straightforward as possible. The AITDD system consists of a comprehensive, easy-to-use suite of guidance tools to set up and implement a due diligence process for any importing business. Its templates include a company due diligence manual, information gathering and risk assessment worksheets, and a questionnaire through which suppliers can gather additional information when required.

Businesses processing locally grown logs have a low risk of sourcing illegally harvested logs. The Australian Government has included State- and Territory-specific guidelines in the Regulation. The Domestic Processors Overview and a Domestic Processor Due Diligence Summary will help businesses document the source of their raw logs and ensure they have the relevant permission to supply logs to the processor.

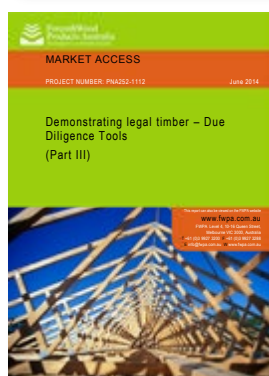
The AITDD tools are free and available from www.timberduediligence.com.au 🔍

 Read Report

 View Webinar

Research Provider:

Timber Development Association (NSW) Ltd





PNB204-1011: Assessment of pyrethroid retention for H2F treatment

Shining a light on treated pine timber

The Australian building industry relies on pine timbers for house framing and construction. The timbers are selected to be fit-for-purpose in that they have consistent strength, are economical and in abundant supply. However, they have limited natural resistance to attack by fungi and insects.

In regions where termites or borers might be active, building timbers are required to be treated with a pyrethroid preservative such as bifenthrin or permethrin to H2F level (i.e. for above ground, interior use).

While manufacturers of H2F products have reliable processes in place to produce to specifications sufficient to resist insect attack, they have to rely on off-site laboratory testing to ensure quality is maintained to meet Australian Standards. The turnaround from sampling to receipt of analysis results can be 1-2 days behind production. This leads to manufacturers purposefully over-treating to ensure the product remains in specification. Research funded by FWPA shows that near infrared (NIR) spectroscopy can assess the preservative content in H2F treated timber cheaply, quickly and accurately.

Dr Roger Meder was project leader of the CSIRO team that used NIR spectroscopy to measure the concentrations of bifenthrin and permethrin in H2F-treated timber more rapidly than traditional assessment methods, and without having to send samples away for analysis. NIR spectroscopy measures the vibration frequencies of the treatment chemical molecules when they absorb infrared radiation; the more intense the frequency response, the more treatment chemical has been deposited in the timber. The NIR region of the electromagnetic spectrum lies just beyond the red end of the visible spectrum; it is part of the heat we feel from a light bulb.

Roger and his team used a portable NIR system equipped with a fibre optic probe fitted with a stop block to ensure all measurements were taken consistently at the correct depth from the timber's surface. They measured the NIR response from timber samples with known, but different, concentrations of treatment chemicals to create a calibration chart. They then compared their models with samples from operating mills to see how accurate both the NIR method and the mill assessments actually were.

The research took over a year, but the results show NIR can deliver precise and rapid results.

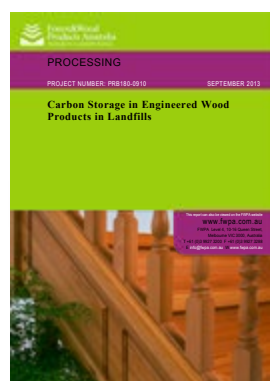
"Using NIR, it takes 30 seconds to determine the preservative levels in timber treated to the H2F level. We've had a quick look at H3 timber, and we think it looks possible for NIR to work there as well. It might also work for H4 timber, but we haven't looked at that," Roger said.

"One of the beauties of using NIR is that we measure a constant depth thereby removing one major source of error in sampling using the standard method."

A cheap and accurate assessment method for screening the in-process production environment means manufacturers will be able to monitor their treatment process more frequently and potentially use less treatment chemical because their need to over-treat is reduced.



Research Provider:
CSIRO



PRB180-0910: Carbon storage in engineered wood products in landfills

Sequestration lasts longer than previously thought

Each year, about two million tonnes of paper and another two million tonnes of wood and engineered wood products (EWPs) are disposed of in Australian landfills. Do these wood products actually decay?

It turns out that the carbon in the wood is effectively being locked up for much longer than is assumed in carbon accounting schemes.

Fabiano Ximenes from the NSW Department of Primary Industries has investigated the long-term storage of EWPs in landfill in Australia, in a project funded by FWPA, Laminex and the Australian Government's Department of Agriculture Fisheries and Forestry through its Forest Industries Climate Change Research fund.

"We've been working on the issue of carbon storage in forest products in landfills for over 10 years now. Initially we focused on sawn wood products, and the research results clearly suggested there was a high level of carbon storage in those products," Fabiano said. "The idea for this project was to test the levels of carbon storage in composite wood products such as MDF and plywood. We went to landfill sites with an excavator, recovered large volumes of target products and took them back to the laboratory for a proper analysis."

Test pits were excavated in landfills in Sydney, Cairns and Brisbane, and sample wood products (that had been buried for between 15 and 20 years) were taken at 0.5 metre intervals until the bottom of the landfill was reached at a depth of up to 10 metres.

Back in the laboratory, the researchers examined the landfill EWPs to determine how much of the wood's original components (such as cellulose, hemicellulose and lignin) were preserved.

An important part of the project was the bioreactor experiment, where optimal landfill conditions are replicated in 8-litre jars in the laboratory. The EWPs are cut up so they fit into

the jars and then the jars are filled with leachate, the liquid that comes from landfills and is full of anaerobic bacteria. Researchers monitor the gas that is produced over time from each jar to correlate how much gas was produced with how much carbon was left in the EWP.

The project was able to determine the long-term carbon storage of particleboard, medium-density fibreboard (MDF) and high-pressure laminate in optimal laboratory decay conditions. The particleboard and MDF reactors produced gas (predominantly methane) for two months and then stopped, while high-pressure laminate did not produce any gas. The results show carbon loss was very low: particleboard stored 98.25% of its initial carbon, MDF stored 99.35% and high-pressure laminate stored 100%.

These findings show that on average 99% of all the carbon in EWPs disposed of in Australian landfills can be considered to be stored indefinitely, that EWPs have a beneficial impact on greenhouse gas mitigation efforts and factors used to determine greenhouse gas emissions from wood and EWPs in landfills should be drastically reduced to reflect the findings of this study.

"It doesn't matter if the product is in landfill for 20, 50 or 100 years, what our results are suggesting is there is no difference in the levels of decomposition because there's virtually none," Fabiano said. "We can safely claim that those products are having a real mitigation effect from a greenhouse gas perspective. We are using this as an argument to say let's look at the life cycle of carbon in forest products, and see how we can appropriately include them in current and future greenhouse gas mitigation projects."



Research Provider:
NSW Department of Primary Industries

PNB131-0809: The Australia/New Zealand Solid Wood Initiative: Better performing structural products manufactured with higher efficiency and using less energy and water

Solid Wood Innovation (SWI) is a trans-Tasman research consortium focussed on radiata pine, the major softwood plantation forest species. FWPA's continued support for this research is mentioned in this report [here](#). The following two case studies are examples of SWI work. Visit the SWI website [here](#).

Cant optimisation tool

The cant optimisation tool has been designed to increase the efficiency of structural wood processing through the use of acoustic and x-ray systems. The acoustic system measures sonic resonance that gives the average green velocity of the wood in a cant, while the x-ray system is used to develop a green density profile across the cant. Together, these factors give an overall stiffness profile that is used to determine the most efficient sawing pattern to produce structural timber.

The first Australian sawmill to use the cant optimisation tool installed the system in October 2012. Another followed in 2013 with a third planning to install the system in 2014. To utilise the cant optimisation tool, a sawmill must have

a flexible resaw facility that can change patterns between cants, as well as an area where cants are travelling transversally in order to measure the green density profile. However, a recent trial in the United States of a linear prototype of the cant optimisation tool showed that a dedicated area for the cants to travel transversally is not necessary, opening up the possibility of deployment in more sawmills.

Kiln schedules

Heating kilns is an energy-intensive process; 60% of all energy consumption in manufacturing lumber is used to remove water from wood. Optimising kiln usage by reducing steaming times and introducing dynamic kiln scheduling will save energy without compromising wood quality. The new kiln techniques have been adapted by a range of companies processing more than 500,000 m³ of lumber.

Research Provider:
WQI Ltd

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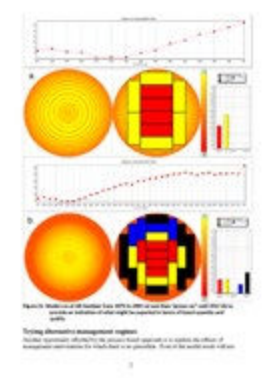
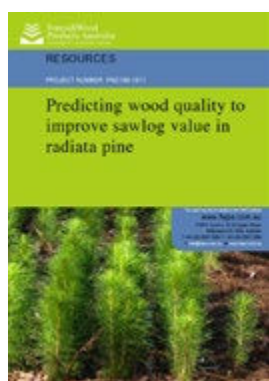
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PNC196-1011: Predicting wood quality to improve sawlog value in radiata pine

Modelling the perfect pine plantation

With support from FWPA, Scion, HVP and ForestrySA, Dr David Drew and his research team at CSIRO created 'e-Cambium', a process-based model that takes into account how *Pinus radiata* trees use water and nutrients to build wood cells in different climate and environmental conditions.

It is designed primarily to enable forest managers to predict tree stem growth, wood density and stiffness responses under a range of conditions, particularly where current data is not available (such as increasing average temperatures or a new silvicultural intervention).

The model can incorporate outputs from two existing tree-growth models: the more complex CABALA model, which gives very detailed results, or the simpler to run and use 3PG (Physiological Principles Predicting Growth) model, which gives slightly less accurate results.

The team measured climate data and tree growth daily at four sites in Australia and two in New Zealand. At the end of the 2½-year monitoring period pith-to-bark core samples were taken from each tree as close as possible to where the dendrometer had been measuring growth. These core samples were analysed to measure wood properties such as density, which were then matched with daily patterns of growth and environmental factors such as temperature and rainfall.

While e-Cambium may have been based on pre-existing theoretical models of tree growth, it evolved significantly as the volume of detailed data grew.

The e-Cambium model, with its algorithms derived from data from the six measurement sites, was calibrated against wood property data from another 10 sites. The model was able to predict around 80% (using CABALA inputs) of the variability seen in wood density in trees from these sites. The 3PG version gave around 70% accuracy. Although predicting final stand volume wasn't the project's priority, indications are that the model would have similar accuracy in predicting wood volumes from a site.

The current e-Cambium model is available to all FWPA members for testing and to explore the effects of different sites, silvicultural regime and weather conditions on both tree growth and wood properties

 Read
Report

 View
Webinar

Research Provider:
CSIRO

**PNC301-1213:****Accounting for biodiversity in Life Cycle Impact Assessments of forestry and agricultural systems****A comprehensive method to measure the impact on biodiversity in life cycle assessments**

Many organisations measure their environmental impacts in order to abide by regulations or for marketing purposes. A life cycle assessment (LCA) measures the environmental impact of a product or service at all stages of its supply chain. One important aspect of an LCA is assessing the impact on biodiversity.

Existing LCA methods have lacked comprehensive data on the relationship between land use and biodiversity, and there is no current universal framework that allows for biodiversity impacts to be measured at alternative scales.

In 2010, a 'BioImpact' system was proposed to meet these challenges. The system consists of a thorough literature review and canvassing expert opinions on the biodiversity threats of a given project within a disturbance impact framework.

Four production systems in NSW were used in developing BioImpact, with the results compared with existing methods of net primary productivity (NPP) and species richness. The BioImpact results were in line with expectations, while the existing methods were found to be inadequate in accurately measuring biodiversity impacts. Results from the NPP method suggested that a pine plantation has a higher biodiversity value than native forests in national parks in the same

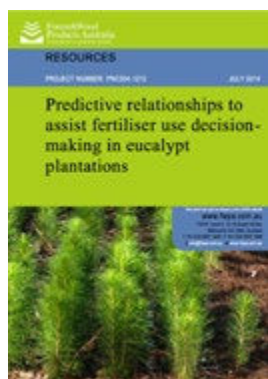
region, while the species richness method ranked cropping and grazing systems above managed forest systems in terms of biodiversity value.

BioImpact discerns impacts from different land uses and provides a comprehensive assessment of the biodiversity impact of different forestry operations. It is simple in application and can be applied to any region in the world where the literature and experts are available. The holistic nature of BioImpact means it can thoroughly assess the default assumption in existing LCAs that biodiversity impacts from forestry operations negates other positive environmental impacts that these operations may have.

When more BioImpact data has been collected in Australian and NZ conditions and biodiversity scores have been tabulated, LCA practitioners will have access to a database that will readily provide accurate information on biodiversity impacts of different forestry operations.

 **Read
Report**
 **View
Webinar**

Research Provider:
NSW Department of Primary Industries



PNC304-1213:

Predictive relationships to assist fertiliser use decision-making in eucalypt plantations

Maximising the effect of fertiliser through timely application

Almost one million hectares of hardwood plantations are growing in Australia. Dominated by *Eucalyptus globulus* (55%) and *E. nitens* (24%), they are mostly cultivated for pulpwood on 10-15 year rotations. Many are now ready for harvesting and subsequent replanting.

Experience shows that applying appropriate amounts of fertiliser can prevent second rotation trees being less productive than first rotation trees, but there is no reliable, cost-effective method to predict how a plantation will respond to fertiliser or the best time to apply it.

With funding from FWPA, researchers from The University of Melbourne, Australian Bluegum Plantations Pty Ltd and Hancock Victorian Plantations have determined that fertilising the plantation at mid-rotation (i.e. at age 4–5) increases final volume (at year 10) by up to 20.8% at responsive sites. This equates to an increased yield of 42.9 cubic metres per hectare per year.

The finding aligns with previous research showing plantations respond well to having fertiliser applied at mid-rotation; the greatest gains in tree growth occur just before the upper crown of the trees is fully developed. At this stage trees have sufficiently developed root systems to fully capture nutrients and a greater capacity to convert them into leaf and basal area and, therefore, final volume yield.

The present research studied 49 sites across south-western and south-eastern Australia. Fertiliser containing nitrogen and phosphorus was applied at planting and age one on 28 sites and 11 sites had fertiliser (nitrogen only) applied at age 4–5. On the remaining 10 sites, fertiliser

containing nitrogen and phosphorus was applied at planting and age one, and nitrogen only fertiliser was applied at age 4–5.

The research showed that fertilising a plantation at both planting and year one increases the plantation's final volume by 5.6%, while plantations that were fertilised at planting (including at one year) and at mid-rotation showed a 10.6% increase in volume relative to control sites.

The researchers compared predictive models with actual wood volumes from plantation test sites. Although the best models only predicted short-term growth response (i.e. one year after fertiliser application) with any level of accuracy, without better models being available, they do have value, particularly in identifying sites highly unlikely to respond to fertiliser.

To run any simulation model, a plantation manager needs to acquire appropriate site data (such as climate variables) and send soil or leaf samples to a laboratory for analysis. These results are used by the model to predict the percentage of volume growth if fertiliser were to be applied.

At this stage, the researchers suggest plantation managers use the models as tools to rank sites according to predicted fertiliser response, allowing managers to deploy fertiliser resources to sites more likely to show a significant (i.e. greater than 10%) volume growth response and avoid applying fertiliser where it is not needed.



Research Provider:
Hancock Victorian Plantation

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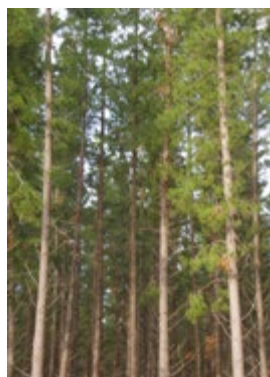
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PNC 216-1011: Analysis of long-term productivity and productive capacity of a radiata pine plantation on infertile fine textured soils

Raising awareness of improved inter-rotational management in radiata pine

To maintain pine plantation productivity and profitability through future rotations, growers need to understand the balance between the production of timber, carbon take up, water use and other processes occurring in their plantations.

This long-term study measured changes in productivity, productive capacity, carbon accumulation and hydrology in pine (*Pinus radiata*) plantation sites from the 1960s and 1970s to the present.

The research focused on pine plantation plots in the Lidsdale State Forest, about 130 km north-west of Sydney. Plots analysed during the first rotation (as early as 1961) were re-measured in subsequent rotations. Where significant quantities of phosphatic fertiliser had been applied in the second rotation, productivity in the second rotation was more than 30% higher than in the first and had a residual effect on productivity into the third rotation. For plots where significant quantities of fertiliser nutrients were not applied, the second rotation productivity was lower than the first by 5–8%. This appears to be a result of nutrients, especially calcium, potassium and boron, being removed during harvesting.

The research also found that the mature pine plantations accumulated 2.14 tonnes of carbon per hectare per year between 42 and 55 years of age, and most of this was in the vegetation. The subsequent rotation accumulated carbon at a rate of 5.5 tonnes per hectare per year in the first 12 years of growth.

As forests develop, they use water and consequently runoff declines; then, as trees mature productivity decreases and runoff increases. The researchers suggest that to minimise the long-term patterns of decreased and increased runoff, the pattern of harvesting (thinning and clearcut) and re-establishment should be planned so only a proportion of any larger catchment is affected in any year.


[Read Report](#)

[View Webinar](#)

Research Provider:
Forsci Pty Ltd

PRC254-1112: Developing a LCI database for Australian agriculture (RIRDC)

Improving the accuracy and utility of life cycle assessments in Australian agriculture

Over the past 10 years, incorporating the principles of sustainability at every point in a product or service's supply chain has become more common.

Companies that use Australian agricultural products have to incorporate the environmental impact of these products when measuring their impact on the environment. The AusAgLCI project aimed to establish a life cycle inventory database for Australian agriculture to ensure producers are acting in a sustainable and responsible manner, and identify where potential improvements in a product's life cycle.

AusAgLCI was developed primarily for software providers, who can incorporate the updated inventory data to deliver more accurate environmental assessments on any product or services that uses Australian agricultural products. Research and development corporations, environmental performance assessment businesses, policy groups and governments will also benefit from the project.

By taking into account specific regional conditions, AusAgLCI addresses a problem with existing life cycle analyses that had, at times, relied on overseas data that did not reflect the differences in international management systems, climate, soils and vegetation.


The accuracy of life cycle analysis is likely to improve using data representative of Australia's farming practices. In addition, the AusAqLCI:

- eliminates the duplication that occurs when each industry or supply chain undertakes separate life cycle analyses
- provides environmental impact data required by certain markets (such as in EU biofuel markets)
- provides the data to give credibility to businesses that market their products with environmental and sustainable claims
- provides the potential for a range of industries unfamiliar with farming systems to use life cycle assessments as it provides comprehensive life cycle data on food and fibre production.

AusAgLCI consolidated about 180 life cycle inventories in cotton, grains, horticulture and livestock feeds, with coverage varying for each group. Forest and wood products, while not specifically reported in the AusAgLCI project, have a compatible LCI, available to researchers under an FWPA licencing agreement.

Another activity within this project was the development of an agreed reporting metric for water use in agricultural production systems. A new ISO standard 14046 – Environmental Management – Water Footprint – Principles, Requirements and Guidelines will be published later in 2014. This standard sets the framework under which future water use impact studies should be reported.



 The AusAgLCI database and guidelines are available for download [here](#)

Research Provider:
Rural Industries R&D Corporation



PGD183-0910: Managing gene flow from *Eucalyptus globulus* plantations

Measurement and mitigation of genetic contamination from *Eucalyptus* plantations to native forests

Part of environmental sustainability is the protection of the genetic integrity of local tree species from trees growing in nearby populations. Genetic contamination through hybridisation (cross-pollination) is one of the main ways plantation species can affect the genetic integrity of neighbouring native forests.

Eucalyptus globulus dominates Australian hardwood plantations, with about 538,000 hectares in the ground. These plantations are growing mainly outside the natural range of the species and could potentially pose a genetic risk to native eucalypts growing nearby.

In essence there are two main risks. The first is that plantation trees will breed with trees of the same species growing in neighbouring forests. The concern is that genes from the plantation trees may spread into natural populations and cause changes to their genetic and physical characteristics. The second risk is that plantation trees will hybridise with trees of a different species in neighbouring forests. The consequences of such hybridisation would be similar to where the same species is involved, except that different species are more genetically distinct, so the genetic and subsequent physical changes are likely to be larger and have more significant flow-on effects for the native forest. The chance of successful hybridisation decreases between more distantly related species and although species from the same group can often form hybrids, hybridisation is not possible between species from different groups.

In Australia 48% of *E. globulus* plantations are growing beside potentially cross-compatible native eucalypt species. Research is currently investigating where *E. globulus* plantations pose

a significant genetic risk to their neighbouring species and how that risk should be managed.

Understanding how pollen moves in the landscape will be important for assessing which forests are most at risk of genetic contamination from *E. globulus* plantations. Small forest patches and trees on the edges of patches were most at risk of hybridisation from common plantation neighbour *E. ovata* and, in the future, could be the focus of management strategies to limit genetic contamination.

The level of hybrid establishment in the wild and the ability of hybrids to survive were also found to be important barriers to genetic contamination. The results suggest that edge plantings or leaving low-risk native forest (e.g. non-cross compatible native species) around plantations will be more successful management tools than buffer zones without trees. In addition, revegetation strategies should avoid collecting seed close to plantations boundaries and from small embedded patches.

Current Australian bushfire management practices may be limiting the spread of pure-bred *E. globulus* seedlings (wildlings) and reducing the likelihood of wilding spread. However, the Australian plantation estate is young and if future management changes, wildlings could become a problem, meaning ongoing monitoring is warranted.

The picture emerging from this research is that although the potential for genetic contamination is real, the natural barriers to hybridisation and potential mitigation techniques mean that the risk is manageable.



Research Provider:
University of Tasmania

LOOKING AHEAD

During 2014–15, FWPA's research and development activities will be directed to:

- › Increase the acceptance and accuracy of periodic benefit-cost analyses (BCA) by industry and government stakeholders, as measured from stakeholder feedback
- › Increase industry and researcher engagement with FWPA's R&D investment systems (i.e. investment priorities and plans), as measured by level of consultation, web downloads and fewer ad hoc research requests
- › Increase industry and government awareness of iconic or key R&D projects, as measured by periodic opinion surveys
- › Increase the amount of additional industry or Government R&D funding (non-levy and matching) that is invested or co-invested using FWPA's systems, as measured by annual reporting
- › Deliver priority projects to produce R&D outputs aligned to member and levy payer needs and expectations, as measured by percentage completion of active investment plans
- › Increase industry participation and support for FWPA technology transfer activities, as measured through event attendance, website activity and technology adoption surveys.

Activities to achieve these objectives will include:

- › Delivery of priority projects to produce R&D outputs aligned to member and levy payer needs and expectations
- › Increase industry and researcher engagement with FWPA's R&D investment systems (i.e. investment priorities and plans), as measured by level of consultation, web downloads and fewer ad hoc research requests
- › Increase the acceptance and accuracy of periodic benefit-cost analyses (BCA) by industry and government stakeholders, as measured from stakeholder feedback
- › Increase industry adoption and government awareness of iconic or 'hero' R&D project outcomes, as measured by periodic opinion surveys
- › Increase the amount of 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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PROGRAM 3:

Capacity and education

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PROGRAM 3: Capacity and education

Objectives

Increase 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
- The development and uptake of new and existing industry-oriented educational programs or resources.

Background

This program aims to increase the industry's capacity and capability by investing in technical transfer of R&D findings and targeted educational activities.

In 2013/14, FWPA continued to build on initiatives launched in response to two independent reviews that highlighted the need for FWPA to play a greater role in technology transfer and education.

These initiatives include the R&DWorks newsletter and seminar series, the ForWood corporate newsletter, the FWPA website and the Forest Learning and school curriculum initiatives. Following feedback from the Industry Summit, the Growing Careers program was scaled back and moved to a maintenance regime.

FWPA is a member and the major funder of the National Forum of the Research, Development and Extension (RD&E) Strategy, which was developed under the auspices of the National Primary Industries RD&E Framework. The Forum is developing national RD&E priorities for the sector and mechanisms for improved coordination.

Key activities

TECHNOLOGY TRANSFER

Through its R&D investment plans, FWPA oversees the communication 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 communicates research findings to industry through a wide range of channels including:

- The new FWPA website's sophisticated research report search functionality, report and video capabilities
- FWPA newsletters – the corporate publication, ForWood, and the R&D-based monthly newsletter, R&DWorks
- The R&DWorks online webinar program
- Industry press articles
- Advisory group presentations
- Media releases
- DVDs and memory sticks
- Executive summaries
- Other FWPA channels, such as news items on the WoodSolutions website and social media.

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



Case study

R&DWORKS WEBINARS

FWPA's successful R&DWorks webinar program included presentations covering a wide range of topics of interest to different sectors in the forest and wood industries. It is important that industry leaders are continually made aware of R&D findings and opportunities for business improvement across all sectors of the industry.

Each webinar, presented by the researcher, comprises a 40-minute presentation, followed by 15-20 minutes of questions and discussion. The webinars cover a range of issues and

provide opportunities for senior executives and key decision makers to be informed about new technologies and processes for the forest and wood products sector. It also gives audience members an opportunity to interact with researchers, helping strengthen bonds between the industry and research communities.

It is a cost-effective way to provide up-to-date and informative R&D outcomes. Presenters and participants from across the country and overseas can more readily be informed. The interactive presentations are recorded and available on the FWPA website at any time.

Webinar title	Presented by	View webinar
Fire engineering, the BCA & bushfire calculator	Keith Nicholls Exova Group Limited	
Wood. Naturally Better. Media Advertising & Consumer Research	Howard Parry-Husbands, Pollinate	
Australia's State of the Forests Report 2013 (SOFR)	Claire Howell, ABARES	
Industry Guidance and Tools for Timber Due Diligence	Steve Mitchell, Timber Development Association (TDA)	
Fire Safety and Performance of Wood in Multi-residential and Commercial Buildings	Boris Iskra, Forest & Wood Products Australia	
The Structural Health Monitoring of Timber Bridge beams	Dr John Moore, University of New England (UNE)	
The next challenge for Warra: scientific capital to social capital	Tim Wardlaw, Forestry Tasmania	
Renewable Materials and the Built Environment in a Changing World – Challenges and Opportunities	Greg Foliente, CSIRO Ecosystem Sciences	
Forest Product Industries and Global Carbon – a report from the front line	Ross Hampton, CEO, Australian Forest products Associations (AFPA)	
Structural Veneer Based Composite products from hardwood plantation thinned logs: Incentive, manufacturing and capacity	Benoit Gilbert, Griffith School of Engineering	
Forest Health: Pest and disease impacts in response to climate change	Libby Pinkard, CSIRO	
But we have always done it this way: Supply chain R&D results worth changing for	Mark Brown, University of Sunshine Coast	
10 up: CABALA at 10!	Jody Bruce, CSIRO	
Accelerated drying of Australian hardwoods	Tim Langrish, University of Sydney	



Case study

Webinar title	Presented by	View webinar
Predicting wood quality to improve sawlog value in radiata pine	David Drew, CSIRO	
New market opportunities for timber products	Andrew Dunn, TDA NSW	
Carbon storage in engineered wood products in landfills	Fabiano Ximenes, NSW Dept. of Primary Industries	
Utilisation of NIR in forest management	Geoff Downes, Forest Quality Pty Ltd	
Opportunities for using Sawmill Residues in Australia	Dean Goble, Carnot	
Prefabricated Timber Ground Floor Systems	Alastair Woodard, TPC Solutions	
Marker-assisted selection in temperate eucalypts	Simon Southerton, CSIRO Plant Industry	
Inter-rotational management in Radiata Pine	John Turner, Forsci	
Forest productivity optimisation system – A decision support tool	Daniel Mendham, CSIRO Ecosystem Sciences	

BUILDING STRONGER VALUE CHAINS SEMINAR

The 'Building Stronger Value Chains' seminar, held in conjunction with the 2012/13 AGM, covered a wide range of topics, with agreement that collaboration should be high on the industry's agenda.

Organised jointly by FWPA, the Australian Timber Importers Federation and TABMA Australia, the event attracted more than 130 delegates from all states, New Zealand, Canada and Chile. Attendees included the Parliamentary Secretary for Agriculture Senator Richard Colbeck and NSW Primary Industries Minister Katrina Hodgkinson.

Senator Colbeck re-stated the Australian Government's commitment to support research and development in the industry, with an investment of \$15 million to make the sector more productive and competitive. He also said that industry would also benefit from the government's \$100 million increase in rural R&D development expenditure.

Trade Commissioner David Ingham noted that Australia's investment in forest research was

dwarfed by Canada's expenditure on R&D. Canada's forest, paper and wood products sector alone invested more than \$220 million in R&D last year.

Answering a post-event survey, 83% of respondents rated the event as 'very good' or 'excellent'.

MELBOURNE HARDWOOD FORUM

In October, key hardwood industry stakeholders met in an open forum in Melbourne where they discussed the importance of industry providing feedback, the role of FWPA and research projects and the implementation of a hardwood sector statistics resource.

The main points addressed were:

- What does the hardwood sector want?
- What is the best way to refine generic industry platforms?
- The need for – and importance of – feedback from industry participants.

Jim Houghton, FWPA's statistics and economics manager, addressed the forum and talked about the potential value of collecting and analysing industry statistics from this sector. Attendees

agreed to provide two years of historical data to populate and trial a data tool.

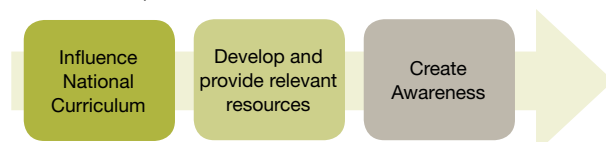
Marco Lausberg from the Solid Wood Innovation (SWI) research consortium provided updates of its projects, highlighting technologies that have been developed by SWI researchers that are relevant to the hardwood processing sector.

The forum concluded with a shared agreement that more collaboration and engagement within the sector is a goal that will benefit all stakeholders.

EDUCATION

The ForestLearning program focuses on embedding forestry and wood product topics into the national school curriculum and providing relevant resources for teachers, enabling them to successfully integrate forestry and wood product information into their classroom teaching.

The program is developed and implemented in three phases:



Now entering its fourth year of operation, the Forestlearning.edu.au program provides forest-related lesson plans, fact sheets, videos, online games and posters to primary and secondary teachers via a one-stop-shop portal developed in consultation with the Australian Forest Education Alliance (AFEA).

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.

The group has 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 program has been working closely with the national school curriculum to help ensure that forestry and wood products are being taught at every level of primary and secondary school with the aim of increasing:

- ▶ Knowledge and understanding of the industry among students and teachers
- ▶ Awareness of the environmental advantages of timber products
- ▶ Social licence to operate, driven by community support
- ▶ Desirability of the industry as a career choice.

The focus has been on the core subjects of science, geography and technology as well as the sustainability cross-curriculum subject.

FORESTLEARNING WEBSITE

Awareness of Forestlearning.edu.au and the program continues to grow and the website has attracted nearly 62,000 unique visitors, an increase of over 105% from last year, viewing 106,500 pages, an increase of 45% from last year.



FORESTLEARNING PLANNING SESSION

Contributors to ForestLearning gathered at Cumberland State Forest (NSW) for a planning session in July. Attendees included Forestry Corporation NSW, Forest Education Foundation, VicForest (webinar), Forest Products Commission WA (webinar), WA Department of Environment and Conservation (webinar), FWPA, Planet Ark, Private Forestry Service Queensland and Primary Industries Education Foundation.

The group discussed outcomes for the past 12 months and key learnings from partners including PIEF and Planet Ark in reaching schools and teachers. Outcomes for the day included:

- Reviewing existing resources on site and removing out of date material
- Reviewing current material and developing an up-dated gap analysis of material based on the new curriculum
- Developing the specific curriculum links to each of the current resources
- Updating search functionality on website to include State and Curriculum search links
- Investigating opportunities to develop new materials as a group.

RESOURCE DEVELOPMENT RESEARCH PROJECT

In the 2013 school year, ForestLearning undertook a resource development research project to test and evaluate existing and new teaching resources across three core subject areas – science, geography and technology. The pilot reached more than 100 high school teachers, whose feedback and input will help us to develop relevant and useful teaching resources in the future.

Early results indicate that:

- 75% of teachers believe that active forest management and use of wood products helps in the fight against climate change
- Teachers would like to receive guided lesson plans, videos and interactive online games/quizzes to help them deliver forest and wood product theory
- DVD, PowerPoint and multimedia are the most commonly used technologies in the classroom for lessons
- Even though 27% of teachers said they had heard of ForestLearning.edu.au before taking part in the research, the main suggestion for improving the site was building awareness that it exists.

Overall, the results were positive. Most of the resources were rated 'good' or 'excellent' and commentary from teachers included some useful and constructive feedback.

Forest types: Plantation vs natural, and softwood vs hardwood

Level: Junior secondary school Years 7 – 10
Duration: Approximately 2 lessons
Preparation: ForestLearning staff select relevant content from the database to create a guided lesson plan. Teachers are encouraged to add their own content to the plan.

How is carbon stored in trees and wood products?

Level: Junior secondary school Year 10
Duration: Approximately 2 lessons
Preparation: ForestLearning staff select relevant content from the database to create a guided lesson plan. Teachers are encouraged to add their own content to the plan.

Wood Properties

Level: Junior secondary school Years 7 – 10
Duration: Approximately 2 lessons
Preparation: ForestLearning staff select relevant content from the database to create a guided lesson plan. Teachers are encouraged to add their own content to the plan.

Background information

Carbon is represented by the symbol 'C' and is the 6th element in the periodic table of elements, with an atomic number of 6 and an atomic mass of 12.011. It is a non-metal and the fourth most abundant element in our solar system, only surpassed by hydrogen, helium and oxygen. Carbon can take the form of coal, charcoal, and diamonds, and also forms the major component of all living things including trees. At atmospheric pressure carbon occurs naturally as either a solid or a gas. The melting/boiling point of carbon is the highest of all naturally occurring elements at 3500°C.

How is carbon cycled in ecosystems?

Carbon is cycled through ecosystems in several different forms. Carbon dioxide gas can be removed from the atmosphere by plants through photosynthesis. This process involves plant cells taking in carbon dioxide from the air and using it to produce glucose. The glucose is then used by the plant to produce energy. Carbon dioxide is also released back into the atmosphere as a by-product of photosynthesis.

Some of the ForestLearning resources available on the website

SCHOLARSHIPS AND SKILLS

As of 30 June, FWPA funding continued for the remaining contracted five PhD scholarships at various stages of progress, a reduction from eight.

No full scholarships were awarded in the 2013/14 financial year, in line with the FWPA's Board decision to close funding to various investment priorities. In the course of the year, three students completed their postgraduate studies.

Matthew Larcombe submitted his PhD thesis, 'Managing gene flow from Eucalyptus globulus plantations' (PGD183-0910). Matthew studied Blue Gum, which is widely grown in plantations outside its natural range and often close to potentially cross-compatible native eucalypts. The University of Tasmania study investigated whether these plantations posed a genetic risk to these native eucalypts through hybridisation.

At the University of New England, John Moore completed his thesis, 'Monitoring timber bridge-beams for structural health' (PGD137-0809). John's work included the development of alternative methods of monitoring and assessing individual girders. Testing and monitoring the carrying capacity of timber bridge beams and load stress produced by traffic enabled improved determination of timber beam service life.

David Bylund, of the University of Western Australia, completed his PhD thesis, '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' (PGD148-0809).

At year's end, five PhD scholarships were still being undertaken, 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:

› Plantations Productivity Symposium

The symposium provided forestry professionals with practical information about how to leverage their tree assets by implementing proven and emerging research findings on-ground, and measuring productivity gains and return on investment.

› Annual sponsorship of FIEA

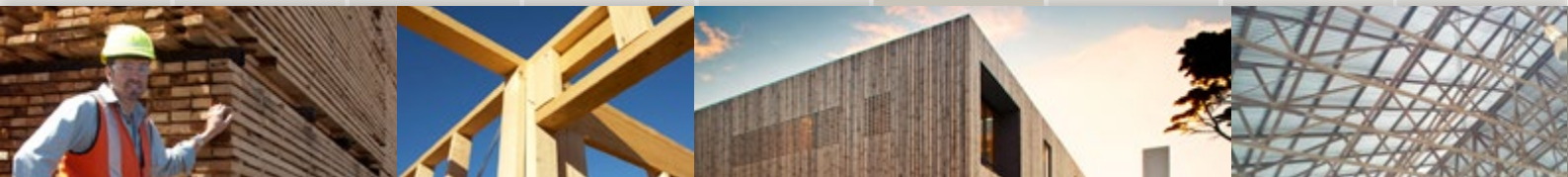
Our sponsorship assists FIEA to bring a wide range of technology events to Australasian forestry and wood products companies each year.

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LOOKING AHEAD

During 2014–15, FWPA's activities under the Capacity and Education program will be directed to:

- › Increasing industry and government support of education activities through recorded program participation levels and stakeholder surveys
- › Increasing the uptake of education program activities by target user groups through tracking of numbers of applicants, web activity and teacher requests for supporting materials.

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PROGRAM 4

Standards coordination

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PROGRAM 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:

- Improve market access and/or reduce barriers to the use of wood products
- Increase the understanding and adoption of relevant Standards and Codes within the industry and building professionals
- Reduce the cost of delivery of standards development.

Background

Australia's national timber product Standards and linkages with building Codes and Standards have evolved in an ad hoc fashion, incorporating a range of inputs from industry, research agencies and professional associations.

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 maintaining key Standards (except forest management Standards), Codes and handbooks that support the manufacture and use of timber and wood products.

The industry has more than 260 Australian Standard documents (Standards, supplements, handbooks and amendments), including around 150 Standards relating to timber and wood products, 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.

FWPA is taking a strategic and coordinated leadership role in the future development of industry Codes and Standards. This is being done in close consultation with FWPA members who expressed interest in being involved with the standards network.

FWPA has continued to focus on expanding the market for timber products beyond residential construction and to enhance confidence in the use of industry's products by building professionals. To facilitate this, close working relationships have been maintained with Standards Australia and the Australian Buildings Codes Board.

Key activities

Activities in this program are undertaken on the basis that they will contribute to one or more of the following objectives:

- Increasing industry and stakeholder participation in FWPA Standards activities
- Reducing the number of Australian Standards and Codes that directly affect the industry and its access to markets
- Increasing levels of support (or lack of dissent) on proposed changes to Australian Standards and building Codes
- Increasing the uptake and use of Standards.

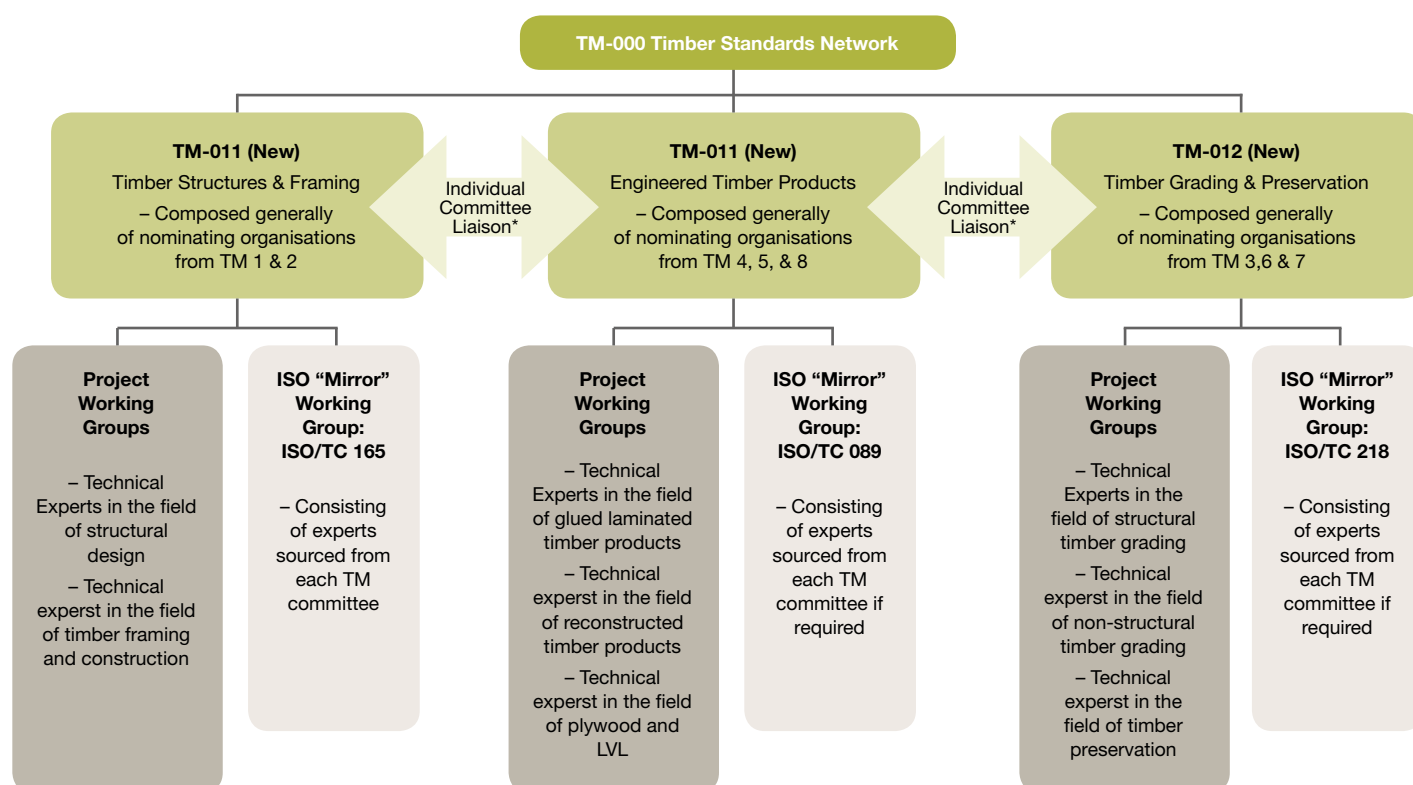
STANDARDS DEVELOPMENT REVIEW

In consultation with FWPA, Standards Australia has reviewed its committee structures following feedback on a proposed restructure from stakeholders, including timber industry representatives, aligned stakeholders and committee nominating organisations.

Key drivers for this review are the declining human and financial resources available to the timber industry for developing, reviewing and updating Australian Standards.

Following the review, Standards Australia organised a Timber Standards Development Forum to outline a proposed restructure from the existing eight timber (TM) committees to three, to broadly align with the International Standards Organisation (ISO) timber Standards committees. Standards Australia is represented on ISO committees that are filled by TM committee representatives.

Standards Australia's Management Group approved the proposed restructure, as shown in the chart below.



*Individuals who sit on both committees to allow for transfer/sharing of information

BACKGROUND AND GUIDANCE DOCUMENT AS/NZS 1748 SERIES 2011 (INCLUDING AS/NZS 4490:2011)

This document was developed to provide guidance and technical support to the industry and general users of the Australian / New Zealand Standards:

- AS/NZS 1748.1:2011 Timber – Solid – Stress-graded for structural purposes, Part 1: General requirements
- AS/NZS 1748.2:2011 Timber – Solid – Stress-graded for structural purposes, Part 2: Qualification of grading method
- AS/NZS 4490:2011 Timber – Solid – Stress-graded for structural purposes – Verification of properties.

These Standards cover all methods (e.g. visual, mechanical) of stress-grading structural timber and rely on principles outlined in this document for proving the performance of the stress-graded structural product.

The background and guidance document provides a step-through approach required for qualification and verification as well as the statistical concepts behind the process.

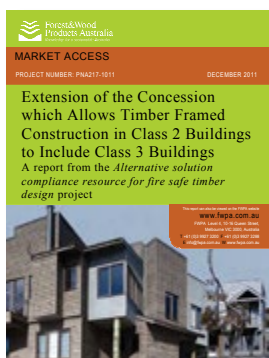
✕ Download a copy of the Background and Guidance Document [here](#)



AMENDMENTS THAT ALLOW TIMBER FRAMED CONSTRUCTION IN CLASS 3 BUILDINGS

The culmination of three years' work, orchestrated by FWPA, the Australian Building Codes Board approved amendments enabling timber framing to be used on a far wider range of projects. The new regulations now permit the use of fire- and acoustic-rated timber-framed construction systems for three-storey, Class 3 buildings (e.g. hotels, motels and hostels). This broadens the market for timber. The amendment applied from May 2014.

✕ Read the report [here](#)



UNDER DEVELOPMENT: DISCUSSION PAPER – PRESERVATIVE TREATED TIMBER AND DESIGN FOR DURABILITY

For many years, industry has been increasingly concerned about market perceptions of timber's in-service life and designing for durability. As part of addressing this concern, the suitability of Australian Standard AS1604: Specification for preservative treatment has been discussed with key industry stakeholders and users. Materials covered include treated and untreated, natural durable timber.

The AS 1604: Parts 1-5 series of Standards was revised in 2012. Typically, these Standards have required revision when new or altered preservative formulations are introduced. The Standards have a direct de facto regulatory role: it is difficult to effectively market such products in Australia if they are not accepted and included in these documents. This is more relevant now with the removal of the NSW *Timber Marketing Act 1977* (TMA).

This project aims to produce a Discussion Paper as a catalyst for resolving industry concerns, both marketing and technical, and formulating an acceptable approach for Standards development that will meet industry and consumer needs.

BD-074 TERMITE MANAGEMENT

A revision of AS 3660 Part 1 New building work and Part 3 Assessment criteria for termite management systems is being undertaken. Matters that have required review include a new clause requiring system components to achieve a service life of not less than 50 years. FWPA's representative raised this as an issue for timber industry producers of treated timber products where the current warranty is for 25 years. This matter, as well as others, is being discussed at BD-074 Committee level.

BUILDING CODE OF AUSTRALIA (BCA) – NON-COMBUSTIBILITY REQUIREMENTS

Work has continued on addressing the non-combustibility requirements in the National Construction Code (NCC), in particular the Building Code of Australia (BCA) – Volume 1, which covers building classes other than Class 1 (houses) and 10 (garages, sheds) as identified in FWPA's Strategy Plan.

As part of this work, two key local activities have been undertaken:

- State-based face-to-face discussions with fire authorities
- Australasian Fire and Emergency Service Authorities Council (AFAC) Workshop presentations.

Feedback from the various fire authorities regarding tall massive timber (e.g. cross laminated timber, EXPAN) buildings has been positive. Issues raised included service penetration detailing, egress provisions, fire resistance provisions and fires during construction. FWPA is working through the various items.

AS 1720-X NAILPLATED TIMBER ROOF TRUSSES

A Timber Truss Design Standard has now been completed, following an involved process of drafting and meetings with key stakeholders. The development of the draft was as a direct result of a Coroner's finding into a large commercial truss failure and its development has been supported by FWPA, Standards Australia and major nailplate manufacturing (truss design) companies.

The completed draft has been submitted to Standards Australia for consideration by the new TM-010 Timber Structures and Framing Committee, which will meet in July 2015.

The Standards Reference Group

Geoff Stringer (Chair)
Hyne Timber

Vincent Corlett
Nannup Timber Processing

Simon Dorries
Engineered Wood Products Association
of Australasia

Trevor Innes
Timberlink Australia

Kim Harris
Carter Holt Harvey Woodproducts

Craig Kay
Tilling Timber Pty Ltd

Colin MacKenzie
Timber Queensland

Frank Moretti
Gunnarsens Pty Ltd

Peter Robson
Boral Timber

Richard Schaffner
Wespine Industries Pty Ltd

Chris McEvoy
Radial Timber

Ric Sinclair
FWPA

Boris Iskra
FWPA – Program Manager

LOOKING AHEAD

During 2014–15, FWPA's standards coordination activities will be directed to:

- › Increasing industry stakeholder participation in FWPA Standards activities through tracking of formal industry input into the Standards Reference Group (SRG)
- › Reducing the number of Standards and Codes and associated maintenance costs affecting the industry, as tracked by reference group
- › Increasing the awareness and uptake of Standards by industry stakeholders, as measured by levels of participation at training sessions and purchases of revised standards
- › Increasing commercial market access for timber products.

Activities to achieve these objectives will include:

- › Assisting industry to transition to the new Standards Australia Committee structure
- › Working closely with Standards Australia to ensure the cost-effective delivery of Standards
- › Working with the SRG to identify priority amendments/development of industry's Standards
- › Securing co-funding and resources from industry groups to progress Standards development where appropriate
- › Effectively communicating activities to the industry via email, newsletters and the FWPA website
- › Promoting knowledge transfer to industry through workshops and industry presentations
- › Addressing fire-related measures within the Building Code of Australia.

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PROGRAM 5:

Statistics and economics program coordination

[Objective](#)[Stakeholder benefits](#)[Background](#)[Key activities](#)[Data aggregation service](#)[Looking ahead](#)

PROGRAM 5: Statistics and economics program coordination

Objective

To coordinate and manage the provision of relevant, insightful industry statistics and economic analysis to deliver market intelligence that industry can use to make more informed decisions.

Stakeholder benefits

FWPA's investments in this strategy will deliver benefits to stakeholders including:

- Improved industry competitiveness through better company-level knowledge of production, trade and operational costs
- Increased industry capacity and capability to facilitate expansion through a more extensive and reliable knowledge base.

Background

This is a new program established to address industry and key stakeholder concerns regarding the timeliness and accuracy of information available to the sector. In addition, the consultation process identified gaps in the data.

Much of the information needed to address these issues resides at the individual company level. The challenge is to aggregate this information in a confidential manner and then provide it to participants in the following period (month).

Improving the baseline data that is available will also complement the work undertaken by ABARES in producing the six-monthly Forest and Wood Products Statistics. It is expected the monthly data collected and aggregated by this program will be used to support ABARES broader data collection and verification process.



Key activities

The program focuses on aggregating and generating data to support decision making in two key areas:

Information to support/improve commercial operations

- Production measures
- Trade measures
- Market activity measures
- Operational competitiveness.

Information to support investment decisions

- Forest base
- Local and regional wood flows
- Market trends
- Emerging products.

Arrangements have been made with ABARES to upload import and export data for key industry products by major trading countries on a monthly basis. An interactive service is being developed for the website to provide data for the general public, wider industry and FWPA Members.

Data aggregation service

FWPA SOFTWOOD TIMBER DATA SERIES

The Softwood Timber Series that has been managed as part of the new Statistics and Economics Strategy program since May 2013 is being expanded to include data from more saw mills.

The series currently represents some 70% of total softwood sawn timber sales, collating information on 45 detailed product codes, with data being made available through the FWPA website. Public domain information is available on seven aggregate product groupings. Registered participants can access information on 11 more product groupings. Companies contributing data have access to aggregate information on all 45 product codes.

During the year, 18 softwood sawmills in Queensland, NSW, Victoria and SA were visited to encourage their participation in an expanded Softwood Timber Survey.

The response has generally been positive and it is expected that as new mills continue to come on board the coverage of the survey will exceed 90% of Industry monthly sales.

Softwood Timber Series Product Categories	
Cladding	Treated LOSP H2 Structural
Outdoor Treated	Treated H2-F Structural
Fencing	Landscaping
Flooring	Poles & Piles
Appearance	Furniture Timber
Structural (<120)	Packaging
Structural (≥120)	Ungraded

✕ Further information is available for the general public [here](#)

✕ More detailed industry information is available [here](#)

HARDWOOD TIMBER SERIES INITIATIVE

FWPA is also pursuing opportunities for data aggregation in the hardwood sawmilling sector. Discussions about establishing a Hardwood Timber Series have commenced with some ten sawmillers. The initial task has been determining a range of products that cover the main output of the Hardwood Sector. Agreement has now been reached on the products to be covered including; decorative (appearance and joinery, flooring, parquetry), structural (green and dry, laminated and finger jointed, rounds, engineered hardwoods), outdoor (decking, fencing, landscaping) and industrial.

Information is collected on monthly sales volume and weighted average sales value. The confidential data portal has now been developed and participating companies have commenced providing 24 months of historic data and ongoing monthly data. Initial coverage is expected to represent 50-60% of industry sales.

DATA DASHBOARD

To provide industry and policy makers with current information on key drivers the FWPA has established a data dashboard. The aim of the new dashboard is to provide industry decision makers with a central point of access to a range of public domain data, in addition to proprietary data that FWPA is aggregating on behalf of industry. By being able to view a range of easily accessible information, trends become easier to identify. In addition, to complement the extensive trade data, a system of data flags has been created to identify significant monthly variations.

LOOKING AHEAD

During 2014–15, FWPA's statistics and economic program coordination activities will be directed to:

- Foster the contribution of industry-generated data to the FWPA statistics program as measured by the percentage of national sales and production volumes
- Increase industry and stakeholder awareness and utilisation of FWPA-generated products as tracked by web downloads and third-party citations.

Activities to achieve these objectives will include:

FWPA Softwood Sales Value Series

A data portal is being developed to aggregate weighted average price information for a range of softwood timber products. A data template on suitable products and an appropriate methodology has been agreed and it is expected this service will be launched during the 2014/15 year.

FWPA Softwood Performance Benchmarking

The opportunity to aggregate performance benchmarking data for softwood sawmills is being pursued. A working group of three processor representatives has been formed and is presently identifying critical measures and addressing methodological issues associated with measurement. It is expected a pilot project will be launched during the 2014/15 year.

Growers Data Series

Discussions have begun with forest growers about the potential to improve the information which is available on monthly forest production. Historically, six-monthly information has been aggregated for some log products from a set sample of forest. The current initiative is aimed at expanding the forest coverage, updating the categories of logs tracked and aggregating information on a monthly basis.

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DIRECTORS' REPORT

Directors present this report on the Company for the financial year ended 30 June 2014.

Directors

During the reporting period, seven non-executive directors served on the Board as well as the Managing Director. Six directors (including the Managing Director) were Directors of the Company for the full financial year.

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

The names of each person who has been a director during the year and to the date of this report are:

Mr Ron Adams

Mr Vince Erasmus

Mr John Simon

Mr Evan Rolley

Mr John McNamara

Mr Craig Taylor (appointed 11 October 2013)

Dr Michele Allan (until 11 October 2013)

Mr Ric Sinclair

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Information on directors

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Mr Ron Adams

Managing Director of Wespine Industries Pty Ltd, Mr Adams 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 the 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.

DEPUTY CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Mr John Simon

John Simon is CEO of Simmonds Lumber Group and has more than 25 years' experience in the Australian wood products sector. After completing his master's in timber engineering, Mr Simon worked in timber research at the Council for Scientific and Industrial Research (CSIR) in South Africa. Since arriving in Australia 28 years ago, he has been the Managing Director of Sterlands, the largest timber frame and truss producer in Australia; CEO of national timber distributor Pine Solutions; Managing Director of merchant and retailer Hudson Building Supplies; and Chairman of the Timber Development Association for 10 years. Currently he is a Director of the Australian Timber Importers Federation, Director of the Timber Development Association and is a member of the Housing Industry Association's Manufacturers and Suppliers Council. He is also a Fellow of the Australian Institute of Company Directors.

Board responsibilities: Member of Remuneration and HR Committee, and Chair of the Market Access and Development Advisory Group.

NON-EXECUTIVE DIRECTOR

Mr John McNamara

John McNamara is CEO of Parkside Group Milling and currently holds a number of directorships. Since beginning his career as a mechanical engineering cadet for BHP in Wollongong, Mr McNamara has accrued more than 30 years experience in the forest and forest products industry, including time spent in Tasmania and in Mount Gambier as General Manager of Auspine's Group sawmilling and wholesale distribution business. Mr McNamara is currently the CEO of Parkside Group Sawmilling businesses which specializes in Native Hardwood sawmilling and value add processing in Queensland. Previously, Mr McNamara was the Managing Director of Hyne Timber, a role he held for 18 years.

Board responsibilities: Chair of the Audit and Finance Committee and Member of Remuneration and HR Committee (from 15 May 2014).

NON-EXECUTIVE DIRECTOR

Mr Evan Rolley

Mr Rolley was previously the Chief Commissioner for Forests, then Managing Director of Forestry Tasmania and, more recently, Secretary of Premier and Cabinet in Tasmania. He is currently Executive Director of Ta Ann Tasmania and a Director of Tasports, and operates a successful farming business, Huon Valley Vineyards. He holds qualifications in forestry and economics.

Board responsibilities: Chair of the Sustainability and Resources Advisory Group.

NON-EXECUTIVE DIRECTOR**Mr Vince Erasmus**

Mr Erasmus is an experienced industry participant with extensive skills and expertise in the management of softwood and hardwood operations internationally and has broad experience in the solid wood-processing environment. He is a former Director of the Forest Stewardship Council (FSC) Australia, the National Association of Forest Industries (NAFI), Australian Forest Products Association (AFPA) and the World Forestry Center in Portland, Oregon.

Board responsibilities: Chair of the Wood Products Advisory Group and Member of the Audit and Finance Committee.

**NON-EXECUTIVE DIRECTOR
(FROM OCTOBER 2013)****Mr Craig Taylor**

Mr Taylor is Director and Principal of the Fifth Estate, a Sydney-based consulting firm that works at high corporate levels to determine strategy and develop business. A tertiary qualified forester, he was Vice President and Associate Principal for Jaakko Pöyry Consulting, running the Asia Pacific groups solid wood consulting group between 1997 and 2003.

Mr Taylor has held executive roles with the State Forests of New South Wales and Boral Timber and has wide experience in harvesting and log yard operations, production, planning and sales. He has published and presented internationally in the areas of hardwood plantations for high-value wood products, woodchip supply, demand and markets, plantations and water, regional industry development, forest products markets, restructuring the Australian wood panels industry, plantation investment and industry development strategies.

Board Responsibilities: Member of the Audit and Finance Committee (from 15 May 2014).

**NON-EXECUTIVE DIRECTOR
(UNTIL OCTOBER 2013)****Dr Michele Allan**

Dr Allan is 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 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 also 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), Doctor of Business Administration, Master of Commercial Law, and is a Graduate and Fellow of the Australian Institute of Company Directors.

Board Responsibilities: Chair of the Audit and Finance Committee and Member of Remuneration and HR Committee.

MANAGING DIRECTOR**Mr 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 Master of Business Administration.

Board Responsibilities: Invited guest to the Audit and Finance Committee.

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 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:

Mr John McNamara (Chair) (from 15 May 2014)
Dr Michele Allan (Chair) (until October 2013)
Mr Craig Taylor (from 15 May 2014)
Mr Vince Erasmus

Invited guests:

Mr Ric Sinclair
Mr Jason See

The key tasks of the Audit and Finance Committee are to:

- 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; 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:

Mr Ron Adams (Chair)
Mr John Simon
Dr Michele Allan (until October 2013)
Mr John McNamara (from 15 May 2014)
Ms Lesley Austin (Secretary)

The secretary is an independent and external consultant.

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

- 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.

Board meetings

During the reporting period, the Board held six meetings.

Details of attendance by individual Board members are provided below.

DIRECTOR	BOARD		AUDIT AND FINANCE COMMITTEE		REMUNERATION AND HUMAN RESOURCES COMMITTEE	
	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend
Mr Ron Adams	6	6			2	2
Mr John Simon	6	6			2	2
Dr Michele Allan	2	2	1	1	1	1
Mr Vince Erasmus	6	6	1	1		
Mr Evan Rolley	6	6				
Mr John McNamara	6	6	1	1	1	1
Mr Craig Taylor	3	4				
Mr Ric Sinclair	6	6	1	1		

Principal activities

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

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

Significant changes in state of affairs

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

Objectives

- › Invests in outcome-oriented research and development (R&D) and encourages the adoption of R&D findings;
- › Manages the generic promotion of the forest and wood products sector;
- › Plays a role in developing the capacity and skills of people in the industry, including the adoption of technologies;
- › Coordinates the sector's approach to timber standards and building codes; and
- › Coordinates the collection and analysis of reporting of industry statistics and economic measures on behalf of its members and levy payers.

Strategies

- Promote the benefits and usage of forests and wood products, in accord with changing community attitudes, environmental awareness, and market trends (Generic Industry Promotion);
- Invest in and coordinate research and development 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 (R&D Investments);
- Grow the industry's capacity and capability through effective technical transfer and focused education activities that support the industry and its products (Tech Transfer and Education);
- Coordinate the industry's management of consensus-based standards and building codes to maintain or improve market acceptance of the industry's products (Standards Coordination); and
- Coordinate the collection and analysis of key industry statistics and other economic analyses to support commercial decision-making and policy development within the sector (Statistics and Economics Coordination).

Results of operations

The operating result for the financial year to 30 June 2014 was an operating surplus of \$485,088 (2013: \$2,093 surplus).

Significant events after the balance date

No matters or circumstances have arisen since the end of the financial year which in the opinion of the Directors have significantly affected or 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*.

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 2014 the number of members was 141.

Risk management, fraud control and business recovery

The company has risk management, business recovery and fraud control plans in place. It also maintained a human resource policy and procedures, a Corruption and Fraud Control policy, a Whistleblower policy and a policy and procedure manual.

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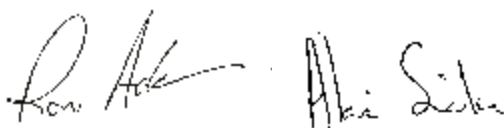
Environmental regulation and performance

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

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on the following page.

Signed in accordance with a resolution of the Board of Directors, pursuant to Section 298(2) of the *Corporations Act 2001*.

The image shows two handwritten signatures in black ink. The signature on the left is 'Ron Adams' and the signature on the right is 'Alaric Sinclair'.

Ronald Adams
Director

22 August 2014

Alaric Sinclair
Director

22 August 2014

AUDITOR'S INDEPENDENCE DECLARATION

under Section 307C of the *Corporations Act 2001*



Auditor Independence Declaration Under S307C of the *Corporations Act 2001* to the Directors of Forest and Wood Products Australia Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there has been:

- 1) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- 2) No contraventions of any applicable code of professional conduct in relation to the audit.

CROWE HORWATH MELBOURNE

DAVID MUNDAY
Partner

Melbourne Victoria
Date: 22 August 2014

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2014

	Note	2014 \$	2013 \$
Revenue	3(a)	7,812,106	7,145,727
Other income	3(c)	376,935	444,403
Generic promotion	4(a)	(3,072,482)	(2,418,834)
Research, development and extension	4(b)	(3,116,384)	(3,537,244)
Capacity and education	4(c)	(470,354)	(727,145)
Standards coordination	4(d)	(451,499)	(267,579)
Statistics and economics	4(e)	(593,234)	(637,235)
Net surplus before income tax expense		485,088	2,093
Income tax expense	1(r)	-	-
Surplus after income tax expense for the year attributable to the members of Forest and Wood Products Australia Limited		485,088	2,093
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Forest and Wood Products Australia Limited		485,088	2,093
Note: Employee benefits expenses for the above activities	4(f)		

STATEMENT OF FINANCIAL POSITION as at 30 June 2014

	<i>Note</i>	2014 \$	2013 \$
ASSETS			
Current assets			
Cash & cash equivalents	5	1,982,866	1,352,681
Trade and other receivables	6	1,140,177	604,811
Financial assets	7	2,962,120	3,559,559
Total current assets		6,085,163	5,517,051
Non-current assets			
Furniture and equipment	8	11,623	27,265
Total non-current assets		11,623	27,265
Total assets		6,096,786	5,544,316
LIABILITIES			
Current liabilities			
Trade and other payables	9	483,513	427,577
Employee benefits	10	203,288	205,355
Total current liabilities		686,801	632,932
Non-current liabilities			
Employee benefits	10	44,284	30,771
Total non-current liabilities		44,284	30,771
Total liabilities		731,085	663,703
Net assets		5,365,701	4,880,613
EQUITY			
Retained surplus		5,365,701	4,880,613
Total equity		5,365,701	4,880,613

The accompanying notes form part of these financial statements.

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projects**STATEMENT OF CHANGES IN EQUITY** for the year ended 30 June 2014

	Retained surplus	Total
	\$	\$
Opening balance at 1 July 2012	4,878,520	4,878,520
Net surplus for the year after income tax	2,093	2,093
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	2,093	2,093
Closing balance at 30 June 2013	4,880,613	4,880,613
Balance at 1 July 2013	4,880,613	4,880,613
Net surplus for the year after income tax	485,088	485,088
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	485,088	485,088
Closing balance at 30 June 2014	5,365,701	5,365,701

NB: The Company's equity balance at year end should be read in the context of Schedule of Commitments in Note 18.

STATEMENT OF CASH FLOWS for the year ended 30 June 2014

	<i>Note</i>	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and government		7,525,006	7,475,521
Payments to suppliers and employees		(7,689,626)	(7,283,597)
Interest received		199,318	194,966
Net cash provided by operating activities	11	34,698	386,890
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(4,513)	-
Disposal/(Acquisition) of financial assets		600,000	(1,592,449)
Net cash provided by (used in) investing activities		595,487	(1,592,449)
Net increase (decrease) in cash held		630,185	(1,205,559)
Cash at the beginning of the reporting period		1,352,681	2,558,239
Cash at the end of financial year	5	1,982,866	1,352,681

Notes to the Financial Statements 30 June 2014

1 Summary of significant accounting policies

(a) GENERAL INFORMATION

The financial statements cover Forest and Wood Products Australia Limited as an individual entity. The financial statements are presented in Australian dollars, which is Forest and Wood Products Australia Limited's functional and presentation currency.

Forest and Wood Products Australia Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 August 2014. The directors have the power to amend and reissue the financial statements

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(b) NEW, REVISED OR AMENDING ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the company from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 1053 Application of Tiers of Australian Accounting Standards

The company has applied AASB 1053 from 1 July 2013. This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements, being Tier 1 Australian Accounting Standards and Tier 2 Australian Accounting Standards - Reduced Disclosure Requirements. The company being classed as Tier 2 continues to apply the full recognition and measurements requirements of Australian Accounting Standards with substantially reduced disclosure in accordance with AASB 2010-2 and later amending Standards, as relevant.

AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements

The company has applied AASB 2010-2 from 1 July 2013. These amendments make numerous modifications to a range of Australian Accounting Standards and Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities in preparing general purpose financial statements. The adoption of these amendments has significantly reduced the company's disclosure requirements.

AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements, AASB 2012-7 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and AASB 2012-11 Amendments to Australian Accounting Standards - Reduced Disclosure Requirements and Other Amendments

The company has applied AASB 2011-2, AASB 2012-7 and 2012-11 amendments from 1 July 2013, to the extent that they related to other standards already adopted by the company. These amendments make numerous modifications to a range of Australian Accounting Standards and Interpretations to significantly reduce the company's disclosure requirements.

Notes to the Financial Statements 30 June 2014

1 Summary of significant accounting policies, cont.***AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13***

The company has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

The company has applied AASB 119 and its consequential amendments from 1 July 2013. The standard eliminates the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities

The company has applied AASB 2012-2 from 1 July 2013. The amendments enhance AASB 7 'Financial Instruments: Disclosures' and requires disclosure of information about rights of set-off and related arrangements, such as collateral agreements. The amendments apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement. The Company has considered

the impact of AASB2012-2 in the preparation of the financial statements and that there has been no change to the disclosure in these financial statements resulting from AASB 2012-2.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The company has applied AASB 2012-5 from 1 July 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities. The Company has considered the impact of AASB2012-5 in the preparation of the financial statements and that there has been no change to the disclosure in these financial statements resulting from AASB 2012-5.

(c) BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for not-for-profit oriented entities.

The financial report except for the cash flow information has been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value

Notes to the Financial Statements 30 June 2014

1 Summary of significant accounting policies, cont.

of selected non current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

(d) COMPARATIVES

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

(e) REVENUE RECOGNITION

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised as interest accrues using the specific interest rate applicable.

Members' levies are recognised on advice of entitlement from the Department of Agriculture 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).

(f) CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

(g) CASH AND CASH EQUIVALENTS

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

(h) HELD-TO-MATURITY INVESTMENTS

Term deposit holdings are classified as held-to-maturity investments as the company has the positive intent and ability to hold those securities to maturity – generally being 3-12 months from commencement. Held-to-maturity investments are recognised in the Statement of Financial Position upon purchase of the investment. Measurement is based on contractually agreed amounts with financial institutions wherein the investments are held. Held-to-maturity investments are recognised as Cash and Cash Equivalents where the maturity from balance date occurs in 3 months or less, otherwise they are recognised as short-term Financial Assets where the maturity from balance date is greater than 3 months, but at 12 months or less. Interests earned on held-to-maturity investments are recognised as revenue upon receipt and as accrued.

Notes to the Financial Statements 30 June 2014

1 Summary of significant accounting policies, cont.**(i) FURNITURE AND EQUIPMENT**

Each class of furniture and equipment is carried at cost, less, where applicable, 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).

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 furniture and equipment 13% - 27%
- Leasehold improvements 20%

(j) IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise. When revalued assets are sold, amounts included in the revaluation reserve

relating to that asset are transferred to retained earnings.

(k) TRADE AND OTHER RECEIVABLES

Other receivables are recognised at amortised cost, less any provision for impairment.

(l) FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(m) ACCOUNTS PAYABLE AND OTHER PAYABLES

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days or recognition of the liability.

(n) EMPLOYEE PROVISIONS

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period.

Short-term employee benefits

Liabilities for wages and salaries, including non-

Notes to the Financial Statements 30 June 2014

1 Summary of significant accounting policies, cont.

monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected 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 currency that match, as closely as possible, the estimated future cash outflows.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

Superannuation

Employees of the Company are members of the AustralianSuper, Equisuper, BT Financial Group, VicSuper, Care Super and Jim Houghton Superannuation Fund. Contributions are made to the Company employee superannuation funds and are charged as expenses when incurred.

(o) 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.

(p) 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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(q) 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.

(r) 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*.

(s) 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.

(t) ECONOMIC DEPENDENCE

Forest and Wood Products Australia Limited (FWPA) is dependent on the Department of Agriculture for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe the Department will not continue to support FWPA Limited.

Notes to the Financial Statements 30 June 2014

2 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets

The company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

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Notes to the Financial Statements 30 June 2014

3 Revenue

	<i>Note</i>	2014 \$	2013 \$
(a) Revenue			
Commonwealth matching	4(g)	2,914,658	2,684,181
Industry contributions	3(b)	4,897,448	4,461,546
Total revenue		7,812,106	7,145,727
(b) Industry contributions			
Processors		2,783,191	2,534,643
Importers		929,440	842,980
Growers		763,076	600,217
State growers		411,982	473,756
Penalties		9,759	9,950
Total industry contributions		4,897,448	4,461,546
(c) Other revenue			
Bank interest received		201,885	196,384
Industry project contributions		1,818	192,455
Others		173,232	55,564
Total other revenue		376,935	444,403

Notes to the Financial Statements 30 June 2014

4 Program Expenses

	2014 \$	2013 \$
(a) Generic Promotion (GP)		
Consumer activities	1,179,944	1,104,394
Specifier activities	178,351	199,634
Specifier information & education activities (M)	941,162	563,210
Program Partner activities	9,836	18,731
Program support management	452,148	532,865
Program support management (M)	311,041	-
	3,072,482	2,418,834
(b) Research Development and Extension (RD&E)		
Market access development	501,594	537,282
Solid wood processing	21,500	445,502
Sustainability & resources	1,600,385	1,499,773
Stakeholder consultation & development	121,772	46,127
Program support management	871,133	1,008,560
	3,116,384	3,537,244
(c) Capacity and Education (C&E)		
Technology transfer activities	160,479	313,767
Education activities	213,553	226,198
Program support management	96,322	187,180
	470,354	727,145
(d) Standards Coordination (SC)		
Codes and standards activities	22,360	75,954
Codes and standards information & education activities (M)	200,658	18,710
Program support management	22,908	172,915
Program support management (M)	205,573	-
	451,499	267,579
(e) Statistics and Economics activities		
Statistics and economics activities	334,321	450,620
Program support management	258,913	186,615
	593,234	637,235
(f) Employee benefits expenses*		
Wages and salaries	1,084,961	958,271
Annual leave	75,897	69,091
Increase to long service leave provision	23,915	25,847
Superannuation contributions	92,824	79,158
Payroll tax	20,958	25,567
	1,298,555	1,157,934
(g) Matchable expenses (M)		
GP matchable components	1,252,203	563,210
RD&E expenses	3,107,293	3,422,062
C&E expenses	470,354	727,145
SC matchable components	406,231	18,710
S&E expenses	593,234	637,235
	5,829,315	5,368,362
Commonwealth Matching (total matchable divide by two)	2,914,658	2,684,181

(M) =
MATCHABLE

* Employee benefits expenses were allocated into various program support management from 4(a) to 4(e) above as per cost allocation policy

Notes to the Financial Statements 30 June 2014

5 Cash and cash equivalents	2014	2013
	\$	\$
Cash on hand	200	200
Cash at bank	82,666	352,481
Short-term bank deposits	1,900,000	1,000,000
	1,982,866	1,352,681
6 Trade and other receivables		
CURRENT		
Commonwealth matching	915,704	428,161
Levies receivable	187,124	227,230
Interest receivable	552	545
Project co-contribution receivable	–	8,000
Prepayments	14,085	10,426
GST receivable/ (payable)	22,712	(69,551)
	1,140,177	604,811
7 Other financial assets		
Held to maturity investment: long term bank deposits	2,929,500	3,529,500
Interest receivable	32,620	30,059
	2,962,120	3,559,559
8 Furniture and equipment		
Office equipment		
At cost	115,052	110,539
Less accumulated depreciation	(103,429)	(87,322)
Total office equipment	11,623	23,217
Improvements		
At cost	113,297	113,297
Less accumulated depreciation/impairment	(113,297)	(109,249)
Total improvements	–	4,048
Total furniture and equipment	11,623	27,265

(a) Movements in carrying amounts	Office Equipment	Improvements	Total
	\$	\$	\$
Balance at 30 June 2012	43,336	66,683	110,019
Write offs	–	(32,647)	(32,647)
Depreciation expense	(18,418)	(21,320)	(39,738)
Program depreciation expense	(1,701)	(2,668)	(4,369)
Carrying amount at the end of period	23,217	4,048	27,265
Balance at 30 June 2013	23,217	4,048	27,265
Additions	4,513	–	4,513
Depreciation expense	(15,717)	(656)	(16,373)
Program depreciation expense	(390)	(3,392)	(3,782)
Carrying amount at 30 June 2014	11,623	–	11,623

Notes to the Financial Statements 30 June 2014

9 Trade and other payables

	2014 \$	2013 \$
CURRENT		
Trade payables	435,113	381,480
	435,113	381,480
Other payables & accruals		
Audit fee	10,500	10,000
PAYG tax & FBT (BAS)	37,900	36,097
	48,400	46,097
Total trade and other payables	483,513	427,577

10 Employee benefits

	Annual Leave \$	Long Service Leave \$	Total \$
Balance at 30 June 2013	93,277	142,849	236,126
Additional provisions	75,897	23,915	99,812
Amounts used	(88,366)	–	(88,366)
Balance at 30 June 2014	80,808	166,764	247,572
Number of employees at 30 June 2014: 9 (2013: 10)			
		2014 \$	2013 \$
Analysis of total provisions			
CURRENT			
Employee benefits – annual leave		80,808	93,276
Employee benefits – long service leave		122,480	112,079
		203,288	205,355
NON-CURRENT			
Employee benefits – long service leave		44,284	30,771
		44,284	30,771
		247,572	236,126

Notes to the Financial Statements 30 June 2014

11 Cash flow information

	2014 \$	2013 \$
Reconciliation of Cash Flow from operations with profit after income tax		
Net income for the year	485,088	2,093
Non-cash flows in profit		
Depreciation, amortisation and impairments	20,155	50,107
Write off of assets	–	32,646
Changes in assets and liabilities, net of the effects of transfers of operations		
(Increase)/decrease in trade and term receivables	(535,366)	100,180
(Increase)/decrease in interest receivables	(2,561)	(2,104)
Increase in trade payables and accruals	55,936	197,232
Increase in provisions	11,446	12,736
Decrease in other liabilities	–	(6,000)
Cash flow from operations	34, 698	386,890

12 Key management personnel compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of Forest and Wood Products Australia Limited, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

	2014	2013
Key management personnel compensation		
\$NIL - \$29,999	6	7
\$30,000 - \$59,999	1	1
\$200,000 - \$299,999	1	1
	\$	\$
Amounts received, or due and receivable, by directors	470,885	469,726

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

Notes to the Financial Statements 30 June 2014

13 Auditors' remuneration

Remuneration of the auditor of the Company for:

	2014 \$	2013 \$
Auditing the financial report	12,290	10,000
Other auditing services	9,050	4,445

14 Related party transaction

Key management personnel

Disclosures relating to key management personnel are set out in note 12.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

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.

	2014 \$	2013 \$
Income		
Forests NSW (N. Roberts)	–	229,963
Project expenditure		
J.W. Gottstein Memorial Trust (R. Adams, R. Sinclair, J. See)	1,400	4,200
Timber Development Association (J. Simon)	562,313	257,521

15 Contingent liabilities

At 30 June 2014 the Company had no contingent liabilities.

16 Amounts guaranteed

The Company has issued a guarantee in the amount of \$ 29,500 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 2014

17 Operating Lease Commitments

	2014 \$	2013 \$
BY TYPE		
Other commitments		
Operating leases ¹	78,918	151,248
Total commitments by type	78,918	151,248
BY MATURITY		
Operating lease commitments		
One year or less	78,918	82,499
From one to five years	–	68,749
Total commitments by maturity	78,918	151,248

NB: Commitments are GST inclusive where relevant.

¹ 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	1-2 years	
Level 4, 10–16 Queen Street Melbourne VIC 3000	\$90,192	2 years	13/05/2015	\$78,918	–	\$78,918

Notes to the Financial Statements 30 June 2014

18 Schedule of commitments

	2014 \$	2013 \$
BY TYPE		
Commitments		
Commitments ¹	2,303,135	3,258,553
Total commitments by type	2,303,135	3,258,553
BY MATURITY		
Commitments		
One year or less	1,467,906	2,348,220
From one to five years	835,229	910,333
Total commitments by maturity	2,303,135	3,258,553

NB: Commitments are GST inclusive where relevant.

¹ As at 30 June 2014, other commitments comprise payable under project and grant agreements in respect of which the recipients are yet to either perform the services required or meet eligibility conditions. Details of Commitments as below:

	Commitments 2014		Total Commitments
	0-1 year	1-5 years	
Market access development	554,961	220,330	775,291
Solid wood processing	12,100	–	12,100
Sustainability & resources	848,595	614,899	1,463,494
Technology transfer & education	19,250	–	19,250
Stakeholder consultation & development	33,000	–	33,000
	1,467,906	835,229	2,303,135

19 Assets held in trust

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 Research & Development Corporation on 3 September 2007. These monies are not available for other purposes of the company and are not recognised in the financial statements.

Russell Grimwade Prize Trust	2014 \$	2013 \$
Donations and Bequests Research Trust Account		
Opening balance at the beginning year	245,514	239,878
Add: interest earned	9,006	5,636
Less: payments	–	–
Closing balance at the end of year	254,520	245,514

20 Events after the reporting period

No matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

21 Company details

The registered office of the Company is:

Forest and Wood Products Australia Limited, Level 4, 10-16 Queen Street, Melbourne Victoria 3000

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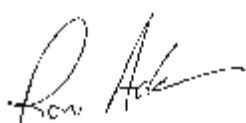
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DIRECTORS' DECLARATION

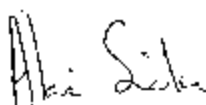
In accordance with a resolution of the directors of Forest and Wood Products Australia Limited, the directors declare that:

- 1 The financial statements and notes, as set out on pages 81 to 98, are in accordance with the *Corporations Act 2001* and:
 - (a) Comply with Accounting Standards; and
 - (b) Give a true and fair view of the financial position of the Company as at 30 June 2014 and of its performance for the year ended on that date.
- 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 22nd day of August 2014

INDEPENDENT AUDIT REPORT

under Section 307C of the *Corporations Act 2001*



Independent Auditor's Report to the Members of Forest and Wood Products Australia Limited

Report on the financial report

We have audited the accompanying financial report of Forest and Wood Products Australia Limited (the company), which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss, 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 information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – *Reduced Disclosure Requirements* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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. These standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 company'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 the financial report of Forest and Wood Products Australia Limited is in accordance with the *Corporations Act 2001*, including

- a) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – *Reduced Disclosure Requirements* (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

CROWE HORWATH MELBOURNE

DAVID MUNDAY
Partner

Melbourne Victoria
Dated this 22 August 2014

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RESEARCH PROJECTS

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PROGRAM 5: STATISTICS AND ECONOMICS PROGRAM COORDINATION

PROJECT DESCRIPTION	FWPA INVESTMENT \$	TOTAL PROJECT COST \$	STATUS	PROJECT NO.
Investment Priority 1. Information, analysis and interpretation of domestic and export markets				
Coordinated supply of production, consumption, trade and socio-economic data for the forest and timber industry	828,882	1,292,274	➔	PNA225-1011
Australian Bureau of Agricultural and Resource Economics and Sciences				
Co-ordination of FWPA Statistics Programs	20,838	20,838	✓	PRA294-1112
Industry Edge				
Incident Recording Information System (IRIS) for workplace health and safety (WHS) reporting	40,000	84,800	➔	PRA300-1213
Australian Forest Products Association				
Data Portal Development & maintenance	31,180	31,180	➔	–
Haines Muir Hill				

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PROGRAM 2: RESEARCH, DEVELOPMENT & EXTENSION (RD&E)

PROJECT DESCRIPTION	FWPA INVESTMENT \$	TOTAL PROJECT COST \$	STATUS	PROJECT NO.
Investment Priority 2. Timber construction in residential buildings				
Investigating and developing strategies for timber residential buildings in Australia (Doug Thomas)	105,000	105,000	➡	PGD230-1011
Research Provider: University of Technology Sydney				
Timber Construction for Thermal Performance - Design Guide	36,500	55,000	✓	PNA233-1112
Research Provider: University of Tasmania				
Improving Thermal Efficiency in Lightweight Construction	98,500	432,450	➡	PNA289-1213
Research Provider: University of Tasmania				
Decorative Wood Veneers Association Manual (Melb. Uni)	25,000	25,000	✓	PRA295-1213
Research Provider: University of Melbourne				
Discussion Paper Matching pine resource to market needs	20,000	20,000	➡	PRE327-1314
Research Provider: Haber Associates				
Investment Priority 3. Timber construction in commercial and industrial buildings				
Commercial Building Costing Cases Studies – Traditional design versus timber	155,000	197,000	➡	PNA308-1213
Research Provider: Timber Development Association (NSW) Ltd				
Understanding psychological barriers to widespread acceptance of mass timber construction in Australia	70,000	70,000	➡	PNA309-1213
Research Provider: Monash University				
Increasing the timber office fit-out market by designing for measurable life cycle benefits	165,000	331,000	➡	PNA322-1314
Research Provider: University of Technology Sydney				
Guide to wood construction systems	90,000	182,000	➡	PNA323-1314
Research Provider: University of Tasmania				
Panelised and off-site building systems	105,000	244,000	➡	PNA324-1314
Research Provider: University of Tasmania				
Measuring Installation Productivity on Panelised and Long Span Timber Construction	53,000	109,500	➡	PNA329-1314
Research Provider: University of Technology Sydney				
Preparation of structural engineering software providers brief (updated)	36,351	36,351	✓	PRA215-1011
Research Provider: Timber Development Association (NSW) Ltd				
Updating of fire safety supporting documentation for BCA	61,000	61,000	➡	PRA277-1112
Research Provider: Exova Warringtonfire				
Char calculation methodology to provide structural, insulation and integrity fire resistance rating for solid timber and engineered wood wall, floor and roof elements	93,875	117,875	➡	PRA319-1314
Research Provider: Timber Development Association (NSW) Ltd				
A Road Map for the Design of Large Commercial and Multi Residential Timber Buildings	75,000	105,000	➡	PRA320-1314
Research Provider: Timber Development Association (NSW) Ltd				
Green Star compliant Environmental Product Declarations (EPDs) for Timber Products	109,125	139,125	➡	PRA321-1314
Research Provider: Timber Development Association (NSW) Ltd				
EXPAN Guide Review	65,000	65,000	➡	PRA331-1314
Research Provider: Timber Development Association (NSW) Ltd				

✓ Complete

➡ Active

✗ Cancelled

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

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PROJECT DESCRIPTION	FWPA INVESTMENT \$	TOTAL PROJECT COST \$	STATUS	PROJECT NO.
Investment Priority 4. Wood products in sustainable buildings				
Understanding thermal mass and ventilation in lightweight structures (Ben Slee)	105,000	210,000	➔	PGD296-1213
Research Provider: The University of Sydney				
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				
Opportunities for post-consumer H2F 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				
✗ Demonstrating legal timber – Industry benchmarking and due diligence tools	167,727	221,727	✓	PNA252-1112
Research Provider: Timber Development Association (NSW) Ltd				
✗ Accounting for biodiversity in Life Cycle Impact Assessments of forestry and agricultural systems.	45,000	127,000	➔	PNC301-1213
Research Provider: NSW Department of Primary Industries				
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				
LCA and the Australian Forest And Wood Products Sector – A Discussion Paper	5,000	5,000	✓	PRA315-1314
Research Provider: CSIRO Ecosystem Sciences				
✗ Carbon storage in engineered wood products in landfills	120,000	630,000	✓	PRB180-0910
Research Provider: Industry & Investment NSW				
✗ Developing a LCI database for Australian agriculture (RIRDC)	20,000	20,000	✓	PRC254-1112
Research Provider: Rural Industries R & D Corporation				
Investment Priority 5. Solid wood, engineered wood and pulp and paper products: Performance and yield				
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				
The Aus/NZ Solid Wood Initiative: Better performing structural products manufactured with higher efficiency and using less energy and water	1,588,927	8,848,927	➔	PNB131-0809
Research Provider: WQI Ltd				
Establishing the comparative durability of African Mahogany (Khaya Senegalensis) in weather exposed above ground applications.	9,275	9,275	➔	PRB287-1112
Research Provider: African Mahogany (Australia) Pty Ltd				
FWPA R&D Investment Plan for: Solid wood, engineered wood and pulp and paper products: Performance & yield: Update	18,000	18,000	➔	PRB334-1314
Research Provider: Sylva Systems Pty Ltd				

✓ Complete

➔ Active

✗ Cancelled

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PROJECT DESCRIPTION	FWPA INVESTMENT \$	TOTAL PROJECT COST \$	STATUS	PROJECT NO.
Investment Priority 6. Maximising product yields and values from current resources				
Reducing costs in the wood supply chain through controlling the moisture content of logs and chips	53,288	177,494	➡	PNC336-1314
Research Provider: University of the Sunshine Coast				
Investment Priority 7. Improving wood quality and yield, and tools for forest management				
Compromised Wood: Improving the properties of young radiata pine using fundamental chemical studies and NDE techniques	165,000	2,996,000	➡	PNC056-0809
Research Provider: University of Canterbury				
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				
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				
✖ Predicting wood quality to improve sawlog value in radiata pine	332,000	868,458	✓	PNC196-1011
Research Provider: CSIRO				
✖ Raising Awareness in the Forest Industry of Improved Inter-Rotational Management in Radiata Pine	74,500	152,000	✓	PNC216-1011
Research Provider: Forsci Pty Ltd				
The extent, severity and causes of second rotation productivity decline in blue gums	59,446	124,446	➡	PNC288-1112
Research Provider: CSIRO Ecosystem Sciences				
✖ Predictive relationships to assist fertiliser use decision-making in eucalypt plantations	35,000	96,800	➡	PNC304-1213
Research Provider: Hancock Victorian Plantation				
Operational deployment of LiDAR derived information into softwood resource systems	172,000	999,335	➡	PNC305-1213
Research Provider: NSW Department of Primary Industries				
Evaluating and modelling radiata pine wood quality in the Murray Valley region	208,086	606,102	➡	PNC325-1314
Research Provider: CSIRO Sustainable Ecosystems				
Deployment and integration of cost-effective, high spatial resolution, remotely sensed data for the Australian forestry industry	398,000	1,836,957	➡	PNC326-1314
Research Provider: NSW Department of Primary Industries				
Investigation of Tip Death in Radiata Pine Nurseries – trial	28,000	75,654	➡	PNC330-1314
Research Provider: Hancock Victorian Plantation				
Pine Tip Mortality Scoping Study	29,000	55,587	➡	PNC333-1314
Research Provider: CSIRO Ecosystem Sciences				
Industry Forest Health survey and audit	3,591	3,591	✓	PRC312-1314
Research Provider: Bushbury Forest Pathology Services				

✓ Complete

➡ Active

✖ Cancelled

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Investment Priority 8. Genetic improvement and delivery for increased wood yield and quality and for managing risks				
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				
Optimal use of genetics in deployment and tree breeding	725,000	1,838,235	✓	PNC211-1011
Research Provider: Southern Tree Breeding Association				
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				
Investment Priority 9. Water use efficiency, access to resources and balanced policy outcomes				
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 bio-security and preparedness				
Managing gene flow from <i>Eucalyptus globulus</i> plantations (Matthew Larcombe)	59,500	59,500	✓	PGD183-0910
Research Provider: University of Tasmania				
Plantation Forest Biosecurity Manual	35,000	66,500	➔	PRC318-1314
Research Provider: Plant Health Australia				
Investment Priority 11. Mitigation of and adaptation to climate change and the management of the carbon cycle in plantations and native forests				
Adaptation strategies to manage risk in Australia's plantations	485,298	1,164,614	➔	PNC228-1011
Research Provider: CSIRO Ecosystem Sciences				
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				
Forests for the future: making the most of a high CO ₂ world	250,000	250,000	➔	PNC310-1213
Research Provider: CSIRO Ecosystem Sciences				
Participation in a collaborative network for Climate Change Research Strategy for Primary Industries (CCRSPI) - extension	30,000	30,000	➔	PRC226-1011
Research Provider: Climate Change Research Strategy for Primary Industries (CCRSPI)				
Industry representation at COP19 UN Framework convention on Climate Control	10,000	10,000	✓	PRE313-1314
Research Provider: Australian Forest Products Association				

✓ Complete

➔ Active

✗ Cancelled

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Investment Priority 12. Other				
Economic Analysis of Selected FWPA Projects 2013	18,000	18,000	✓	PRA306-1213
Research Provider: ESYS Development				
Economic Analysis of Selected FWPA Projects 2014	18,000	18,000	✓	PRA314-1314
Research Provider: ESYS Development				
Secretariat support for national forest and wood products Research, Development and Extension Forum	35,700	35,700	➔	PRE297-1213
Research Provider: G A Kile				
Wood Collection Curation	15,000	45,000	➔	PRE302-1213
Research Provider: CSIRO Materials Science & Engineering				
Membership to RMIT IG Network (RMIT)	9,091	9,091	➔	PRE303-1213
Research Provider: RMIT				
Analysis of current national RD&E investment and capability against national research priorities in the forest and wood products sectors	7,876	7,876	✓	PRE311-1314
Research Provider: Gordon Duff Consulting				
Facilitating and funding the productive interaction of research capability in Australia and New Zealand to address industry-identified research priorities	8,000	8,000	✓	PRE316-1314
Research Provider: Forest Quality Pty Ltd				
Development of a Discussion Paper on Models for Collaborative Research	13,500	13,500	✓	PRE317-1314
Research Provider: K H Adams				
Investment Priority Not Assigned				
Postgraduate research into the environmental, economic and other costs incurred by increasing the thermal performance (star rating) of the domestic construction in Australia, particularly on light-weight timber construction (Phil McLeod)	90,000	156,000	➔	PGD088-0708
Research Provider: University of Tasmania				
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				
Monitoring timber bridge beams for structural health (John Moore)	90,000	90,000	✓	PGD137-0809
Research Provider: University of New England				
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				
FWPA investment plan National research for native forest management	20,625	20,625	➔	PRE332-1314
Research Provider: SANFOR				
Development of a methodology for a national database for the forestry and timber processing sector	12,000	12,000	➔	PRE335-1314
Research Provider: Sylva Systems Pty Ltd				