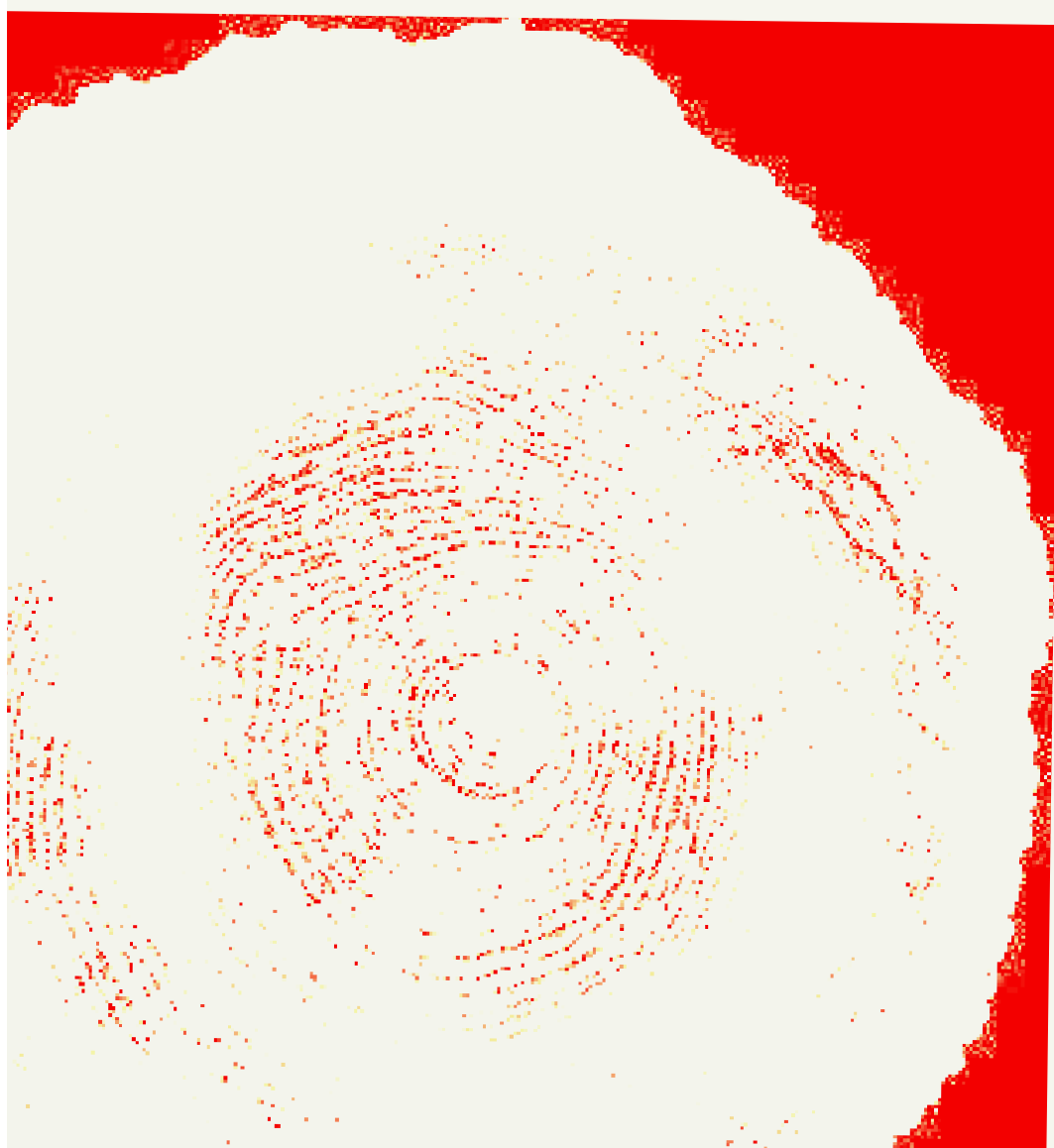




Annual Report

2016 — 2017



Published by:

Forest and Wood Products Australia Limited

Office location:

Level 11, 10-16 Queen Street, Melbourne Vic 3000

ABN:

75 127 114 185

Telephone:

(03) 9927 3200

from overseas: +61 3 9927 3200

Facsimile:

(03) 9927 3288

from overseas: +61 3 9927 3288

Email:

info@fwpa.com.au

Website:

www.fwpa.com.au

AUDITORS:

RSM Australia Partners

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From the Chairman

It is with great pleasure that I present the 2016-17 Annual Report for Forest and Wood Products Australia Limited (FWPA).

FWPA collaborates with government and industry to grow the market, delivering real-world outcomes that are good for business, the environment and society.

Over the last year, we've worked to refocus our engagement structures to further improve our collaboration with members and other stakeholders, such as suppliers and researchers.

We rely heavily on the input of people 'on the ground' and their valuable experience and expertise to help us understand how we can best grow the market, innovate and promote the unique attractions of forest and wood products.

Our new Industry Advisory Groups and Interest Groups will play a vital role in improving communication, identifying valuable investment opportunities and pinpointing issues or gaps we could help address with funding, contacts or other assistance.

I would like to thank all of those who have made a commitment to the future of our industry by participating, and would encourage others to explore the opportunities to have their say.

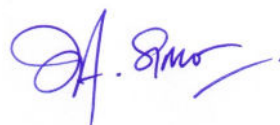
Our new and outcome-focussed strategic plan has been in place for over a year now, and this report includes numerous examples of its successes across each of our five areas of focus.

Looking to the future, I am pleased to confirm that negotiations with the Australian Government for a new Statutory Funding Agreement have been successfully completed and the new agreement will take effect from August 2017 for a four year period. This will allow us to continue our important work in partnership with the Government and industry stakeholders.

These discussions follow a positive independent review undertaken by external consultants which recognised our competence and gave us the tick of approval across a number of important areas, including member feedback.

I would like to take this opportunity to thank my fellow directors and all FWPA staff for their ongoing commitment and diligence.

It is an honour and a pleasure to be part of a recognised organisation with such strong commitment to ensuring a better future for the forest and wood products sector.



John Simon
Chairman

From the Managing Director

Collaboration is at the heart of everything we do at Forest and Wood Products Australia Limited (FWPA) – and we value the important contributions of members, the industry more broadly, as well as researchers, government, educators and other stakeholders.

There have been a number of excellent examples of collaboration over the past year.

Some of these are new initiatives and others extensions of successful existing partnerships, both national and international. All are designed to deliver real outcomes on the ground.

This year saw the establishment of the National Centre for Timber Durability and Design Life at the University of the Sunshine Coast, which brings together industry, academia and government to put Australia at the very forefront of international best practice and training the leaders of the future.

We've also launched a range of exciting new R&D projects funded jointly by industry and the Australian Government under its voluntary funding matching program.

The community is increasingly embracing forest and wood products as environmentally friendly, viable materials – and we have continued to promote the merits in partnership with Planet Ark's Make it Wood campaign. The TV advertising and social media campaigns feature the host of Grand Designs Australia, architect Peter Maddison, and have been very well received.

We are also actively pursuing opportunities associated with a change in the National Construction Code to allow for engineered timber construction up to 25 metres by establishing a mid-rise advisory group. This expert group is proactively meeting with builders and developers to provide information and encourage them to use timber.

Another initiative in this area has been to organise visits to Australia by architects Andrew Waugh and Russell Acton, both global leaders in the use of engineered timbers. Feedback and interest was strong as was the media coverage.

On the financial front, FWPA's scheduled plan to reduce cash reserves in a staged manner has been delivered – leading to a trading deficit, as forecast.

In closing, I'd like to thank our dedicated Board of Directors and the FWPA team for their support – and to acknowledge the contributions of our members, R&D partners, suppliers, stakeholders and the Australian Government for its commitment.



Ric Sinclair

Managing Director

2016/17 Highlights

Independent review gives FWPA a big tick

FWPA has passed an independent review with flying colours

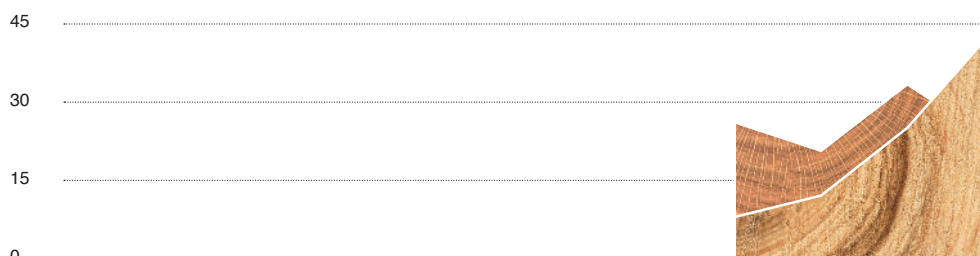
The report found

- All statutory obligations under the 2012-2017 statutory funding agreement met
- Demonstrated commitment to continuous improvement
- Effective communication
- FWPA an employer of choice
- High industry adoption of research
- Increasing resource availability & reducing the risk
- Impacting decision making and industry capability



Data aggregation program

43 organisations contribute data towards the production of 15 data series – informing decision making



Planet Ark

Planet Ark partnership kicking goals

- 15 Australian Government bodies adopt Wood Encouragement Policies
- Wood – Nature Inspired Design report published on World Wood Day 2017



Multimedia ad campaign

Almost two million impressions, affecting hearts and minds

- Make It Wood ad campaign featuring Peter Maddison of Grand Designs Australia hit screens with a budget increased by \$200,000 to \$1m
- 20 per cent more ad viewers said they were more likely to use wood in future than non-viewers
- 95 per cent of viewers on Channels 7 and 9 websites watched ads to the end vs the industry average of 68 per cent



Focussing on outcomes

FWPA collaborates with government and industry to grow the market, delivering real-world outcomes that are good for business, the environment and society

Our five key programs are:

- Promoting the advantages of wood products
- Aligning products to market needs
- Assisting value chain optimisation
- Increasing resource availability and reducing risk
- Impacting decision making and industry capability



Voluntary matching

Government matches industry research funding

\$2,304,000 invested in six research projects jointly funded by government and industry via the FWPA-administered voluntary matching program



Architect visits

Lecture tours with renowned international architects Andrew Waugh and Russell Acton

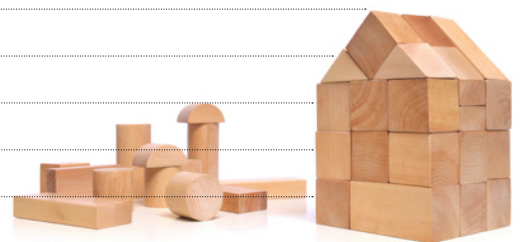
No of architects, specifiers and builders attending:

>780

Mid-rise Advisory Group

Helping to leverage a change to the National Construction Code allowing timber construction up to 25 metres in height

25m
20m
15m
10m
5m
0m



New tools to harness the power of remote sensing

Quicker, easier, cheaper forest inventory measurements



WoodSolutions website

#1

WoodSolutions = world's #1 website for timber
Sessions: 715,883 Users: 569,216

Page views

1,640,468

Strategic Framework

During the 2016-17 financial year, Forest and Wood Products Australia (FWPA) operated in accordance with the 2016-2021 Strategic Plan and 2016-2017 Annual Operating Plan (AOP) as part of the following framework.

Vision

The forest and wood products industry will grow as a result of increased demand for its market-oriented, sustainable and competitive products and services.

Mission

FWPA collaborates with government and industry stakeholders to determine strategy and deliver programs designed to grow the market for forest and wood products, increase productivity and profitability across the value chain and ensure positive environmental and social outcomes.

Programs

Following a strategic overhaul in 2015-2016, our current outcome-based programs are based on five strategic priorities:

Program 1 – Promoting the advantages of wood products

Program 2 – Aligning products to market needs

Program 3 – Assisting value chain optimisation

Program 4 – Increasing resource availability and reducing risk

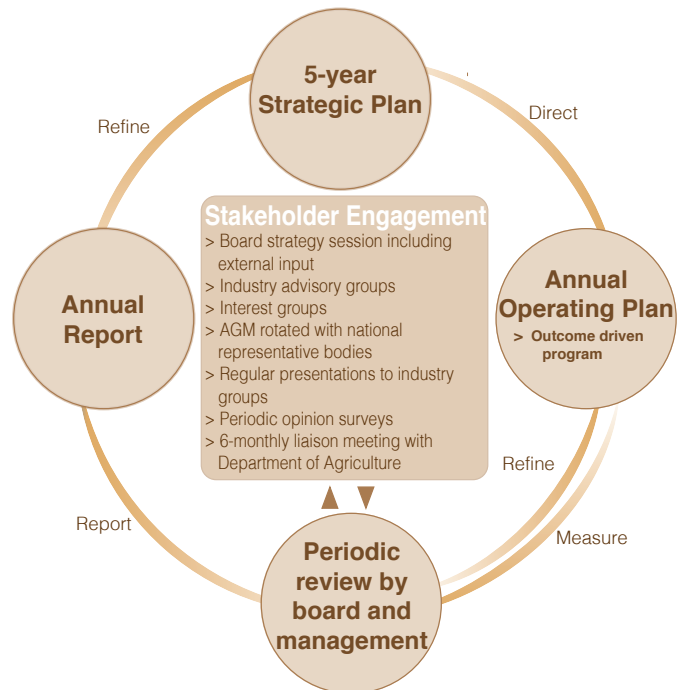
Program 5 – Impacting decision making and industry capability

FWPA is one of 15 Australian rural research and development corporations (RDCs) and is the nominated industry-owned services company under the *Forestry Research and Development and Marketing Act 2007*.

The Australian Government levies qualifying industry participants, and provides matching funding, to fund FWPA in accordance with a Statutory Funding Agreement (SFA).

The SFA requires the company to continually review its operating environment and, in consultation with key stakeholders, regularly consider the appropriateness of its programs and communications activities.

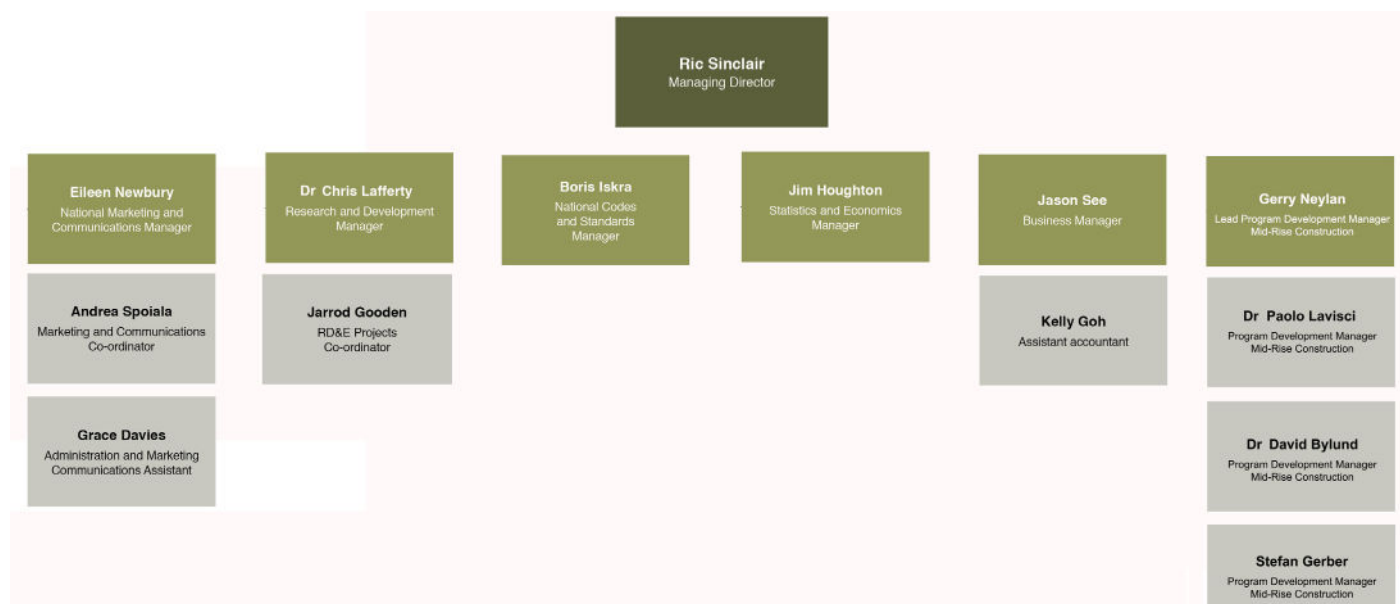
This strategic review process is shown in the following diagram:



This review process creates a rolling five-year planning cycle that ensures the organisation remains focussed on the future, while making necessary adjustments within the operating environment. 2016-2017 represented the first year of the most recent five-year cycle, and the first in which FWPA has focussed on the five current strategic programs.

This Annual Report should be read in conjunction with the five-year Strategic Plan (2016-2021) and the 2016-2017 Annual Operating Plan.

Forest and Wood Products Australia Staff



Industry Consultation and Performance Review

Industry Advisory Groups and Interest Groups

FWPA has restructured its industry engagement processes to offer greater opportunities for participation, both for members and non-member stakeholders, including researchers and suppliers. The Industry Advisory Groups are now directly aligned with the five programs, while a number of Interest Groups will be established under each program. The new structure will enable improved communication, identify valuable investment opportunities and detect issues or gaps that FWPA could help rectify.

An initial meeting to introduce the new engagement structure was held on 16 June, which was attended by around 60 stakeholders.

Industry Advisory Groups are open to directors and employees of all FWPA voting members, with a group to support each of FWPA's five outcome-driven programs.

Each new Industry Advisory Group is chaired by a FWPA board member and will meet at least once a year to help rank and prioritise activities, offer direction regarding investments and provide member input.

Members and non-member industry stakeholders who identify a common issue (region, species or product-specific) are invited to form or join Interest Groups, with secretariat support provided by FWPA.

These Interest Groups are encouraged to develop investment proposals to help advance industry, whether by expanding markets, conducting new research or other promotional activities.

To start an Interest Group, industry stakeholders are invited to:

- identify an issue of concern that is consistent with FWPA's vision and mission
- have at least five FWPA voting member companies participating
- be willing to open the group to all members and other stakeholders, including non-members.

As part of the transition to this new structure, FWPA's previous Industry Advisory Groups and Reference Groups were transitioned into the new Interest Groups effective 31 March 2017.

Independent Review

An independent review conducted by external consultants from GHD Pty Ltd found FWPA delivers numerous benefits to stakeholders and industry, meets all its obligations and demonstrates commitment to continuous improvement.

The review, which is a requirement of FWPA's SFA with the Commonwealth Government, focussed on the period between 2012 and 2017.

In reaching their conclusions, consultants surveyed key industry representatives, reviewed documents and engaged in broad consultation with directors, staff, service providers and members.

The analysis found:

- FWPA has met all its obligations under the SFA and has delivered benefits to levy payers and the industry, including communicating effectively with stakeholders.
- As part of its commitment to continuous improvement, FWPA pro-actively ensures its processes are compliant with various policies by regularly engaging external auditors, before correcting any issues identified.
- FWPA operates efficiently, and levels of job satisfaction amongst staff are high, a particularly encouraging outcome in light of our commitment to being an employer of choice.
- There is a high adoption rate within the industry of outputs from FWPA research, and largely positive responses to its engagement, consultation and communication processes.
- FWPA has addressed and implemented all recommendations from the previous 2011 performance review.

The outcomes of this review will be used to guide discussions on the content of a new SFA, which will come into effect during August 2017.



View full review on the fwpa website
www.fwpa.com.au

Promoting the Advantages of Wood Products

This program promotes the benefits and use of forest and wood products in response to changing community attitudes.

Make It Wood Advertising Campaign

Planet Ark Environmental Foundation's Make It Wood campaign aims to encourage the increased use of responsibly sourced wood as a building material and for aesthetic purposes within the home and other built environments.

This year, FWPA continued its strategic alliance with Planet Ark, working on the development of a television and online consumer advertising campaign, which commenced in June 2016 and has continued throughout the year.

The campaign comprises a series of six 15-second television commercials showing the different applications of wood and its benefits. Each advert features television personality Peter Maddison and is branded with Planet Ark's Environmental Foundation's Make It Wood proposition, "Who would? You could! Make It Wood."

The budget for this campaign was increased from the previous year by \$200,000 to \$1million, with the aim of reinforcing previous advertising and ensuring that wood remains top-of-mind amongst consumers.

The television element of the campaign included spots on the Home & Lifestyle Channel and Nine, while the online element comprised advertising on websites and apps as varied as Yahoo7, Instagram, Houzz and The Fifth Estate, and achieved a total of 12 million impressions.

Wood – Nature Inspired Design Report

A new report, Wood – Nature Inspired Design, was published on World Wood Day 2017 as a result of our strategic alliance with Planet Ark.

The report outlines the importance of connecting buildings with the natural world, and how with 'nature connected design', nature can be brought indoors and provide a healthier, happier environment.

The first version of this report was aimed at a professional audience of architects, engineers and developers, with a second version targeted to a household and consumer audience.

The objective was to help change attitudes about wood, encourage market and community acceptance of wood products, and encourage industry and the public to consider the use of wood in future construction projects.

The response to the report has been extremely positive, with a number of organisations, including Lendlease, utilising it in their own promotional materials.

Wood Encouragement Policies

A key element of the Planet Ark Make It Wood initiative is the adoption of Wood Encouragement Policies (WEPs) amongst government bodies throughout Australia.

A WEP generally requires responsibly sourced wood to be considered, where feasible, as the primary construction material in all new-build and refurbishment projects.

Thanks to additional work in this area over the past 12 months, Tasmania has become the first State Government to adopt a state-wide WEP. Two Local Government Authorities (LGAs) and 12 local councils in Australia have now adopted a WEP.

ForestLearning Website

The ForestLearning program focuses on providing resources for teachers, enabling them to successfully integrate forestry and sustainable wood product information into classroom teaching, while complying with National Curriculum guidelines.

Our work in this area has been developed and implemented in three phases:

- provide input into the National Curriculum
- develop and provide relevant and valuable resources
- create awareness amongst teachers and industry.

The website forestlearning.edu.au is a one-stop-shop that provides forest-related lesson plans, facts, videos and online games for primary and secondary school teachers. Resources continue to be added and the program now reaches more than 50,000 students each year.

Teacher packs have proven as popular as ever with both teachers and students. In our most successful year to date, more than 36,000 timber book marks were distributed to more than 600 teachers and industry connections.

In addition, a related Facebook page was launched in 2016 and has quickly become one of the major means of engagement with teachers, now with more than 600 people following.

Aligning Products to Market Needs

This program aims to ensure that industry products and services are fit-for-purpose, appropriately aligned to market needs and better communicated to key influencers.

WoodSolutions Website Redevelopment

The WoodSolutions website is the world's #1-ranked website for trustworthy information on timber, according to the Alexa website ranking tool. It contains more than 3,000 pages of valuable information and downloadable resources, technical publications, professional seminars and other related activities.

As we have continued to use our unique market access to provide the most insightful content, the website has proven as popular as ever during the 2016-2017 financial year.

Sessions - 715,883

Page views - 1,640,468

Users - 569,216

Downloads - 42,734

This year our team has been hard at work on the rebuild of this website. The new site will maintain all positive features, while taking advantage of the latest web developments, and is scheduled to launch later in the second half of 2017

WoodSolutions Campus

Following a successful pilot program with industry-leading companies, FWPA has launched WoodSolutions Campus, a free online training program aimed at increasing the product knowledge and competency of people in the wood and wood products supply chain.

Lack of knowledge about the nature and performance of wood and wood products can not only restrict sales opportunities, but may also lead to customer dissatisfaction if an inappropriate product is recommended or supplied.

To address this, FWPA, in collaboration with the University of Tasmania's Centre for Sustainable Architecture with Wood, developed WoodSolutions Campus – the first online educational platform to provide the fundamental knowledge required by suppliers to enable them to choose or specify the most appropriate timber for each application.

Campus courses are vendor-neutral and focus on key concepts and best practices to provide a detailed understanding of the following topics:

1. Introduction to Building Regulations and Standards
2. Design for Durability
3. Design for Bushfire
4. Managing Timber's Moisture Content
5. Timber and Wood Properties
6. Timber and Wood Products

7. Timber's Environmental Characteristics
8. Selecting Fit-for-purpose Timber for Applications
9. Timber Grades and Grading
10. NCC Design of Midrise Timber Building – Overview*
11. NCC Design of Midrise Timber Building – Specific Requirements*
12. NCC Design of Midrise Timber Building – Fire, Sound and Non-Habitable Area Requirements*

* These specifier courses were run in the first instance by FWPA, with the intention being to align them in an ongoing capacity with continuing professional development programs overseen by specifier associations.

This online platform makes learning convenient and accessible, and the self-paced learning experience is accompanied by an assessment program. Certificates are awarded to reflect levels of achievement and additional resources are available for further learning.

FWPA is working on a new course to educate specifiers on the recent changes to the National Construction Code (NCC) and offer support in making the most of the new opportunities for wood in mid-rise multi-residential developments.

There have been 239 enrolments across all courses so far, across a variety of professions including education, trade, built environment, industry and sales.

Lecture Tours by Global Leaders in Engineered Timber Architecture

FWPA welcomed prominent international architects to Australia this year for two successful lecture tours on engineered timber before a combined audience of more than 780 architects, specifiers and builders.

Andrew Waugh, RIBA award-winning principal and founding Director of the UK's Waugh Thistleton, gave presentations in Sydney, Melbourne and Brisbane on the benefits of engineered timbers including reduced building costs, speed, reduced disruption to neighbours and environmentally friendly properties.

Also speaking on the many benefits of timber, Russell Acton, who is responsible for designing the tallest contemporary mass wood building in the world, Canada's Brock Commons Tallwood House, addressed guests in Brisbane, Sydney, Melbourne, Adelaide and Perth.

Aside from helping to positively change attitudes towards wood as a building material amongst attendees, the visits attracted considerable media attention, with coverage reaching an estimated 1.5 million people.

National Centre for Timber Durability and Design Life

FWPA launched the National Centre for Timber Durability and Design Life at the University of the Sunshine Coast, with a leading researcher from the world's largest university wood and forestry program appointed as its Foundation Fellow.

In addition to his role at the Centre, Professor Philip Evans will maintain an ongoing role as BC Leadership Chair in the Faculty of Forestry at the University of British Columbia – an arrangement that enables continual knowledge sharing and access to multiple sources of research funding.

Professor Evans is currently focussed on establishing the Centre and setting the initial research direction. The Centre will develop evidence-based data, systems and tools to underpin consumer confidence in the performance of timber products. Over time, it will also create world-leading predictive models to enable architects and building specifiers to more easily choose the appropriate timber products for specific end uses and tasks.

The founding partners of the Centre include the University of Queensland and the Queensland Department of Agriculture and Fisheries. Its work will be national and international in scope.

Mid-Rise Advisory Group

A group of industry supporters came together to sponsor a new mid-rise advisory team, which was established in the last quarter of 2016, comprising a panel of experts from across the globe.

The team was set up as a pilot technical extension program with a focus on Victoria and Queensland, to provide trustworthy advice to a range of industry professionals including builders, developers, consultants and government officials, to leverage a National Construction Code (NCC) change that enables timber construction up to 25 metres in height.

Through a combination of meetings and research commissioning, the group is actively promoting the use and understanding of timber, with a particular focus on timber building solutions using lightweight, glulam, laminated veneer lumber (LVL) and cross-laminated timber (CLT).

The longer-term goal is to get projects currently on the drawing board as conventional buildings converted to engineered timber, by educating developers on the advantages. The group has already identified around 200 projects that could be targeted.

The measure of success for this group will be the number of buildings that ultimately use engineered timber. In these early days there are already two examples of such buildings, which are being managed by LendLease. Moving forward, the group is hoping for several per year, with a view to having between five and 15 more buildings in the development stages by the end of the three-year pilot.

Submissions for Changes to the National Construction Code

Three Proposals-for-Change (PFCs) were submitted for consideration by the Australian Building Codes Board's (ABCB) Building Codes Committee (BCC) in relation to the NCC, which will be released for public comment during the next financial year.

The first proposed change was a modification of the existing mid-rise timber provisions to permit the use of 'non-chemically bonded' massive timber elements (e.g. nail and dowelled laminated timber) and insulated massive twin-leaf wall systems.

This change would enable a broader range of solid timber panel building solutions for design professionals, as well as an opportunity for sawn structural timber products to be classified as 'massive timber' under the NCC provisions, in applications such as floors and walls.

While massive twin-leaf wall systems have typically been used around lift shafts as an acoustic solution, the proposed change would enable this form of construction to be considered as an effective building solution.

This proposal was considered by the BCC, with further comment sought.

The second proposed change was to enable the application of fire-protective coatings to modify timber fire hazard properties, which is currently not permitted by the NCC. If successful, this PFC would result in new opportunities for timber appearance grade products to be used in conjunction with a fire-protective coating as wall and ceiling linings.

The third PFC seeks an extension of the existing Deemed-to-Satisfy (DTS) fire-protected timber concession that enables the use of timber construction systems for Class 2 (apartments), Class 3 (hotels) and Class 5 (offices) buildings, to all remaining classes of building up to 25 metres in effective height including retail, aged-care, hospital and school buildings. If successful, the opportunities for the timber industry are boundless.

Export Investment Plan

In 2015, FWPA developed an investment plan to address the research, development and engagement needs and priorities of the Australian log and woodchip export industries.

Through industry consultation with log and woodchip exporters, key research opportunities were identified and prioritised for both hardwood and softwood logs and woodchips. These opportunities can largely be divided into two areas – addressing phytosanitary issues and addressing supply chain management issues.

The resultant research, development and engagement program is set to be conducted by the University of the Sunshine Coast (USC) and will focus primarily on supply chain issues. It will leverage existing expertise and project activity within the Australian Forest Operations Research Alliance hosted in the Forest Industries Research Centre at the USC.

This research project will be delivered across four key areas:

- **Equipment and operations** will focus on log and chip handling and ship loading technology aimed at minimising costs and maximising load density, including debarking solutions.
- **Value and quality management** will focus on the effective management of wood quality with log and woodchip storage in the supply chain.
- **Measurement and inventory management** will explore and develop improved methods for tracking; measure logs and woodchips in the export supply chains; and examine both improved volume and wood quality measurements.
- **The phytosanitary best practice watch** will include a review of current industry best practice in phytosanitary management (which involves managing the risk of pests and disease, including insects and fungus, travelling with products) for log and woodchip exports with a regular technology watch bulletin throughout the project.

In addition to regular reporting, the project will include industry implementation trials, and the development of solutions integrated with current business and supply chain management systems.

Assisting Value Chain Optimisation

This program works to increase the value and volume recovery from existing resources to ensure that all wood fibre performs at its highest and for best use.

eCambium: A Desk-based Wood Quality Assessment Tool

Assessing wood quality in radiata plantation resources can be expensive and the funds required to assess wood quality are rarely available.

Despite this, much is known about how wood varies between trees, as well as in response to site, silviculture and water availability. However, this knowledge is embedded in scientific literature and, because of various interacting effects, can often seem counter-intuitive and contradictory.

Currently under development, eCambium software provides the knowledge and understanding of tree physiology and wood formation in a way that allows the user to quantitatively predict wood quality from inputs describing site, weather and silviculture.

A recent FWPA-funded project provided an opportunity to further develop and validate eCambium across 53

sites in the Murray Valley from Benalla in Victoria to north of Tumut in New South Wales.

When trees from a subset of these sites were harvested and milled, eCambium predictions explained 50 to 60 per cent of the variance in wood density across the 53 sites, and approximately 60 per cent of the variance in log Modulus of Elasticity and board-value in the sawn timber. This was achieved using publicly available databases to source information to describe site characteristics and weather variation.

The latest version of the software is currently being evaluated by industry partners with a view to transitioning eCambium to a commercial, operationally-ready software tool. However, further simplification and automation of the model setup is required before this can be brought to fruition.

IML-Resistograph

Over the past 12 months, FWPA has supported the purchase of IML-Resistograph (Resi) technology by a number of commercial forest companies. This technology is providing Australian industry with a rapid and cost-effective method of assessing wood quality in plantations at low cost.

Ongoing software development is making the Resi data easier to process, as well as expanding the information that can be extracted from it. A FWPA Interest Group has been established to advise and direct these developments.

Big Data & Innovation Report

Our industry collectively possesses an increasing amount of aggregated wood production data, alongside price and economic data from the Department of Agriculture and Australian Bureau of Statistics that is used for short-term forecasting.

We therefore set out to investigate the possibility of conducting an industry pilot that would look at key data sets within milling operating plants, and identify opportunities for using data-driven decision making to:

- improve profits for the operator
- expand the market for all participants, and provide value and sustainability across the industry.

In the first instance, we brokered a partnership between a data specialist and one mill operator, so that 'big data' opportunities could be identified across its supply chain. As a result of this work, we believe there to be significant supply-chain value in facilitating greater data and information sharing between participants.

Proposal for Small Log Processing Initiative

During the past financial year, FWPA has taken an innovative approach in working with major wood growers, researchers and processors to assess the viability of establishing a range of testing and evaluation centres, complete with the capabilities required to facilitate the highest possible return from the next 25 years of Australian fibre.

Given that all plantation wood that will be processed during the next 25 years is already in the ground, there is an opportunity to combine our knowledge of genetics, climate forecasts and site quality with scientifically

robust growth and yield models, to give us a reliable indication of what the log characteristics will or could be.

With this knowledge, the industry can assess what sort of improved value might be gained from available Australian fibre over the next two decades through a combination of altered management regimes, primarily nutrition and thinning techniques, and the manufacture of alternate wood products.

Our investigations are still in their early stages, and we hope to make further progress during the next financial year.

Increasing Resource Availability and Reducing Risk

This program aims to increase the availability of wood fibre to support an expanding market and associated manufacturing capacity.

Southern Tree Breeding Association Research

Ensuring the right plant genetics in a systematic fashion has the potential to underpin productivity gains. The industry needs help deciding which trees to select as parent trees, seed lots for the nursery and which locations suit which type of plant genetics.

As part of the Federal Government Voluntary Matching programs managed by FWPA, the Southern Tree Breeding Association (STBA) has been funded to help improve breeding tools used in tree improvement programs servicing the softwood and hardwood sectors.

The aim of the initiative is to develop genetically improved trees that will enhance the value (and reduce risk) of plantation forests and forest products in Australia. This is expected to lead to an anticipated \$145 million gain in net product value in the first 10 years of the program.

African Mahogany Industry Research

Plantation forestry is an increasingly important industry and the second largest production land use in the Northern Territory after cattle grazing, with more than 49,500 hectares of managed plantations.

FWPA has provided voluntary matched funding to the Northern Territory's African mahogany plantations to conduct research on maximising value in the sector by examining best practice in silviculture, including different fertilising, pruning and thinning techniques. It will also cover the optimum practices for growing the Northern Territory's African mahogany to market specifications, while ensuring the profitability of forestry growers.

The emerging high value timber industry in northern Australia will benefit significantly from the findings. Even a 10 per cent improvement in productivity from management systems developed by the project would deliver an additional \$15 million each year.

The research project will run for four years and is expected to be completed by June 2020.

Gondwana Geonomics Partnership

FWPA has partnered with Gondwana Genomics, which offers genetic marker-assisted selection to accelerate plantation performance, to deliver important research for the Australian eucalyptus plantation industry.

Building on the past 15 years of molecular research into plantation eucalyptus, Gondwana Genomics DNA marker technology has delivered in reducing disease risks and is showing promising abilities to take plantation forestry to the next level of productivity.

In September 2016, the project for discovery

and application of DNA markers for resistance to *Teratosphaeria* in *E. globulus* successfully showed that resistance can be predicted by a DNA sample from a tree, allowing companies to screen for resistance in their seed orchards.

Another key research project has also demonstrated the ability to use a DNA test to accurately predict tree performance on key traits such as growth, pulp yield and density. These predictions can then be used to select elite trees while they are seedlings, and design breeding programs based on complementary genetics.

Evaluating the Costs and Benefits of Biosecurity Threat Management

As governments seek greater engagement around biosecurity from the forest industry, including the resourcing of biosecurity activities, a partnership between FWPA, the University of the Sunshine Coast, NSW Department of Industry and Forestry Tasmania has sought to identify the potential costs of exotic pests, and the financial benefits of biosecurity activities to mitigate the risks.

The aim of the project was to provide industry with information to assist decision making on the funding of biosecurity. While Australia has a world-class biosecurity system, gaps in the biosecurity continuum were identified with respect to forestry, and a number of case studies quantified the financial impact of exotic pests.

Sirex wood wasp was found to have added approximately \$0.70 per ha per year onto the management costs of softwood growers, while an outbreak specifically in the green triangle was estimated to have cost \$22.3 million.

Eucalyptus leaf beetle was used as a case study for a potential incursion of an herbivorous pest, such as Asian gypsy moth. While considerable money was spent on the Integrated Pest Management program to combat leaf beetle in Tasmania, benefits were found to have been realised through the resultant increase in timber revenues.

A third case study investigated an incursion scenario of pine wilt disease into south-east Queensland. The researchers estimated the financial impact to be up to \$65 million in the first 30 years, or up to \$30 million for an eradication campaign.

These case studies demonstrated the need for investment in timely management programs to reduce medium and long-term costs, as well as positive cost benefit ratios for biosecurity activities that reduce the chance of such pests establishing.

This information will provide excellent guidance for industry decision making and the planning of national efforts on forest biosecurity in the future.

Biocontrol Project

Weevils have slashed timber growth by up to 30 per cent in some Western Australian eucalypt plantations. These pests are the subject of a research project being funded through the Federal Government Voluntary Matching program managed by FWPA.

The eucalypt weevil *Gonipterus scutellatus* was once thought to be a single species, but is now known to consist of at least 10 closely-related species, which may explain why previous efforts at biocontrol have varied in success.

During the project, researchers from the University of the Sunshine Coast are delving deeper into parasitic insects used for biocontrol against *Gonipterus* weevils to identify which parasitoids (i.e. parasitic species that kill their hosts) are most effective against particular species, and which work best in different climates.

The end game is to improve biological control of the pests worldwide, make eucalyptus plantations more productive, improve environmental credentials and save industry money by reducing the need for pesticides.

Researchers will also create a bio-control development template that can be used for future development of bio-control agents of pests that affect economically important plant species.

Remote Sensing

A study jointly funded by FWPA, forestry companies, universities and government has resulted in the unveiling of new tools that harness the power of remote sensing to make it quicker, easier and cheaper to measure forest inventory. The hope is that in future this could enable a virtual 'walk through the forest'.

The research project has delivered:

- Methods to map forest canopies using aerial photography that are effective and cost less than other airborne remote sensing techniques or field-based measurements, and that can be incorporated into existing workflow systems.
- An app to count individual trees using 3D point cloud data acquired from airborne remote sensing.
- A forest sampling method that can significantly reduce the number of reference plots required to produce a representative model of the variability in a forest stand.
- A best-practice guide for airborne data collection to assist with achieving efficiency gains from these new remote sensing methods, and to integrate dense 3D point cloud data into operational workflows.

The next step will be to utilise virtual reality technology and remotely acquired 3D point cloud data to enable forest managers to visually characterise and measure individual trees.

Impacting Decision Making and Industry Capability

This program works to ensure the industry has the skills and systems necessary to support improved decision making by all players across the value chain.

Data Aggregation Program

FWPA has taken a collaborative approach to addressing the limitations in data available to the industry by working to encourage the aggregation of individual company data.

Data aggregation can provide a range of insights including identifying market trends, establishing market shares and tracking growth, monitoring changes in market segments and tracking activity levels in other sectors which may impact current sales.

While benefits will vary for each company, experience shows this kind of data pooling assists companies with operational and investment decision making.

As part of the program, companies across the full breadth of market segments have been given their own

confidential sections within an online portal through which they can input and access data.

An independent accounting firm hosts the online platform that aggregates all inputted data to develop a combination of monthly and quarterly data series, which include data interpretations. Contributing companies gain access to the most detailed information across all product categories, while less detailed data is made available to the wider industry.

Forty-three organisations now contribute data towards the production of 15 data series, covering the soft wood and hardwood processing sectors, right through to forest growing and forest safety.

Australian Bureau of Agricultural and Resource Economics and Sciences

FWPA has partnered with the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) to provide key national data to the industry.

To fill information gaps in the Australian forestry industry by providing new data and improving the reliability of existing information, ABARES oversees the six-monthly publication of Forest and Wood Products Statistics, as well as specific industry studies, with recent examples including plantation wood flows, price elasticities of timber products and markets for forest residues.

Reliable sales forecasts are critical to inform decision making on production, inventory management and personnel. For that reason, FWPA also commissioned ABARES to develop quarterly sales volume forecasts for four wood products: untreated structural pine less than 120mm thick; untreated structural pine greater than 120mm thick; termite-treated structural pine; and landscape wood products.

These projects draw on the strengths of both organisations, including the economic modelling skills of ABARES and the detailed product data emerging from the FWPA Data Aggregation Program.

FWPA is committed to disseminating key public domain data and our own proprietary data to industry through our data dashboard. Monthly information displayed includes GDP, employment, housing approvals and international delivered log prices.

To alert the industry to the existence of this data, we publish the monthly e-newsletter Statistics Count, which highlights economics issues identified and emerging during the month, and summarises key data sets.

Social and Economic Effects of the Forest Industry on Regional Areas

Forestry and the primary processing of forest materials generally occurs in rural communities. FWPA is undertaking a four-year program to document the socio-economic benefits in six key forest regions to ensure the contribution our industry makes is understood.

A project assessing the social and economic effects of the forest industry on Australian regional areas is underway. The overall objective is to provide a comprehensive assessment of how the forest industry contributes to the social and economic wellbeing of regional communities.

This program involves surveys complemented by Census data to identify workforce characteristics, employment levels and economic value add. The study areas will also be compared with other rural areas where no forest activity is being undertaken to ascertain what differences may be present.

Two key outputs will be produced from the project:

1. Profiles of socio-economic effects of the industry in different regions. These profiles will include multiple components for each region. This is a rolling program with reports released for specific regions throughout the four-year life of the project.
2. Guidance on assessing socio-economic impact of the industry. This will provide an overview of recommended uses of the data generated, as well as other available evidence, to assess socio-economic impact of the industry in different regions. It will be designed to be useable by individual companies for purposes such as demonstrating social effects when seeking voluntary certification (e.g. AFS, FSC), or when existing certification is being reviewed.

This project will contribute to building both capacity and research knowledge.

Collaboration

During the last financial year, FWPA has actively participated in two Australian Research Council (ARC) Transformation Hubs:

ARC Centre for Forest Value

Established in early 2016 at the University of Tasmania, the ARC Training Centre for Forest Value aims to provide advanced training and research opportunities along the forest to end-product supply chain, and to build capacity that will improve the productivity and competitiveness of the Australian forest products sector.

The Centre combines a unique set of partners from both industry and academia to ensure a two-way flow of information on a range of subjects, from design and manufacturing to logs and trees. Aside from making a financial contribution towards Centre operations, FWPA has representation on the Advisory and Joint Committees.

In its advisory role, FWPA has provided important input regarding national impact, strong support for supply chain integration and a focus on product application. The financial contribution made by FWPA has been particularly important for facilitating whole-of-value-chain activity.

ARC Centre for Advanced Manufacturing of Prefabricated Housing

FWPA has worked in partnership with the University of Melbourne's ARC Centre for Advanced Manufacturing of Prefabricated Housing since July 2016, with a view to supporting research into the development of advanced prefabrication technology that will directly benefit the timber industry.

The Centre has received funding from FWPA, and support in identifying and recruiting two companies to work in partnership in undertaking this research. ITW-Pryda and Timberlink have met with both FWPA and Centre representatives to discuss and define the scope of the project.

FWPA has also been overseeing the appointment of a suitable PhD student to work on this project who will work closely with both organisations. Details on the nature of the research are expected to be announced later in 2017.

In addition, a FWPA representative sits on the Centre's Industry Advisory Committee, assisting in reviewing the current state of the prefabrication industry and discussing the desired strategic direction of the Centre.

Corporate Governance

As a non-profit company limited by guarantee, FWPA is not a listed entity. However, it draws on applicable Australian Stock Exchange (ASX) Corporate Governance Principles as required by its Statutory Funding Agreement (SFA) with the Commonwealth and a matter of good governance and best practice.

FWPA is required to comply with the SFA as a condition of its ongoing funding and administration of the statutory levies raised by the Commonwealth in accordance with the *Forestry Marketing and Research and Development Services Act 2007*.

The performance by FWPA of its obligations under the SFA is verified by an independent Performance Review Report required before the end of each statutory funding period. The last independent Performance Review Report of FWPA's activities for the period 2012 – 2017, was completed by GHD Pty Ltd in February 2017.

ASX Principle & recommendations		FWPA Documents/Methods
1. Lay solid foundations for management and oversight		
1.1	a. Disclose roles & responsibilities of its Board and management b. matters expressly reserved for the Board and those delegated to management.	Provided for in the Board Charter as posted on the FWPA website. Note: there is no statement of matters delegated to management.
1.2	Undertake appropriate checks before appointing a person or putting forward a candidate for election as director.	Clause 13.6 of the Constitution requires that a person cannot be elected as a FWPA Director unless nominated by the Director Selection Committee (DSC). Appropriate background checks on candidates are undertaken as a part of the candidate selection process and disclosed in the Notice of AGM. In selecting a Board candidate the DSC must see that post-election, the Board collectively possesses skills, knowledge and experience in a range of relevant fields.
1.3	Have a written agreement with each director and senior executive setting out the terms of their appointment.	Directors are bound by the Constitution and senior executives have a formal letter each of which sets out the terms of their appointment.
1.4	Company secretary accountable directly to the Board through the chair on all matters to do with proper functioning of Board.	Provided for in the Constitution and Board Charter as posted on the FWPA website.
1.5	Have a Diversity Policy with measurable objectives for achieving gender diversity, an annual assessment of progress and disclosure of progress.	Because FWPA is a small organisation and all except 2 directors are also employees of Member companies, it does not presently have a Diversity Policy. But a Diversity Policy is under consideration by the Board. Presently FWPA has 7 male and 1 female Board members and 6 male and 4 female employees.
1.6	Have and disclose process for evaluating performance of the Board and its committees and individual directors.	Provided for in the Board Performance Evaluation Policy as posted on the FWPA website.
1.7	Have and disclose process in place for periodically evaluating performance of senior executives and whether evaluation done.	Provided for in the Board Charter as posted on the FWPA website with minutes of meetings kept reporting on performance review.

ASX Principle & recommendations		FWPA Documents/Methods
2. Structure the Board to add value		
2.1	Have a Nomination Committee with a majority of independent directors and disclose Committee Charter, its members and their meeting attendances.	<p>FWPA has a Nominations and Human Resources Committee, the members of which, and their attendances, are disclosed in the Annual Report. Its deliberations and decisions are recorded in its meeting minutes.</p> <p>Clause 13.7 of the Constitution requires the Board to have a Director Selection Committee (DSC) which nominates directors for election, the rules for which are set out in the Constitution. Its deliberations and decisions are recorded in its meeting minutes.</p> <p>The FWPA Board contains a majority of independent directors including the Chair. At present 6 of the 7 directors (excluding the Managing Director) have not been an employee, contractor or supplier to FWPA in any of the preceding three years.</p>
2.2	Have and disclose a Board skills matrix that the Board has or is seeking to achieve.	Clause 13.11 of the Constitution requires the DSC to ensure the Board has the required skills matrix. Its deliberations are recorded in its minutes.
2.3	Disclose names of directors considered by the Board to be independent directors, the nature of any non-compromising interests and the length of service of each director.	The names of directors, their affiliations and length of service are disclosed in the Annual Report.
2.4	Have a majority of independent directors .	See response to Recommendation 2.1 above.
2.5	Chair should be an independent director and not the CEO.	The present FWPA Chair is an independent director and is not the CEO.
3. Act ethically and responsibly		
3.1	Have and disclose a code of conduct for its directors, senior executives and employees.	<p>The conduct required by directors is set out in the Board Charter and FWPA Code of Business Conduct and Ethics as posted on FWPA's website. For senior executives and employees, a requirement of their terms of appointment is adherence to all company policies and codes of conducts.</p> <p>The identity of all FWPA directors, senior executives and employees is disclosed on the website.</p>
4. Safeguard integrity in corporate reporting		
4.1	Have an Audit Committee with 3 non-executive members chaired by an independent director who is not the Board chair and disclose Committee Charter, experience and meetings.	<p>FWPA has an Audit and Finance Committee the members of which, their experience and attendances are disclosed in the Annual Report.</p> <p>The Terms of Reference of the Audit and Finance Committee are referred to in the Board Charter as posted on FWPA's website.</p>

ASX Principle & recommendations		FWPA Documents/Methods
4.2	Before Board approves financial statements, receive from CEO and CFO a declaration that records comply with accounting standards and are true and fair opinion based on a sound system of risk management and internal control .	Company procedures require the Managing Director and CFO to submit a signed declaration to accompany the submission of financial statements to the Board.
4.3	Ensure that external auditor attends its AGM .	Under clause 25.10.3 of the Constitution, notice of every general meeting must be given to the external auditor. The auditor made is available by teleconference facility to participate in each AGM and answer any member enquiries.
5. Make continuous and timely disclosure		
5.1	A listed entity should: <ul style="list-style-type: none"> a. Have a written policy for complying with its continuous disclosure obligations under the Listing Rules b. Disclose that policy or a summary of it. 	As FWPA is an unlisted public company it is not an ASX disclosing entity but does report annually to Members, and to its Industry Advisory Groups, on its operations and financial results.
6. Respect the rights of security holders		
6.1	Provide information about the entity and its governance via website.	FWPA provides information about itself and its governance framework on its website.
6.2	Have an investor relations program to facilitate effective two-way communication with investors.	Two way communications with Member bodies is facilitated through FWPA Program Advisory Groups, regular meetings with representatives of the Department of Agriculture and Water Resources as well as National representative bodies. The Board and Managing Director undertakes a regular program of regional industry consultations as well as one-to-one briefings to member company executive teams.
6.3	Disclose policies and procedures to facilitate and encourage participation at meetings of security holders.	Information about how FWPA facilitates and encourages participation by Members at meetings is provided through its Industry Advisory Groups and on its website.
6.4	Give security holders the option to receive and send communications electronically.	Clause 12.10.1 of the Constitution provides for proxies to be given by members electronically.
7. Establish sound risk management framework and periodically review effectiveness of framework		
7.1	Have Risk Management Committee with 3 non-executive members chaired by an independent director and disclose Committee Charter, members and meetings attendance.	Risk management is presently considered under the FWPA Fraud Control Plan based on AS 8001 Fraud and Corruption Control, currently formally reviewed every 3 years. A separate Audit, Finance and Risk Committee (reconstituted from the current Audit and Finance Committee) is under consideration by the Board. The Terms of Reference of the new Audit, Finance and Risk Committee will be referred to in the Board Charter as posted on FWPA's website and meeting attendances are reported in the Annual Report.

ASX Principle & recommendations		FWPA Documents/Methods
7.2	Review and disclose risk management framework annually in relation to each reporting period.	FWPA aims to undertake at least 2 internal audits each year. A series of independent internal audits have been completed that demonstrate FWPA expenditure of funds complies with the SFA and the Act and that investment planning and delivery processes to be generally very sound.
7.3	a. Disclose if it has an internal audit function, or b. If it does not have an internal audit function, that fact how it evaluates and continually improves its risk management and internal control processes.	Because of limited staff, FWPA does not have an internal audit function. It continually improves the effectiveness of its risk management and internal control processes through independent contractors undertaking the internal audit function against a work program approved by the Board.
7.4	Disclose any material exposure to economic, environmental and social sustainability risks and how managed.	As a part of its annual strategic planning process, the Board considers an overall summary of industry and market operating conditions and trends. This process is used to identify any specific risks to the company or emerging priorities or threats to the market that can be addressed by FWPA investments. FWPA maintains a Risk Register that identifies the economic, environmental and social sustainability risks faced by FWPA.
8. Remunerate fairly and responsibly		
8.1	Have Remuneration Committee with 3 non-executive members chaired by independent director and disclose Committee Charter, members and meetings.	The FWPA Board has a Nominations and Human Resources Committee, the members of which and meeting attendances are disclosed in the Annual Report. Its deliberations and decisions are recorded in its meeting minutes.
8.2	Disclose policies and practices of remuneration of non-executive and executive directors and other senior executives.	The FWPA Board plays an active role in setting the Company remuneration policy and structure as part of the Terms of Reference of the Nominations and Human Resources Committee referred to in the Board Charter as posted on FWPA's website. The remuneration policy is held as confidential to the Company and not published on the website.
8.3	Disclose if it has an equity-based remuneration scheme.	As a company limited by guarantee, FWPA does not have an equity-based remuneration scheme.

Financial Statements

Directors' Report

Directors present this report on Forest and Wood Products Australia Limited ("the Company") for the financial year ended 30 June 2017.

Directors

During the reporting period, eight non-executive directors served on the Board including the Managing Director. Six directors (plus 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 non-member 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 John Simon	
Mr Craig Taylor	until 26 October 2016
Ms Christine Briggs	
Mr John McNamara	
Mr Brian Farmer	
Mr Jim Henneberry	
Mr Stephen Dadd	
Mr Tony Arnel	from 26 October 2016
Mr Ric Sinclair	

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

Mr John Simon

Chairman (non-member)

Mr Simon was appointed as the Chairman of FWPA in November 2015. He recently retired as CEO of the national timber wholesaler, Simmonds Lumber Group. After completing his masters in timber engineering, Mr. Simon worked in timber research at the Council for Scientific and Industrial Research (CSIR) in South Africa. 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. He is a member of the Housing Industry Association's Manufacturers and Suppliers Council and is a Fellow of the Australian Institute of Company Directors.

Board additional responsibilities:

Chair of Nominations and HR Committee.

Mr Craig Taylor

Non-executive Director (until October 2016)

(Non-member)

Mr Taylor is a Director and Principal of The Fifth Estate, a Sydney-based consulting firm that assists client strategy and business development. 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 professional and executive roles with the State Forests of New South Wales, Boral Timber and Wesfi, and has wide experience in natural forest and plantation management, harvesting and log yard operations, production, planning, sales and marketing and general management in the forest products industry. 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

Mr Craig Taylor (continued)

development, forest products markets, restructuring of the Australian wood panels industry, plantation investment and industry development strategies. He holds Executive Director and Non-Executive Director roles for a number of unlisted companies in Australia and New Zealand and is a member of the Australian Institute of Company Directors.

Board additional responsibilities:

Member of the Audit and Finance Committee.

Ms Christine Briggs

Non-executive Director

Ms Briggs has had a rewarding career over 25 years in the timber industry, focussed largely on supplying the Australian building industry. She has held senior sales and marketing roles with major Australian timber manufacturing businesses such as CSR, Weyerhaeuser, Gunns and is currently at Timberlink Australia. She also spent some time in the US, working with Weyerhaeuser Building Materials during 2003. Ms Briggs' general management experience has covered sales, marketing and warehouse distribution. She has also had experience in timber supply chain management and national business management of major retail chain customers such as Bunnings. In her current role, GM Marketing and Business Development with Timberlink Australia, she is responsible for the market positioning of Timberlink and the development and adoption of the strategic direction for the business. Ms Briggs holds a Bachelor of Business degree with a Marketing Major from University of Technology, Sydney.

Board additional responsibilities:

Member of the Audit and Finance Committee.

Mr John McNamara

Non-executive Director

Mr McNamara is CEO of Parkside Group Milling and has more than 30 years' experience in the forest and forest products industry. Parkside is a company that specialises in native forest management and harvesting, sawmilling, value adding processing and distribution. Previously, Mr McNamara was the Managing Director of Hyne Timber for 18 years and he has held Senior Management roles in a number of companies throughout Australia.

Board additional responsibilities:

Chair of the Audit and Finance Committee and Member of Nominations and HR Committee.

Mr Brian Farmer

Non-executive Director

Mr Farmer is a graduate forester from the Australian National University and has broad experience in forest operations, marketing and management. He has worked in New South Wales, Tasmania, South Australia and, more recently, in Queensland. Mr Farmer's experience covers native forest management as well as plantation forestry, and he has further supplemented his technical forestry skills with other aspects including policy, people and broader financial responsibilities. Mr Farmer is CEO of HQPlantations Pty Ltd, and also has roles with Timber Queensland and the Gottstein Trust. He is a strong advocate for forestry based on sound science, finance and stewardship, and argues that forestry should be delivered to the best possible standards using the best possible knowledge.

Board additional responsibilities:

Member of Nominations and HR Committee.

Mr Jim Henneberry

Non-executive Director

Mr Henneberry is currently the Chair of both Timberlands Pacific and Circa Group. He was previously the Chief Executive Officer of Australian Paper between 2009 and 2014. Mr Henneberry has held CEO and Director positions with Carter Holt Harvey, International Paper and other international companies. He has a strong global track record of leading large complex, private and public businesses and in balancing an operational focus with strong strategic leadership. Mr Henneberry co-chaired the Australian Government strategic review of the Pulp and Paper Industry and is well-placed to extend inclusive consultations with that industry. He has also led and created business focussed research in fibre, pulp and paper and holds credentials to be able to integrate this with forest and other wood product industries through the FWPA Board. He holds a Bachelor of Science (Pulp and Paper Engineering) from Syracuse University, New York and holds an MBA (International Marketing) from the University of Houston.

Board additional responsibilities:

Member of the Audit and Finance Committee and Member of Nominations and HR Committee.

Mr Stephen Dadd

Non-executive Director

Mr Dadd is the Executive General Manager of Boral's Timber Division with responsibility for Boral's wood supply management, timber milling and product distribution businesses in Hardwood, Softwood and Residues. He is also on the Board of Highland Pine Products. Mr Dadd has worked in Boral's Timber business for 12 years and prior to that worked for the Boston Consulting Group and CSR's Sugar Division. He has a degree in Chemical Engineering and an MBA from the London Business School.

Board additional responsibilities:

Member of the Audit and Finance Committee.

Mr Tony Arnel

Non-executive Director (from October 2016)

Mr Arnel is the Global Director of Sustainability at Norman Disney & Young (NDY) and works across the worldwide network of NDY offices in six countries. He is the company's key strategist for Sustainability.

Mr Arnel is a Life Fellow of the Australian Institute of Architects. He is also Life Fellow of the Green Building Council of Australia, a founding director and was chair between 2007 and 2012. During this time, he was also chair of the World Green Building Council (2008–2011). His current board involvement includes the Energy Efficiency Council (President), Deakin University School of Engineering (Deputy Chair) and the Sustainable Melbourne Fund. He is also a fellow of the Australian Institute of Company directors.

Board additional responsibilities:

None

Mr Ric Sinclair

Managing Director

Before joining FWPA, 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 a Bachelor of Science (Forestry) and a Master of Business Administration. Mr Sinclair was appointed to the role of Managing Director on 2 June 2008.

Board additional 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 Nominations 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)
- Ms Christine Briggs
- Mr Jim Henneberry
- Mr Stephen Dadd

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.

Nominations and Human Resources Committee (N&HRC)

Members:

- Mr John Simon (Chair)
- Mr Jim Henneberry
- Mr John McNamara
- Mr Brian Farmer
- Ms Lesley Austin (Secretary)

The Secretary is an independent and external consultant.

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

- Establish procedures and systems to assess Board performance, identify skill gaps and work with the Director Selection Committee to ensure an ongoing focus on Board composition to meet legal obligations, stakeholder requirements and best practice corporate governance.
- 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 five meetings. Details of attendance by individual Board members are provided below:

DIRECTOR	BOARD		AUDIT AND FINANCE COMMITTEE		NOMINATIONS AND HUMAN RESOURCES COMMITTEE		LENGTH OF SERVICE
	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Years
Mr John Simon	5	5			2	2	5
Mr John McNamara	5	5	2	2	2	2	5
Mr Craig Taylor*	2	2	1	1			3
Mr Jim Henneberry	5	5	2	2	2	2	3
Ms Christine Briggs	4	5	2	2			3
Mr Brian Farmer	4	5			2	2	3
Mr Stephen Dadd	4	5	1	1			2
Mr Tony Arnel	4	3					1
Mr Ric Sinclair	5	5	2	2			9

* Complete term of service at 2016 AGM

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

Collaborate with industry stakeholders and Government to determine strategy and deliver programs designed to grow the market for forest and wood products, increase productivity (and implied profitability) across the value chain and ensure positive environmental and social outcomes.

Strategies

- Promote the benefits and usage of forests and wood products in response to changing community attitudes (Promoting the advantages of wood products).
- Ensure that the industry's products and services are fit for purpose, appropriately aligned to market needs and better communicated to key influencers (Aligning products to market needs).
- Increase the value and volume recovery from existing resources to ensure that all wood fibre is utilised to its highest and best use (Assisting value chain optimisation).
- Increase the availability of wood fibre to support an expanding market and associated manufacturing capacity (Increasing resource availability and reducing risk).
- Help ensure that the industry has the skills and systems necessary to support improved decision making by all players across the value chain (Impacting decision making and industry capability).

Results of operations

The operating result for the financial year to 30 June 2017 was an operating deficit of \$716,592 (2016: \$55,617 surplus).

Significant events after the reporting date

No matters or circumstances have arisen since the end of the financial year that in the opinion of the Directors, have significantly affected or are likely to significantly affect 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 2017 the number of members was 176.

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, work health safety and a Corruption and Fraud Control policy, a Whistleblower policy and a policy and procedure manual.

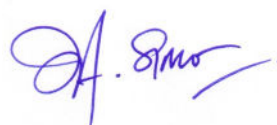
Environmental regulation and performance

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 2017 has been received and can be found on page 33.

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



John Simon
Director
25 August 2017



Alaric Sinclair
Director
25 August 2017

Auditor's Independence Declaration



RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000

F +61 (0) 3 9286 8199

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Forest and Wood Products Australia Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

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RSM AUSTRALIA PARTNERS

A blue ink signature, likely of R B Miano.

R B MIANO
Partner

Melbourne, Victoria
Dated: 25 August 2017

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Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

		2017	2016
	Note	\$	\$
Revenue	3(a)	11,448,182	9,886,926
Other income	3(c)	2,090,404	835,397
Promoting wood products	4(a)	(2,423,775)	(2,023,492)
Aligning products to market needs	4(b)	(5,430,548)	(4,806,127)
Assisting value chain optimisation	4(c)	(1,381,869)	(713,148)
Resource availability and risk	4(d)	(1,857,908)	(1,583,020)
Decision making and capability	4(e)	(768,709)	(581,737)
Voluntary contribution programs	4(f)	(2,192,369)	(959,182)
Provision of Importers refund	4(g)	(200,000)	-
Net surplus / (deficit) before income tax expense		(716,592)	55,617
Income tax expense	1(r)	-	-
Surplus / (deficit) after income tax expense for the year attributable to the members of Forest and Wood Products Australia Limited		(716,592)	55,617
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the year attributable to the members of Forest and Wood Products Australia Limited		(716,592)	55,617

Statement of Financial Position

As at 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash & cash equivalents	5	2,020,809	1,432,620
Trade and other receivables	6	1,859,384	2,350,426
Financial assets	7	3,588,663	3,649,060
Total current assets		7,468,856	7,432,106
Non-current assets			
Furniture and equipment	8	168,258	166,314
Total non-current assets		168,258	166,314
TOTAL ASSETS		7,637,114	7,598,420
LIABILITIES			
Current liabilities			
Trade and other payables	9	1,391,653	867,227
Short-term provisions	10	377,567	303,798
Other current liabilities	11	571,323	709,086
Total current liabilities		2,340,543	1,880,111
Non-current liabilities			
Other long-term provisions	10	48,444	29,304
Other non-current liabilities	11	397,142	121,428
Total non-current liabilities		445,586	150,732
TOTAL LIABILITIES		2,786,129	2,030,843
NET ASSETS		4,850,985	5,567,577
EQUITY			
Retained surplus		4,850,985	5,567,577
TOTAL EQUITY		4,850,985	5,567,577

Statement of Changes in Equity

For the year ended 30 June 2017

	Retained surplus	Total
	\$	\$
Balance at 1 July 2015	5,511,960	5,511,960
Net surplus for the year after income tax	55,617	55,617
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	55,617	55,617
Balance at 30 June 2016	5,567,577	5,567,577
Balance at 1 July 2016	5,567,577	5,567,577
Net surplus for the year after income tax	(716,592)	(716,592)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(716,592)	(716,592)
Balance at 30 June 2017	4,850,985	4,850,985

Statement of Cash Flows

For the year ended 30 June 2017

		2017	2016
	Note	\$	\$
Cash flows from operating activities:			
Receipts from members and government		13,818,204	9,171,840
Lease incentive		-	170,000
Payments to suppliers and employees		(13,401,142)	(9,464,412)
Interest received		146,785	160,344
Net cash provided by operating activities	12	563,847	37,772
Cash flows from investing activities			
Acquisition of property, plant and equipment		(61,137)	(12,297)
Disposal / (acquisition) of financial assets		85,479	(1,600,000)
Net cash provided by (used in) investing activities		24,342	(1,612,297)
Net increase / (decrease) in cash and cash equivalents		588,189	(1,574,524)
Cash and cash equivalents at the beginning of the financial year		1,432,620	3,007,144
Cash and cash equivalents at the end of the financial year	5	2,020,809	1,432,620

Notes to the Financial Statements 30 June 2017

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 25 August 2017. 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.

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.

B. New, revised or amending Accounting Standards and Interpretations adopted (continued)

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 re-measurements 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 AASB 2012-2 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 AASB 2012-5 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 of selected non current assets, financial assets and financial liabilities.

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. 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 Water Resources and from State Growers estimates of their levies payable. Voluntary contribution are recognised only when there are corresponding equivalent expenditure for the contributions are identified.

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).

E. 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.

F. 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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

G. 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. Interest earned on held-to-maturity investments are recognised as revenue upon receipt and as accrued.

H. Furniture and equipment

Each class of furniture and equipment is carried at historical cost, less, where applicable, accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attribute to the acquisition of the items.

Purchases of furniture and equipment are recognised initially at historical cost, except for purchases costing less than \$1,500, 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.

H. Furniture and equipment (continued)

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

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

Office furniture and equipment	13% - 50%
Leasehold improvements	14%

I. 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.

J. Trade and other receivables

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

K. 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.

L. Trade and other payables

Trade 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 of recognition of the liability.

M. 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-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 commercial bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

M. Employee provisions (continued)

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, Unisuper, Superleader, North Personal Super Plan, VicSuper, Care Super and Jim Houghton's Superannuation Fund. Contributions are made to the Company employee superannuation funds and are charged as expenses when incurred.

N. 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.

O. Deferred revenue

When revenue is received whereby the Company incurs an obligation to deliver economic value directly back to the contributor, it is considered a reciprocal transaction and the revenue is recognised as a liability until the service has been delivered to the contributor.

Grants and voluntary industry contributions are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Commonwealth Funding which has been received but not expended has been recorded as deferred revenue in accordance with the Agreement with the Commonwealth Government until such time as the funds are expended for the conduct of the activities in accordance with the agreement.

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 with 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 is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investment Commission, relating to "rounding-off". Amounts in this report have been rounded-off in accordance with that Class Order to the nearest dollar.

T. Economic dependence

Forest and Wood Products Australia Limited (FWPA) is dependent on the Department of Agriculture and Water Resources 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.

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.

Lease make good provision

A provision of make good to the office as required by the office lease.

		2017	2016
	Note	\$	\$
3 Revenue			
(a) Revenue			
Industry contributions	3(b)	5,831,449	5,605,464
Commonwealth matching	4(i)	4,520,549	3,801,871
Voluntary matching		1,096,184	479,591
		<u>11,448,182</u>	<u>9,886,926</u>
(b) Industry contributions			
Processors		3,334,683	3,089,881
Importers		882,941	1,033,102
Growers		1,142,383	1,041,209
State growers		462,380	428,001
Penalties		9,062	13,271
		<u>5,831,449</u>	<u>5,605,464</u>
(c) Other revenue			
Voluntary contributions		1,228,604	479,591
Government grant		454,800	-
Bank interest received		158,670	164,655
Industry project contributions		66,630	15,000
Others		181,700	176,151
		<u>2,090,404</u>	<u>835,397</u>
4 Program expenses			
(a) Promoting Wood Products			
Consumer activities		1,687,110	1,296,110
Forest education activities		224,624	239,056
Program Partner activities		1,230	-
Program support management		510,811	488,326
		<u>2,423,775</u>	<u>2,023,492</u>
(b) Aligning Products to Market Needs			
Specifier activities		2,047,835	2,098,046
Research and development activities		1,839,708	1,232,469
Building codes and standard activities		295,188	226,825
Statistic and economic activities		-	15,570
Program support management		1,247,817	1,233,217
		<u>5,430,548</u>	<u>4,806,127</u>

	2017	2016
	\$	\$
4 Program expenses (continued)		
(c) Assisting Value Chain Optimisation		
Research and development activities	1,009,126	445,894
Building codes and standard activities	20,239	11,480
Statistic and economic activities	-	-
Program support management	352,504	255,774
	1,381,869	713,148
(d) Resource Availability and Risk		
Research and development activities	1,070,439	1,094,111
Statistic and economic activities	255,000	88,500
Program support management	532,469	400,409
	1,857,908	1,583,020
(e) Decision Making and Capability		
Research and development activities	16,250	96,752
Statistic and economic activities	453,813	265,517
Program support management	298,646	219,468
	768,709	581,737
(f) Voluntary Contributions Program		
Program activities	1,203,262	959,182
Program support management	989,107	-
	2,192,369	959,182
(g) Provision of Importers refund		
Provision of importers refund	200,000	-
	200,000	-
(h) Employee benefits expenses*		
Wages and salaries	1,427,327	1,234,910
Annual leave	30,292	2,905
Increase to long service leave provision	62,617	32,300
Superannuation contributions	114,666	101,875
	1,634,902	1,371,990

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

	2017	2016
	\$	\$
4 Program expenses (continued)		
(i) Matchable Expenses		
Promoting wood products	387,642	226,581
Aligning products to market needs	5,173,976	4,673,080
Assisting value chain optimization	1,364,617	713,148
Resource availability and risk	1,491,592	1,583,020
Decision making and capability	768,709	581,737
Levies costs	(145,439)	(173,824)
	<u>9,041,097</u>	<u>7,603,742</u>
Commonwealth Matching (total matchable divide by 2)	4,520,549	3,801,871
5 Cash and cash equivalents		
Cash on hand	200	200
Cash at bank	820,609	32,420
Short-term bank deposits	1,200,000	1,400,000
	<u>2,020,809</u>	<u>1,432,620</u>
6 Trade and other receivables		
Current		
Commonwealth matching	918,094	1,063,364
Levies receivable	188,153	193,637
Interest receivable	176	13,374
Prepayments	28,316	43,586
Voluntary contribution	310,200	63,635
Voluntary matching	243,765	527,550
Government grant	-	445,280
Other revenue	5,895	-
GST receivable/ (payable)	164,785	-
	<u>1,859,384</u>	<u>2,350,426</u>
7 Other financial assets		
Held to maturity investment: long term bank deposits	3,544,021	3,629,500
Interest receivable	44,642	19,560
	<u>3,588,663</u>	<u>3,649,060</u>

	2017 \$	2016 \$
8 Furniture and equipment		
Office equipment		
At cost	230,808	169,671
Less accumulated depreciation	(124,250)	(79,110)
	106,558	90,561
Improvements		
At cost	90,423	90,423
Less accumulated depreciation/impairment	(28,723)	(14,670)
	61,700	75,753
	168,258	166,314

(a) Movements in Carrying Amounts

	Equipment \$	Office Improvements \$	Total \$
Balance at 30 June 2016	90,561	75,753	166,314
Additions	61,137	-	61,137
Depreciation expense	(45,139)	(14,054)	(59,193)
Balance at 30 June 2017	106,559	61,699	168,258

	2017 \$	2016 \$
9 Trade and other payables		
Current		
Trade payables	1,285,444	795,780
	1,285,444	795,780
Other payables & accruals		
Audit fee	15,400	12,100
GST payable	-	19,395
PAYG tax & FBT (BAS)	90,809	39,952
	106,209	71,447
	1,391,653	867,227

10 Provisions

	Annual Leave	Long Service Leave	Make good of premises	Total
	\$	\$	\$	\$
Balance at 30 June 2016	93,095	230,007	10,000	333,102
Additional provisions	42,433	62,617	-	105,050
Amounts used	(12,141)	-	-	(12,141)
Balance at 30 June 2017	<u>123,387</u>	<u>292,624</u>	<u>10,000</u>	<u>426,011</u>

	2017	2016
	\$	\$
Analysis of total provisions		
Current		
Employee benefits - annual leave	123,387	93,095
Employee benefits - long service leave	254,180	210,703
	<u>377,567</u>	<u>303,798</u>
Non-current		
Employee benefits - long service leave	38,444	19,304
Make good of premises	10,000	10,000
	<u>48,444</u>	<u>29,304</u>
	<u>426,011</u>	<u>333,102</u>

11 Other liabilities

Current		
Lease incentive liability	24,285	24,286
Deferred revenue	450,000	684,800
Grower research advisory committee	97,038	-
	<u>571,323</u>	<u>709,086</u>
Non-current		
Lease incentive liability	97,142	121,428
Provision for probable claim	300,000	-
	<u>397,142</u>	<u>121,428</u>
	<u>968,465</u>	<u>830,514</u>

	2017	2016
	\$	\$
12 Cash Flow information		
Reconciliation of Cash Flow from operations with profit after income tax		
Net income for the year	(716,592)	55,617
Non-cash flows in profit		
Depreciation, amortisation and impairments	59,193	33,565
Write off of assets	-	(509)
Changes in assets and liabilities, net of the effects of transfers of operations		
(Increase)/decrease in trade and term receivables	491,042	(1,276,477)
(Increase)/decrease in interest receivables	(25,082)	53,439
Increase in trade payables and accruals	524,426	484,060
Increase in provisions	92,909	27,563
Increase in other liabilities	137,951	660,514
Cash flow from operations	563,847	37,772

13 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:

	2017	2016
	\$	\$
Aggregate compensation	572,163	522,884

14 Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 13.

Transactions with related parties

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.

	2017	2016
	\$	\$
Australian Forest Products Associations (R. Adams)	-	610
J.W. Gottstein Memorial Trust (R. Adams, R. Sinclair, J. Simon, B. Farmer)	7,000	2,000
Timber Development Association (J. Simon*)	-	66,790
Timber Queensland (B. Farmer)	48,734	29,039
Timberlands Pacific (J. Henneberry)	-	214

* Notes: Mr John Simon director term with Timber Development Association ended 11 November 2015.

14 Related party transactions (continued)***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.

15 Contingent assets or liabilities

There were no contingent assets or liabilities as at 30 June 2017. (FY 2016: \$0)

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 11, 10-16 Queen Street, Melbourne. The guarantee is held in term deposit with Commonwealth Bank of Australia.

17 Operating lease commitments (non-cancellable)

	2017	2016
	\$	\$
By maturity		
Operating lease commitments		
Within one year	123,069	115,504
One to five years	520,444	621,971
	643,513	737,475

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.

Operating lease commitments included leases under non-cancellable operating lease expiring within 1-5 years.

18 Project commitments

	2017	2016
	\$	\$
By maturity		
Commitments		
One year or less	2,738,038	2,522,083
From one to five years	3,907,247	2,541,508
	6,645,285	5,063,591

NB: Commitments are GST inclusive where relevant.

19 Events after the reporting period

No matter or circumstance has arisen since 30 June 2017 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.

20 Company details

The registered office of the Company is:

Forest and Wood Products Australia Limited
Level 11, 10-16 Queen Street
Melbourne Victoria 3000

Directors' Declaration

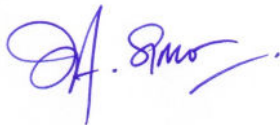
In accordance with a resolution of the directors of Forest and Wood Products Australia Limited, the directors declare that:

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Director
John Simon



Director
Alaric Sinclair

Dated this 25th day of August 2017

Independent Auditor's Report



RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61(0)3 9286 8000

F +61(0)3 9286 8199

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT

To the Members of Forest and Wood Products Australia Limited

Opinion

We have audited the financial report of Forest and Wood Products Australia Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

RSM AUSTRALIA PARTNERS

R B MIANO

Partner

Dated: 29 August 2017
Melbourne, Victoria

Research Projects 2016-17

Levy-based Funding Project Description	FWPA Investment \$	Total Project Costs \$	Status	Project No.
Aligning products to market needs				
Acoustic testing Octave Acoustics Pty Ltd	2,200	2,200	→	PRA424-1617
Creating a pathway to build timber frame houses in a traditionally double-brick housing market Timber Insight Pty Ltd	202,100	517,100	→	PNA371-1516
Investigate the possibility of using wood powder as feedstock for 3D printing University of Southern Queensland	20,000	176,000	→	PNA360-1516
Microtimber – Development of a 3D-printed, gradient timber panel composed of forestry waste- and by-products University of Sydney	80,000	395,159	→	PNA359-1516
Australian wood product manufacturers - Environmental life cycle inventory update thinkstep Pty Ltd	267,345	500,445	→	PNA384-1516
Implementation of NIR-based QC of H2F working solutions Meder Consulting	25,000	25,000	✓	PRB398-1516
ARC Centre for Advanced Manufacturing of Prefabricated Housing University of Melbourne	90,000	4,090,000	→	PRA373-1516
FWPA R&D Investment Plan for: Fire performance in residential medium to high density dwellings EFT Consulting	11,392	11,392	✓	PRA367-1516
Guide to wood construction systems University of Tasmania	45,000	137,000	→	PNA323-1314
Char calculation methodology to provide structural, insulation and integrity fire resistance rating for solid timber and engineered wood wall, floor and roof elements Timber Development Association (NSW) Ltd	93,875	117,875	✓	PRA319-1314
Improving profitability in multi residential and commercial construction timber supply chains using a Building Information Modelling decision framework University of South Australia	22,500	137,500	→	PNA383-1516
Green Star compliant Environmental Product Declarations (EPDs) for timber products Timber Development Association (NSW) Ltd	131,072	161,072	✓	PRA321-1314

Developing high-mass laminated flooring products from fibre-managed plantation hardwood	7,000	158,000	→	PNB387-1516
University of Tasmania				
Understanding thermal mass and ventilation in lightweight structures (Ben Slee)	105,000	210,000	✓	PGD296-1213
The University of Sydney				
Increasing the timber office fit-out market by designing for measurable life cycle benefits	165,000	331,000	✓	PNA322-1314
University of Technology Sydney				
Panelised and off-site building systems	114,500	253,500	✓	PNA324-1314
University of Tasmania				
The potential to recover veneer based product from low grade native forest logs	84,000	264,500	→	PNB386-1516
University of Tasmania				
Long-span timber floor and framing systems for commercial buildings	238,000	635,905	→	PNA341-1415
University of Technology Sydney				
Design of structural glulam based on lamination data	140,000	330,192	→	PNB385-1516
The University of Melbourne - School of Ecosystem & Forest Sciences				
Investigation into tall timber frame building issues	33,750	33,750	✓	PRA412-1617
Timber Development Association (NSW) Ltd				
Investigate implications of Ncc2016 changes to DTS for 25m timber buildings on supply of sawn timber	27,000	27,000	✓	PRA391-1516
TimberED Services Pty Ltd				
Productivity in mass multi-storey timber construction	26,450	26,450	→	PRA427-1617
University of Technology Sydney				
Strength verification of MDF products and fitness for purpose in structural applications	71,970	314,900	→	PNA364-1516
University of the Sunshine Coast				
Study the influence of perpendicular to grain compression and creep in 4 to 8 storey lightweight timber framed buildings	89,800	139,800	→	PNA394-1516
Timber Development Association (NSW) Ltd				
Trialling the value of RFID tracking systems in prefabricated timber construction	62,265	163,182	→	PNA381-1516
University of Technology Sydney				
Structural framing decisions in the detached housing and lower-rise attached dwelling market	45,000	45,000	✓	PRA396-1516
Australian Construction Insight (ACI)				
Weatherproofing verification of timber cladding profiles based by the verification method given in 2015 BCA Part F1	80,000	108,150	→	PNA382-1516
Timber Development Association (NSW) Ltd				
Updating of fire safety supporting documentation for BCA	51,380	51,380	→	PRA277-1112
Exova Warringtonfire				

Massive Wall Systems	4,200	4,200	✓	PRA419-1617
Tim Gibney and Associates				
Best practice for timber end-of-life options in whole of life building	11,000	20,000	→	PRA253-1112
Timber Development Association (NSW) Ltd				
National Centre for Timber Durability and Design Life	750,000	750,000	→	PNB425-1617
University of the Sunshine Coast				
Pilot Scale Floor Test to AS1530.4-2014 90mm CLT	35,443	35,443	→	PRA431-1617
Exova Warringtonfire				
Pilot Scale Floor Test to AS1530.4-2014 225mm CLT	56,908	56,908	→	PRA432-1617
Exova Warringtonfire				
Assisting value chain optimisation				
ARC Industrial Transformation Training Centre for Forest Value	200,000	200,000	→	PRA372-1516
University of Tasmania				
The potential for durable “box-heart” posts from intensively managed hardwood plantations in southern Victoria	15,000	15,000	→	PRB357-1415
Heartwood Plantations				
Increasing the value of under-utilised forest resources through the development of advanced engineered wood products	70,000	861,545	→	PNB407-1516
Department of Agriculture, Fisheries and Forestry QLD (DAFF)				
Discussion paper on ERF method for storing carbon in the built environment	12,290	12,290	✓	PRA413-1617
Energetics Pty Ltd				
High-tech modular building components with high contents of Australian hardwoods	260,000	980,000	→	PNA380-1516
CSIRO				
Improving returns from Southern Pine plantations through innovative resource characterisation	555,000	2,337,502	→	PNC361-1415
University of the Sunshine Coast				
A profitable future for Australian agriculture: Bio-refineries for higher-value animal feeds, chemicals and fuels	100,000	100,000	→	PNC365-1516
Sugar Research Australia				
Processing pruned <i>Eucalyptus nitens</i> plantation logs to produce high-value sawn and veneer products	100,000	100,000	→	PNB417-1617
Forestry Tasmania				
Primary Industries' Social Licence to Operate: A proposal to evaluate the potential benefits from research, and options for research delivery	28,840	28,840	✓	PRE405-1516
Gordon Duff Consulting				
Control and manage the moisture content of logs and biomass to maximise benefits along the wood supply chain	50,000	489,000	→	PNC400-1516
University of the Sunshine Coast				

Development of a scanner protocol	18,644	22,060	✓	PRC351-1415
University of the Sunshine Coast				
Increasing resource availability and reducing risk				
Accelerating precision agriculture to decision agriculture	25,000	3,532,976	→	RRD416-1617
Cotton R & D Corporation				
RD&E Program in Advanced Log and Woodchip Export Supply Chain Management for Australia	225,000	225,000	→	PNC426-1617
University of the Sunshine Coast				
Reducing costs in the wood supply chain through controlling the moisture content of logs and chips	23,000	147,206	→	PNC336-1314
University of the Sunshine Coast				
Framework of metrics and measures of non-tangible values for the forest wood products industry	10,000	10,000	→	PRA435-1617
Development Impacts Pty Ltd				
Deployment and integration of cost-effective, high spatial resolution, remotely sensed data for the Australian forestry industry	370,000	1,808,957	→	PNC326-1314
NSW Department of Primary Industries				
Evaluating and modelling radiata pine wood quality in the Murray Valley region	208,086	606,102	✓	PNC325-1314
CSIRO Sustainable Ecosystems				
Forest climate risk tool	14,998	14,998	→	PRC420-1617
CSIRO - Land and Water				
Forest industry cooperative pesticide research, chemical registration, industry and community education, and chemical use and application regulation advice consortium	487,123	987,123	→	PNC176-0910
Australian Plantation Products & Paper Industry Co				
Improving productivity of the sub-tropical private native forest resource	35,000	568,906	→	PNC379-1516
Department of Agriculture, Fisheries and Forestry QLD (DAFF)				
Lifting farmgate profitability through high value modular agroforestry	206,316	1,044,990	→	RRD401-1516
CSIRO - Land and Water				
Leveraging Australia's forest data assets	25,146	25,146	→	PRC410-1516
CSIRO Sustainable Ecosystems				
Management and support of Resistograph based intellectual property developed by the SWI Research Consortium	10,000	10,000	→	PRC421-1617
Forest Quality Pty Ltd				
Optimising remotely acquired, dense point cloud data for plantation inventory	230,000	977,732	→	PNC377-1516
SCION				
Pine drought mortality: predicting risk and providing adaptation strategies	30,000	175,546	→	PNC358-1415
CSIRO Sustainable Ecosystems				

✓ Completed report → Ongoing project

ProFert-Pine - A fertiliser tool for softwood plantations in southern Australia	42,000	136,000	✓	PNC342-1415
TreeMod				
Active genetic conservation and utilisation of native radiata pine germplasm (Stage II)	90,000	90,000	✓	PNC370-1516
Southern Tree Breeding Association				
Discovery and application of DNA markers for resistance to <i>Teratosphaeria</i> in <i>E. globulus</i>	120,000	372,031	✓	PNC363-1415
Gondwana Genomics Pty Ltd				
Eucalypt MAS: Implementation of marker-assisted selection in Australia's major plantation eucalypts	310,000	2,010,800	→	PNC378-1516
Gondwana Genomics Pty Ltd				
Improving wood quality in radiata and southern pines	150,000	150,000	→	PNC428-1617
Southern Tree Breeding Association				
Incorporating genomic data in TREEPLAN evaluations to increase genetic gain	310,000	1,077,076	→	PNC408-1516
Southern Tree Breeding Association				
Supporting regional productivity through regional permanent sample plots	15,000	15,000	✓	PRC375-1516
ForestrySA				
Review of Australian dryland forest opportunities	20,000	20,000	✓	PRC390-1516
CSIRO				
Evaluating the costs and benefits of managing new and existing biosecurity threats to Australia's plantation industry	60,000	146,524	✓	PNC362-1415
University of the Sunshine Coast				
CRC Submission 2016 - Innovations for next generation tree plantation investment	5,000	5,000	✓	PRC414-1617
Lynea Advisory				
Forests for the future: making the most of a high CO ₂ world	200,000	200,000	→	PNC310-1213
CSIRO Ecosystem Sciences				
Participation in a collaborative network for Climate Change Research Strategy for Primary Industries (CCRISPI)	45,000	45,000	→	PRC226-1011
Climate Change Research Strategy for Primary Industries (CCRISPI)				
Production forest methodologies for the Emissions Reduction Fund	105,000	496,050	→	PNC354-1415
NSW Department of Primary Industries				

Impacting decision making and industry capability

Cost benefit analysis of three selected projects - December 2016	52,500	52,500	✓	PRA374-1516
Centre for International Economics				
FWPA cost benefit analysis of R&D projects - 2017	6,250	6,250	→	PRA433-1617
Sylva Systems Pty Ltd				
Joint funded project-AgVet Collaborative Forum	9,000	15,000	→	PNC404-1516
Rural Industries R & D Corporation				
Identification of target project for timber use	39,040	39,040	✓	PRA392-1516
Navire Advisory Pty Ltd				
Membership to RMIT IG Network (RMIT)	27,273	27,273	→	PRE303-1213
RMIT				
Data and innovation services	20,990	20,990	✓	PNA403-1516
Vixier Pty Ltd				
Framework of metrics and measures of non-tangible values for the forest wood products industry	10,000	10,000	→	PRA435-1617
Development Impacts Pty Ltd				

Voluntary Matching Program				
Project Description	Commonwealth Investment \$	Total Project Costs \$	Status	Project No.
Koala survey - UAV	40,000	135,700	✓	VNC389-1516
Kingfisher Data Services Pty Ltd				
Baseline acoustic testing of CLT wall and floor systems	132,095	396,527	✓	VNA388-1516
Timber Development Association (NSW) Ltd				
Utilisation of plantation harvest waste material for pharmaceutical applications	30,628	86,326	→	VNB393-1516
Quality Matters Safety Matters Pty Ltd				
Industry wide application of advanced breeding tools and systems – Tree Breeding Australia	967,056	2,448,039	→	VNC406-1516
Southern Tree Breeding Association (STBA)				
Establishing a comprehensive and accessible permanent growth plot dataset for radiata pine plantations in the Green Triangle Region	63,000	173,000	→	VNC411-1516
ForestrySA				
Silvicultural systems to optimise value from northern Australian Mahogany Plantations	500,000	1,560,000	→	VNC402-1617
McGrath Forestry Services Pty Ltd				
Mid-rise timber construction supply chain MIG	18,000	36,000	→	VNA415-1617
Wood Products Victoria				
A model system for the discovery and development of biocontrol agents against forest pests	150,000	547,692	→	VNC418-1617
University of the Sunshine Coast				
Optimising plantation productivity through improved fertilizer regimes	50,000	290,000	→	VNC422-1617
McGrath Forestry Services Pty Ltd				
Next generation forest plantation investment	450,000	900,000	→	VNC423-1617
University of Melbourne				
Log haulage registered code of practice	100,000	250,000	→	VNA434-1617
Australian Forest Products Association (AFPA)				

FWPA members

As at 30 June 2017

Full Members Companies

A G Brown Sawmill Pty Ltd	Department of Environment & Resource Management (DERM)
Agriwealth Contracting Pty Ltd	Dindas Australia Pty Ltd
Albany Plantation Export Company Pty Ltd	DMK Forest Products Pty Ltd
Allied Timber Products Pty Ltd	Elders Forestry Limited
Alpine MDF Industries Pty Ltd	Endeavour Foundation trading as Nangarin Timbers
ANZFIF Sub 1 (Australia New Zealand Forest Investment Fund)	Environmental Forest Farms Management Ltd
ANZFOF Sub1 (Australia New Zealand Forest Operating Fund)	FEA Group of Companies (under external administration and/or controller appointed)
Associated Kiln Driers Pty Ltd trading as A.K.D. Softwoods	Fenning Investments Pty Ltd
Auspine Pty Ltd*	FGI Australia Pty Ltd
Austral Plywoods Pty Ltd	Forest Products Commission (WA)
Australian Bluegum Plantations Pty Ltd	Forest Strategy Pty Ltd
Australian Solar Timbers	Forestry Corporation
Australian Sustainable Hardwoods Pty Ltd	Forestry Tasmania
Australian United Timbers Pty Ltd	ForestrySA
Auswest Timbers Pty Ltd	Forico Pty Ltd
Baradine Sawmilling Co Pty Ltd	Garry Davey Timber Cutting
Bayswood Timber Wholesalers Pty Ltd	George Fethers & Co Trading Pty Ltd
Big River Group Pty Ltd	Gippsland Logging & Earthmoving
Birnam Forests Pty Ltd	Green Triangle Forest Operating Sub Trust
Bluebat	Green Triangle Forest Products
Boral Timber Division	GTP Alexandra Pty Ltd (Gunns Timber Products)*
Borg Panels	GTP Heyfield Pty Ltd (Gunns Timber Products)*
Briggs Veneers Pty Ltd	Gunnedah Timbers Pty Ltd
Britton Bros Pty Ltd	Gunnersens Pty Ltd
Bunbury Fibre Exports Pty Ltd	Gunns Forest Products Pty Ltd*
Bunbury Fibre Plantations Pty Ltd	Gunns Ltd*
Bunbury Treefarm Project	Hallmark Oaks Pty Ltd
Carter Holt Harvey Woodproducts (Southern Region) Pty Ltd	Hancock Victorian Plantations Pty Ltd (HVP)
Carter Holt Harvey Woodproducts (Central and Northern Regions) Pty Ltd	Hexan Holdings Pty Ltd trading as Whiteland Milling
Carter Holt Harvey Woodproducts Australia	Highland Pine Products Pty Ltd
D&R Hendersen Pty Ltd	HQPlantations Pty Ltd
D.S. Fuller & L.R. Fuller trading as Dale & Lindsay Fuller Partnership	Hume Forests Limited
D.M. and L.A. Pratt	Hurford Sawmilling Pty Ltd
Dale & Meyers Operations Pty Ltd trading as DTM Timber	Hurford Wholesale Pty Ltd
David Neville Calvert	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	RMS Australian Forests Assets Pty Ltd
ITI (Victoria) Pty Ltd	Ryan & McNulty Pty Ltd
J Notaras & Sons Pty Ltd	SA Pine Pty Ltd
J Wright & Sons Pty Ltd	Sarawood (Aust)
Jarrah Select Pty Ltd	Saunders Sawmill
Jarrahwood Australia Pty Ltd	Schiffke Sawmill Pty Ltd
Jeff and Lilian Ang	SFM Environmental Solutions
Jelfor Treated Timbers Pty Ltd	Simmonds Lumber Pty Ltd
Jetstar Enterprises Pty Ltd trading as Permapole	South East Fibre Exports Pty Ltd
John Cook & Sons Pty Ltd	South East Pine Sales
Koppers Wood Products Pty Ltd	Stora Enso Timber Australia Pty Ltd
KSI Sawmills Pty Ltd	Swan Le Messurier Pty Ltd
LM Hayter & Sons Pty Ltd	Ta Ann Tasmania Pty Ltd
Lormier Timber Pty Ltd trading as Davids Timber	Tarmac Sawmilling Pty Ltd
Machin's Sawmill Pty Ltd	TASCO trading as Dongwha Timbers Pty Ltd
Mathews Timber Pty Ltd	Tasman KB Pty Ltd
McCormack Demby Timber Pty Ltd	Territory and Municipal Services Directorate ACT
McDonnell Industries Pty Ltd	The Laminex Group
McKay Timber	Tilling Timber Pty Ltd
Meyer Timber Pty Ltd	Timber Corporation Pty Ltd
Midway Limited	Timberlands Pacific Pty Ltd
Millmerran Timbers Pty Ltd	Timberlink Australia
Moran Logging Company Pty Ltd	Timothy J Mitchell
MRG Connections Pty Ltd	Tower Timber
N K Collins Industries Pty Ltd*	Urgenty Pty Ltd trading as Mary Valley Timbers
Nannup Timber Processing (NTP)	VicForests
New Forests Asset Management Pty Ltd trading as The Trust Company (Australia) Ltd	VIDA Wood Australia Pty Ltd
Norske Skog Paper Mills (Australia) Ltd	Visy Pulp and paper
NSFP Smartfibre Pty Ltd	WA Chip & Pulp Co Pty Ltd
Onefortyone Plantations Pty Ltd	Wade Sawmill Pty Ltd
Oregon Sales Pty Ltd (Trading as Timbeck Cedar Products)	Waverly Consulting Pty Ltd trading as Treated Pine Distributors
Parkside Building Supplies Pty. Ltd.	WeatherTex Pty Ltd
Penrose Pine Products Pty Ltd	Wesbeam Pty Ltd
Pentarch Forest Products Pty Ltd	Wespine Industries Pty Ltd
PF Olsen TISA Pty Ltd as Trustee for Timberland Australasian Fund II	Whiteheads Timber Sales Pty Ltd
Planet Timbers (WA) Pty Ltd	Wilton Logging Pty Ltd
Porta Mouldings Pty Ltd	Wood panels International Pty Ltd
Private Forestry Service Queensland	Wright Forest Products Pty Ltd
Radial Timber Australia	<i>* Under external administration</i>
Ravenshoe Timbers Pty Ltd	
Ridgewood Timber Pty Ltd	

Associate Member Companies

A E Girle & Sons

Australasian Timber Flooring Association

Australian Forest Products Association (AFPA)

BIS Shrapnel

Everist Timber Pty Ltd

Frame & Truss Manufacturers Association of Australia
Ltd (FTMA)

Keith Timber Group

Kennedys Classic Aged Timbers Pty Ltd

Lonza Wood Protection trading as Arch Wood Protection
(Aust) Pty Ltd

Poyry Management Consulting (Australia) Pty Ltd

Pryda

Regional Development Australia Limestone Coast Inc.

Rodpak

Rothoblaas SRL

The Timber Preservers Association of Australia

Timber & Building Materials Association (Aust.) Ltd

Timber Development Association (NSW)

Timber Insight Pty Ltd

Timber Merchants Association (VIC)

Timber Queensland Ltd

Victorian Association of Forest Industries (VAFI)

Wood Products Victoria Ltd