



Forest & Wood
Products Australia



2017/18 Annual Report



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RSM Australia Partners

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From the Chairman

I am delighted to present the 2017/18 Annual Report for Forest and Wood Products Australia Limited (FWPA).

The past year has been another successful period for FWPA and the Australian timber industry in general. Continued strong housing starts, increased market share timber's in commercial construction, and the growing acceptance of the environmental benefits of timber, have all provided the impetus for some rare 'good times' for many participants in our industry.

FWPA has, during the past twelve months, continued to collaborate with all levy payers, government and other industry stakeholders to support innovation and grow the understanding of the benefits of timber.

During the year we renewed our funding arrangements with the Department of Agriculture and Water Resources by the signing of a new Statutory Funding Agreement. This will underpin our activities for the next four years. FWPA was also appointed by the Australian Government to be the contract agent for the newly established National Institute for Forest Products Innovation as well as our management of two projects under the R&D4Profit program.

Two important long-term industry challenges remain: the lack of growth of our forest resource and the continued reduction in local research capacity. To address these issues, FWPA funded a number of research projects focused on the expansion of the forest estate, the optimisation of log utilisation, and the establishment of a new Centre for Timber Durability and Design Life at the University of the Sunshine Coast.

The recent change to the National Construction Code has accelerated the use of timber in commercial buildings. More and more architects, builders and developers are recognising the benefits of timber as a structural material. The assistance of the mid-rise advisory team, our regular WoodSolutions information seminars and research funded by FWPA that shows the significant productivity and health benefits of timber buildings have all resulted in a number of high-profile-office, hotel and residential projects either being completed or entering the design phase in the past year. One great example is the newly completed International House at Barangaroo in Sydney, which has won numerous architectural awards. FWPA continues to work with the Australian Building Codes Board to expand the types of structures which can be built in timber on a 'deemed to satisfy' basis.

Our WoodSolutions program is a valued resource for the expansion of product knowledge, and our expanded statistics program provides useful information for industry decision making. Our work with educators at schools and universities continues to grow the understanding of the benefits of timber. All of these are assisted by our ongoing partnership with Planet Ark.

None of this would have been possible without the dedication of our small FWPA team, capably led by Ric Sinclair. I also pay tribute to our Board of Directors, whose strategic guidance and focus on a high level of corporate governance ensures our ongoing success.

It is a great privilege to be part of a recognised company with such strong commitment to ensuring a better future for the forest and wood products sector.

John Simon
Chairman





From the Managing Director

Over the past financial year, we have continued to serve the industry by successfully building the systems and platforms necessary to achieve our mission of growing the market for forest and wood products, increasing productivity and profitability across the value chain, and ensuring positive environmental and social outcomes.

Everything we do is part of a broader, overarching commitment to securing and strengthening the future of our industry, in both the short and long term. Because our industry is unique, it is particularly important that we give due attention to both its immediate and distant futures, considering the length of the growing cycles we are planning around. The decisions we make today will still be having an impact 20, 30 or even 50 years down the line.

One of our major areas of focus when it comes to investing in the shorter-term future of our industry has been around education and changing perceptions of timber. This has taken various forms, including the nurturing and preparation of our industry's current and future people through the likes of our pilot industry leadership program For Our Future, and the further evolution of the National Centre for Timber Durability and Design Life.

We have been educating decision-makers in construction and other potential users of timber about the many benefits of the material, through the continuing insights

provided by the Mid-Rise Advisory Program, the further promotion of Wood Encouragement Policies among government and council officials, and the growth of our free online learning program WoodSolutions Campus.

In addition, recognising the opportunities for growing future demand will rest with the end user, we have ramped up our efforts to educate the general community on the advantages of timber through the expansion of our schools education program ForestLearning, and new awareness campaigns rolled out under the WoodSolutions and Planet Ark's Make It Wood banners.

Outside of education we have been working to equip the industry for success in the near term in a number of other ways. The knowledge provided by our continuing data aggregation program aids smart decision making, while intelligence around the export supply chain resulting from our Export Log and Woodchip program is likely to enable significant efficiency gains. By embracing innovative and disruptive technologies such as the Resi-eCambium software that offers a rapid and cost-effective method of assessing wood quality in plantations, we can provide the tools and methods to support ongoing increased productivity.

Looking to the long term, it is vital that we continue to strengthen the research capacity of the

industry, through initiatives such as voluntary matched funding. This scheme has allowed us to work with some of the best minds in the country on developing technologies that can, for instance, test the DNA of seedlings to enhance predictive capacity and ensure the highest quality of yield in future decades.

We are committed to ensuring these systems and platforms will continue to evolve and provide even greater value to stakeholders, both now and long into the future.

I thank our dedicated Board of Directors and the whole FWPA team for their support, hard work and enthusiasm, and also to acknowledge the contributions of our members, stakeholders, R&D partners, suppliers and the Australian Government.

Ric Sinclair
Managing Director
ric.sinclair@fwpa.com.au
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2017/18 Highlights

Redeveloped WoodSolutions website ranks #1 for timber information



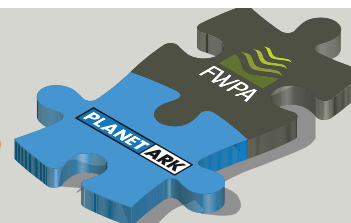
Improved look, feel & functionality. ↑

10,000

pages of information & resources.

Sessions: **544,305**
Page views: **1,363,863**
Users: **412,598**
New users: **413,525**
Downloads: **66,013**

Planet Ark partnership continues to yield results



- > Wellbeing & productivity benefits of wood in the workplace highlighted through exclusive research into Biophilia!
- > Make It Wood ad campaign featuring Peter Maddison of Grand Designs Australia. **As a result of the ads:**

65%

said wood became more appealing.

65%

would recommend use of wood products to others.

For Our Future - Industry leadership program

28 emerging leaders graduated.



Overwhelmingly positive feedback received.



eCambium and Resi offer valuable insights



Adoption of new technologies to predict wood quality, thanks to FWPA-funded research.

A focus on outcomes

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

Our five key programs are:





Gondwana Genomics looks to the future



New tool to predict wood traits by DNA-testing a single seedling leaf.

National Centre for Timber Durability and Design Life

Distinguished international expert appointed as Director.



Industry steering committee established.

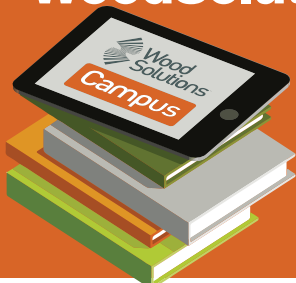
Mid-rise advisory group leads the way



21 substantial building projects underway.

262 projects expressing interest in making the switch to wood.

WoodSolutions Campus - fill your knowledge gap!



Website redevelopment = better user-friendliness and navigation.



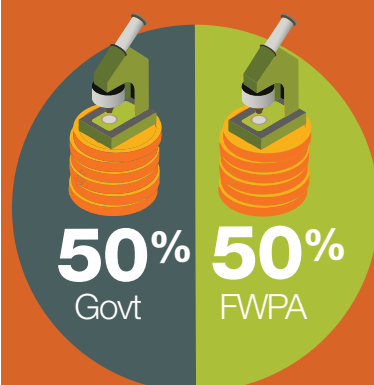
Spreading the word through advertising.



Video views of nearly **10,000** = increase of **400%**

272 enrolments ...
↑ up from **250** last year

Government matches voluntary research funding



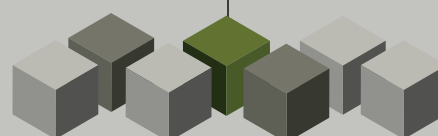
\$2,767,077 invested in research projects, jointly funded by government & industry

Data aggregation and distribution

76 organisations (up from 43 last year)



contribute data towards:



21 data series (up from 15 last year)

= informed decision making



Strategic Framework

During the 2017/18 financial year, Forest and Wood Products Australia (FWPA) operated in accordance with the rolling 2018-2022 Strategic Plan, which is reviewed annually, alongside the 2017/18 Annual Operating Plan (AOP).

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.

Desired outcomes

To secure the co-operation and collaboration required to deliver the outcomes that will be of optimal benefit to the industry as a whole, through:

- increased demand
- increased community acceptance
- increased productivity
- increased sustainability credentials
- increased capacity.

Programs

We are now two years into our revised Strategic Plan with outcome-themed programs. In prior strategic plans, the company's activities were structured around functional areas such as research and development (R&D), generic marketing and standards development.

Our new program structure, which came into effect in 2016, is intended to shift the focus (and language) away from functional inputs to the outcomes we are seeking to achieve for stakeholders.

To be successful, this shift requires cultural change within the organisation and the broader industry. In 2017/18, we have continued to work towards this outcome, although we recognise it will take time to become fully entrenched.

Our current outcome-based programs are focused on the following 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, in accordance with our 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:





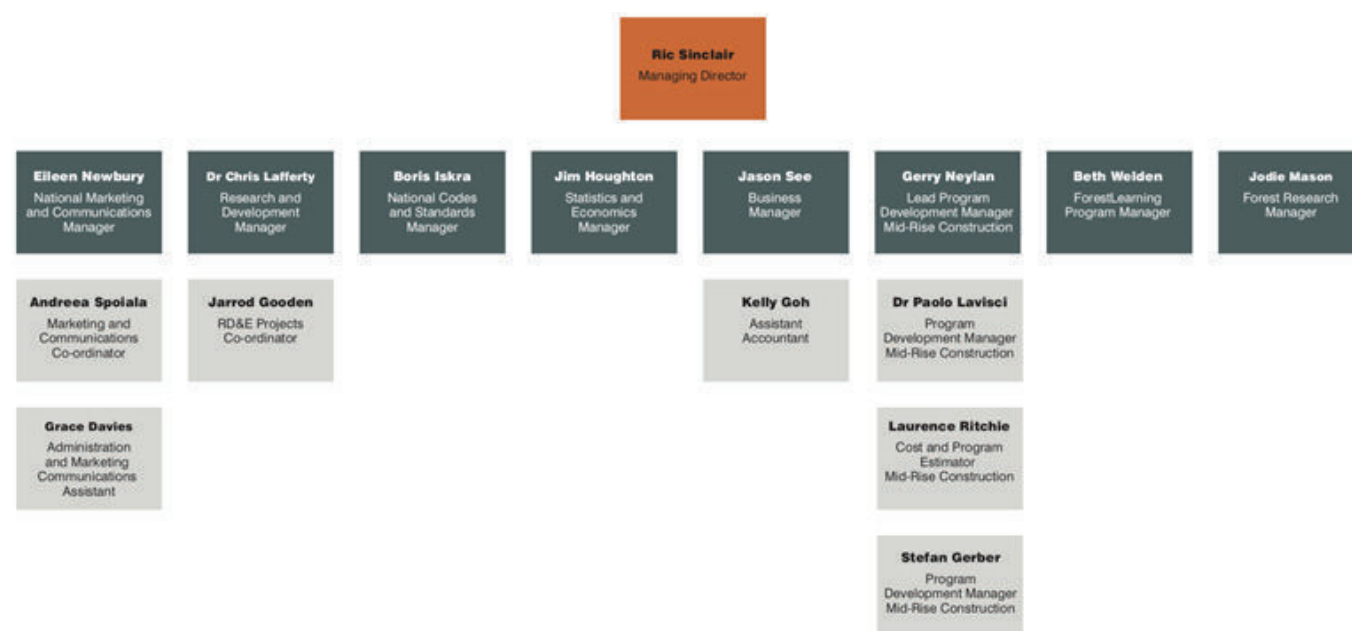
This review process creates a rolling five-year planning cycle that ensures the organisation remains focussed on the future, while making necessary adjustments within the operating environment. 2017-2018 represented the second year of the most recent five-year cycle, and the second in which FWPA has focussed on the five current strategic programs.

This annual report should be read in conjunction with the 5-year Strategic Plan (2018-2022) and the 2017/18 Annual Operating Plan (AOP).

The following new or expanded initiatives have been the focus of the 2017/18 AOP:

- establishing a new regionally based leadership training program
- implementing the new Industry Advisory Group and Interest Group structure
- getting the new National Centre for Timber Durability and Design Life fully operational
- exploring the feasibility of new National Centre on Small Log Processing
- providing administrative support for the National Institute for Forest Products Innovation
- implementing the recommendations of the independent performance review by GHD with a particular focus on improved documentation for risk management and corporate governance.

Forest and Wood Products Australia staff





R&D Collaboration and Building Capacity

A major area of focus for FWPA over the last 12 months has been our continued commitment to increasing our involvement with R&D collaborations nationwide, and supporting capacity building within the sector.

FWPA is proud to collaborate with government and industry on initiatives that aim to grow the market, delivering real-world outcomes that are good for business, the environment and society.

We are fortunate to be able to rely on a great deal of input from people working 'on the ground' within the sector, and their valuable experience and expertise enables us to understand how we can best grow the market, innovate and promote the unique attractions of forest and wood products.

A prime example of collaboration with our industry and beyond is our pilot industry leadership program, For Our Future, which we have delivered in collaboration with the Australian Rural Leadership Foundation, Leadership Victoria and experiential leadership development experts Polykala. The initiatives saw 28 emerging leaders graduate this year, all of whom went on to provide strong, positive feedback on its value and impact.

The program hinged on intensive training, which covered initial assessment and testing, different ways of framing issues, organisational dynamics, consultation processes and conflict resolution, among other things.

Employer-nominated participants from across the country benefitted from the opportunity to hear directly from industry experts and leaders in other fields, and working together to identify some of the challenges facing the forest and wood products industry.

We are proud to have been able to take such an active role in equipping this new cohort of industry experts with new, industry-leading skills and knowledge, and an improved understanding of industry issues, all of which will place them in the strongest position to collaboratively drive the future of our industry.

strong links between industry, academia and customers.

Jeff will work closely with industry to ensure all interests and ideas are considered in the Centre's operations and he has already conducted a number of consultation sessions with members of this committee and the industry more broadly. Going



For Our Future participants at the Melbourne workshop

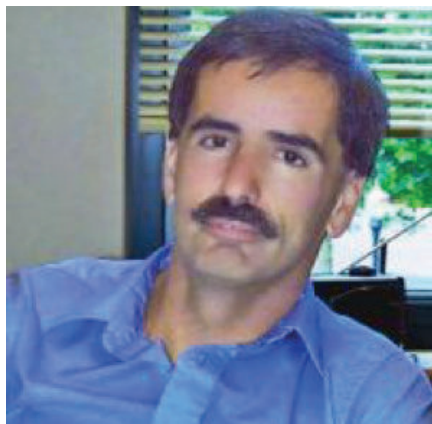
Additionally, the past year has seen us make significant progress in the establishment of the National Centre for Timber Durability and Design Life, thanks to the appointment of Professor Jeff Morrell of Oregon State University as Director, for an initial term of five years.

The Centre, which was founded in 2016, is a strategic initiative led by FWPA, and is a good example of partnership between industry, academia and government on a national and international scale. It has been set-up to put Australia at the forefront of global best practice, and to use evidence-based data, systems and tools to underpin consumer confidence in the performance of timber products. The goal is to build and maintain

forward, the Centre will focus on engaging with students, the future leaders of the Australian forestry industry, which will help ensure we are able to continue building capacity long into the future.

Other partners investing in the Centre include the University of Queensland (UQ) and the Queensland Department of Agriculture and Fisheries (DAF).

Following a successful program in the 2016/17 financial year, voluntary matched funding has again been made available for collaborative research projects this year, thanks to an agreement between FWPA and the Federal Government.



Professor Jeff Morrell

The initiative has seen \$2,767,077 invested in research and extension projects. This has not only helped increase the technical capacity of the industry, but has also enabled a number of extremely valuable collaborations that will directly result in new and valuable intellectual property being made available to the contributors when each project is completed.

Another strong example of industry collaboration making a positive impact is our Mid-rise Advisory Program. Made up of technical experts with experience in architecture, structural engineering and costing, the team is committed to providing impartial advice and support to the design and building industries based on best available research findings, in order to accelerate the adoption of timber building systems in mid-rise construction.

Since its formation in 2016, the hard work of the team in making the building and property development industries aware of the many advantages of wood has resulted in timber being used in place of conventional materials in 21 substantial building projects across the nation. A further 262 projects have expressed a strong interest in making the switch.

It is projects such as these that demonstrate the positive outcomes that can be achieved when our industry works together. We are proud of our achievements to date, and look forward to continuing to develop close and fruitful relationships with the industry long into the future.

FWPA thanks all of those who have made a commitment to the future of our industry by participating, and encourages others to explore the opportunities to have their say.

Australian Research Council (ARC) Transformation Hubs

FWPA has continued its involvement with two Australian Research Council (ARC) Transformation Hubs: the Training Centre for Forest Value and the Centre for Advanced Manufacturing of Prefabricated Housing.



The ARC Training Centre for Forest Value was established in early 2016 at the University of Tasmania to provide advanced training and research opportunities across the entire product supply chain, and to build capacity that will improve the productivity and competitiveness of the Australian forest products sector.

Aside from making a financial contribution towards Centre operations, FWPA has representation on its Advisory and Joint Committees. In this role, FWPA provides important insights

around national impact, strong support for supply chain integration and a focus on product application.

This Centre has three broad themes operating across the College of Science and Engineering at the University of Tasmania: forest production and certification (Biological Sciences), product development (Architecture and Design), and supply chain and information management (Information and Communication Technology). It 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.

This, and the industry-ready students and post-doctoral researchers the Centre will produce, will create information to enhance productivity, profitably and sustainability along the supply chain, and increase returns from Australia's forests.

The Centre is currently exceeding its scientific outputs based on its key performance indicators, with five times the number of journal articles, conference publications and abstracts published than required in 2017. Thirteen of 26 peer-reviewed journal articles are in journals that rank in the top 25% of the discipline area. The remaining papers are targeted at industry journals or deal with local issues.



We have continued to work with the ARC Centre for Advanced Manufacturing of Prefabricated Housing to support research into the development of advanced prefabrication technology that will directly benefit the timber industry by creating a sustainable training eco-system between industry and multiple Australian universities.

This Centre, which is based at the University of Melbourne, has received ongoing funding from FWPA, and we have continued to sit 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.

During the past financial year, the Centre has continued to partner with industry in preparing the next generation of professionals and researchers, and is developing the materials, systems and design thinking that will transform the construction industry towards an advanced manufacturing future. This innovation will secure the Australian prefabricated housing industry's competitive advantage in the global value chain, leading to local employment growth and increased exports of prefabricated building components, systems and design expertise.

During 2017/18, the Centre conducted research training with 10 PhD students, four post-docs and more than 60 Masters students. It has also driven more than 15 industry R&D projects.

Collaboration with the Council of Rural Research Development Corporations

The Council of Rural Research Development Corporations (RDCs) is the peak body and structure through which Australia's 15 Rural RDCs (of which FWPA is one) work together on matters of common interest and importance. In 2017/18, the Council identified and refined its overall purpose as leadership in rural innovation, with its four areas of priority activity: strategy and leadership, collaboration and co-investment, impact assessment and performance, and stakeholder engagement and communications.

During the financial year, FWPA was involved with a Council-initiated project to explore and define a vision for the future of the rural R&D system in the context of the Australian economy and community, up until 2040. This work is drawing out a range of strategic insights that support RDCs and other participants in the Research, Development & Extension to prepare for a range of eventualities and work together to deliver improved operations, activities and investments. The project will report its findings in October 2018.

The Rural R&D for Profit program has continued to provide a useful mechanism to support cross-RDC collaboration, with seven projects approved in May 2017. A mid-term evaluation of the program found that, while it was still in the early stages, the program is broadly meeting its objectives. FWPA, alongside other RDCs, continues to support the implementation of the program and develop projects for submission in the next round.

The Accelerating Precision Agriculture to Decision Agriculture (P2D) project, funded through the Rural R&D for Profit program, is believed to be the first research project to involve all 15 Rural RDCs. It is a hugely successful example of cross-sectoral collaboration, and a project with which FWPA is proud to have been associated. The project focused on the potential of digital technology in transforming agriculture, the likely benefits and disadvantages of these technologies, and the issues the agricultural sector needs to address in order to effectively implement a digital strategy.



The reports and recommendations resulting from this project were launched by the Minister for Agriculture and Water Resources the Hon. David Littleproud MP during the ABARES Outlook Conference in March 2018. The findings clearly indicated that a cohesive, whole-of-industry collaboration is needed for digital agriculture development. Phase two of the project is now in development, with consideration being given to how the recommendations can be implemented.

In addition, the seven plant-based industry RDCs, of which FWPA is one, have worked with the Council to form the Plant Biosecurity Research Initiative – a partnership with Plant Health Australia and the Department of Agriculture and Water Resources that will focus on improved coordination and collaboration for plant biosecurity research in Australia.







RDC Partners


 Australian Government
Cotton Research and Development Corporation


 AgriFutures
Australia


 GRDC
GRAINS RESEARCH & DEVELOPMENT CORPORATION


 sra
Sugar Research Australia


 Horticulture
 Innovation
Australia


 Dairy
 Australia


 AWI
Australian Wool Innovation Limited


 mla
MEAT & LIVESTOCK AUSTRALIA


 AMPC


 LIVECORP
THE NATIONAL LAMB & GOOSE RESEARCH CORPORATION


 AUSTRALIAN
 Pork


 Wine
 Australia


 Forest & Wood
 Products Australia


 FRDC


 Australian
 eggs

Research Partners


 DATA
 61


 CSIRO


 DATA TO
 DECISIONS
 CRC


 Australian
 Farm Institute


 Griffith
 UNIVERSITY


 USC
 AUSTRALIA


 une
 University of
 New England

This project is supported by funding from


 Australian Government
 Department of Agriculture
 and Water Resources



Program 1

Promoting the Advantages of Wood Products

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

Biophilia research generates positive awareness of timber

World-first research funded by FWPA is proving that wood in the workplace is strongly associated with increased worker satisfaction and wellbeing.

Based on a survey of 1,000 indoor Australian workers, the research provides fresh evidence to underpin the business case for biophilia – the principle that exposure to nature increases human wellbeing – and has the potential to substantially boost demand for timber in office fit-outs.

Conducted by market research firm Pollinate with additional analysis by the University of Canberra, the study found that the more natural-looking wooden surfaces workers could see from their workstation, the higher their workplace satisfaction and wellbeing.

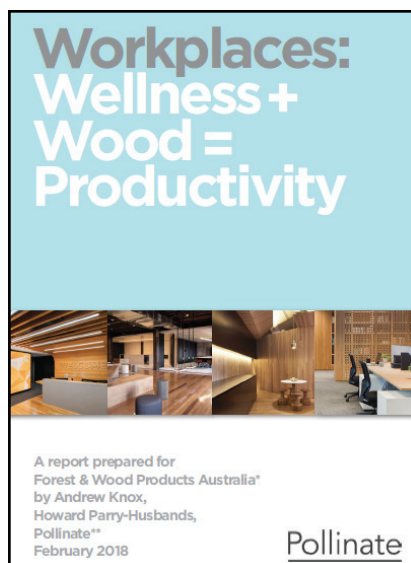
The research was unveiled in front of an audience of environmentally minded architects and specifiers at the Green Cities conference in Melbourne. Since then, it has generated substantial amounts of positive awareness.

Articles have appeared in print publications such as the Australian Financial Review and HR Monthly, online outlets including Green Magazine, Business Recycling, Friday Offcuts, Build Australia and Architecture and Design, as well as various other design, build and timber-focused publications.

The research also provided strong content for FWPA's digital channels LinkedIn and Facebook, resulting in nearly 8,000 views, likes, comments or shares.

The research has also been used to inform a new TV commercial featuring architect Peter Maddison, the host of Grand Designs Australia.

Read the full report at WoodSolutions - <https://www.woodsolutions.com.au/wood-at-work>



Forest and Wood Products Australia rolls out new consumer advertising campaign

FWPA's consumer advertising campaign with Planet Ark and the Make It Wood brand comprises a series of TV and online commercials.

The latest round of 30 and 15 second commercials show award-winning architect Peter Maddison, host of Grand Designs Australia, in a before and after office situation, visually demonstrating the wellbeing and productivity benefits of wood in the workplace, as well as incorporating messages about the advantages of other uses of timber, including residential framing and wood in the home.

The June television campaign performed extremely well, driven by the strong performance of the key programs where our advertising is placed, such as House Rules, The Voice and Seven News, and was also supported by additional bonus activity offered from the TV networks.



Online video advertisements ran across four publishers from 1 June until 30 June, appearing on the online versions of Green Magazine, the Australian Financial Review and the Property Congress App, as well as the WoodSolutions Facebook, Instagram and Twitter accounts. The campaign served a total of 1,062,177 impressions across premium video and catch up TV, and 172,014 impressions on YouTube, both figures being over our benchmarks.

Post-consumer research showed excellent results from the campaign, with the commercials really resonating with the public. Not only did the campaign achieve impressive recall, but it also appears to have sparked intrigue and influenced people's attitudes towards wood. For instance:

The vast majority (89%) recalled seeing the ads on TV:

- 70% agreed the ads told them something new about wood
- 65% said wood became more appealing to them after seeing the ads
- 65% said they would recommend the use of wood products to others as a result of seeing the ads

- 48% said the ad encouraged them to go online and find out more about wood
- Almost two-thirds (64%) claimed they'd be likely to use wood after seeing the advertising.

Each of the above statistics represents an increase of between 5% and 17% when compared to the statistics that came out of similar consumer research conducted before the campaign.

WoodSolutions Species App launched

This year, WoodSolutions launched its Species App to support design and build professionals, as well as the general public, to choose and specify the best timber species and products for structural, exterior and interior applications.

The free App, now available for Apple and Android devices, covers a comprehensive range of 100+ Australian and imported hardwood and softwood species, listing suppliers for each and detailing application types and available engineered wood products. The list of species can be filtered by wood type, colour group, Bushfire

Attack Level, durability and strength ratings.

Our objective was to take the wealth of resources and information available on wood species and deliver it in a convenient, easy-to-use tool that is accessible from anywhere.

More councils adopt Wood Encouragement Policies

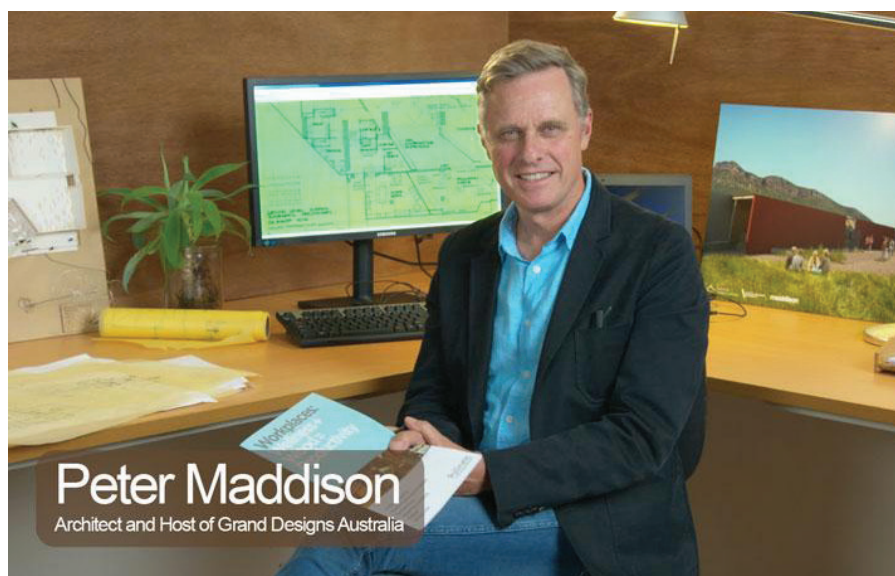
A key element of the Planet Ark Make It Wood initiative is the adoption of Wood Encouragement Policies (WEPs) by government bodies throughout Australia.

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

In addition to the Tasmanian State Government and two local government authorities, there are now 15 local councils that have adopted a WEP. Thanks to work over the past financial year with East Fremantle (WA), Coffs Harbour (NSW) and Snowy Valleys Shire Council (NSW) have come on board during the last 12 months.

ForestLearning education program expands

The ForestLearning education program focuses on providing quality resources for teachers, enabling them to successfully integrate forestry and sustainable wood product information into their classroom teaching, while aligning with Australian Curriculum outcomes.



Peter Maddison
Architect and Host of Grand Designs Australia



Our work in this area has been developed and implemented within three priority outcomes:

Relevant and Robust Resources

www.forestlearning.edu.au is a leading teaching and learning resource website for teachers, regularly updated with lessons, information and support materials at every year level across all subject areas. Eleven new teaching and learning resources have been added to the website this year, written by teachers, for teachers, in line with the Australian curriculum and subject guidelines.

The ForestLearning website has attracted more than 18,000 users to the site during this financial year. More than 500 free teacher packs have been ordered through the website, comprising newly designed ForestLearning postcards and wooden bookmarks containing wood facts for students. We estimate these packs have reached more than 25,000 students. More than 500 conference packs were also distributed at conferences hosted by the Institute of Foresters of Australia, Timber Queensland, Primary Industries Education Foundation Australia, National Agriculture Teachers Association, Geography Teachers Association Victoria and Nature Play SA.

Productive Partnerships

This year, much work has gone into both building new and strengthening existing strategic partnerships within industry and education sectors, as well as upskilling industry members to

equip them to host schools and teachers.

The ForestLearning World Forestry Institute International Education Program was run for the first time in Australia, attracting more 40 participants from the forestry industry, government, universities, education and environmental education sectors. Rick Zenn, Senior Fellow at the World Forestry Institute collaborated with Australian facilitators from within the industry to present hands-on activities, story telling and reflection sessions to help improve industry-to-school engagement practices, as well as building social licence. ForestLearning also hosted Rick Zenn as keynote speaker at the Primary Industries Education Foundation National Conference, which attracted more than 150 teachers and industry representatives from across Australia.

Strategic Promotions

The ForestLearning Facebook Page - @forestlearningau - has now amassed 1,276 Followers and has become the second largest source of traffic to the ForestLearning website. In addition, the ForestLearning quarterly newsletter reaches almost 7,000 subscribers, providing a useful means of reaching and engaging with teachers around Australia.

WoodSolutions Canadian tour

In July, a group of 25 Australian architects, engineers and developers viewed some of Canada's most advanced timber buildings (both completed and under construction), met the key people behind their development and visited a number of factories producing cross-laminated and nail laminated timber, during a study tour co-hosted by WoodSolutions and the Timber Development Association NSW.

The tour provided attendees with opportunities to learn about the advantages of wood and see first-hand how it is being successfully utilised overseas, as well as providing FWPA with the chance to engage closely with them and develop an even better understanding of their concerns and areas of interest.





Program 2

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 remains the world's #1-ranked website for trustworthy information on timber, according to the Alexa website ranking tool. It contains more than 10,000 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 2017/18 financial year.

Over the past 12 months, our team has been hard at work on the rebuild of this website. The new site launched in the second half of 2017 and maintained all the positive features, while taking advantage of the latest web developments.

Sessions:

544,305

Page views:

1,363,863

Users:

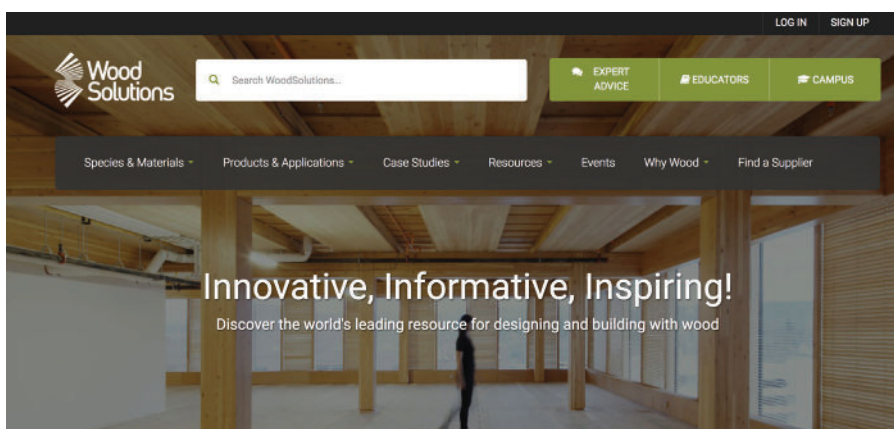
412,598

New users:

413,525

Downloads:

66,013



As a result of extensive user testing and feedback, the new website not only looks better, but it has also improved functionality. Here are some of the new features:

- Bookmarks - Allowing users to save and return to chosen pages, so they can build their own collection of case studies or technical information.
- Case Study Submission - The industry can now share case studies of their projects with the thousands of people who visit the WoodSolutions website every day, simply by completing the online form. The WoodSolutions team can even provide advice, writing and editing.
- Event Calendar Submission - Allowing users to promote events to WoodSolutions visitors via an Event Calendar.
- Social media connections from the Home Page – Giving users the opportunity to connect through other avenues
- Moving WoodSolutions Campus to the WoodSolutions website.

Evolution of WoodSolutions Campus

WoodSolutions Campus was established during the previous financial year in response to a perceived lack of knowledge around the nature and performance of wood and wood products, which can not only restrict sales opportunities, but may also lead to customer dissatisfaction if an inappropriate product is recommended or supplied.

During the past 12 months, WoodSolutions Campus – a collaboration with the University of Tasmania to provide free online timber education – has received a website make-over, and is the subject of a new promotional campaign and skills development opportunities.

The campaign invites timber salespeople and others from across the timber supply chain, and members of the design and build industry to 'fill your knowledge gap'. Advertisements ran across print, online and outdoor platforms throughout 2017 up until October.



The website redesign has resulted in an overall improved look and has made it more user-friendly and easier to navigate with more effective filters. The purpose of the campaign is to increase awareness of the training platform and increase enrolments in the WoodSolutions Campus.

WoodSolutions Campus certificates can earn each participant credits towards the University of Tasmania's Graduate Certificate in Timber (Processing and Building).

There are many subject areas available, including mid-rise timber construction, building regulations, timber inspection, managing moisture, designing for durability and environmental characteristics.

This year a new course, Timber Inspection, has been added.

This seven-video-module course introduces Australian Standards and the process of inspecting and certifying timber for house construction.

There have been 272 enrolments across all courses during the last financial year, from a variety of professions including education, trade, built environment, industry and sales, and YouTube video content views have increased by more than 400% to nearly 10,000.

International expert addresses the industry

Following a successful WoodSolutions-driven Australian lecture tour in the previous financial year, we were pleased to welcome back to Australia prominent international architect Andrew Waugh, RIBA award-winning principal and founding Director of the UK's Waugh Thistleton.

During his visit, Andrew was keynote speaker at the Urban Development Institute of Australia's Congress in Melbourne, and through the WoodSolutions brand FWPA also arranged an educational tour during which Andrew spoke to 350 university architectural students at the University of Melbourne.



Andrew Waugh presenting at the University of Melbourne.

National Centre for Timber Durability and Design Life

In 2017/18, FWPA was pleased to announce the appointment of Professor Jeff Morrell of Oregon State University as Director of the National Centre for Timber Durability and Design Life for a term of five years.

The Centre is a strategic initiative led by FWPA, and is a partnership between industry, academia and government designed to put Australia at the forefront of international best practice and use evidence-based data, systems and tools to underpin consumer confidence in the performance of timber products.

In particular, the goal over the next five years is to develop a predictive, evidence-based model to enable architects and building specifiers to more easily choose the right timber for the right task, accurately forecasting structural performance and design life.

Industry will be encouraged to work alongside Jeff and students from across the country to help ensure that Australian industry has access to the world's leading research and best practice, and to build links between industry, academia and customers.

The centre is based at the University of the Sunshine Coast, although it takes a national and international approach. Other partners investing in the Centre include the University of Queensland and the Queensland Department of Agriculture and Fisheries.

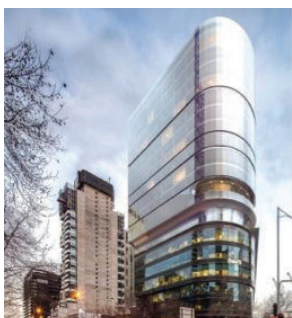


Mid-Rise Advisory Group

Thanks to the work of members of the FWPA-led Mid-Rise Advisory Program, timber is currently being used instead of conventional materials in 21 substantial building projects, from government housing to hotels and offices. Developers of a further 262 projects are also expressing interest in making the switch.

In partnership with key industry sponsors, the team's work has seen them promote the merits of both lightweight and engineered timber including cost savings, faster delivery, less disruption, improved safety and environmental impact. They have also developed technical materials to facilitate the adoption of timber, and provide free technical advice on subjects such as optimising the type of structural timber systems, fire rating, code compliance and acoustics.

Projects that have recently enjoyed input from the Mid-rise team include:



55 Southbank Boulevard, Southbank, VIC – a 10-storey cross-laminated timber (CLT) and Glulam extension to an existing building. Using timber enabled the construction to be taller than the six floors originally envisioned with conventional building materials, because it weighed a fraction of the amount. The existing building remains occupied while construction of the extension, which will be used as a hotel, is underway.

Image: Bates Smart 2017

Preston Renewal Project Stage 1, Preston, VIC – a 68-apartment social housing project commissioned by the Department of Health and Human Services using prefabricated stud framing in three and four-storey buildings.



Image: Billard Leece Partnership, 2017



339 Williamstown Road, Port Melbourne, VIC – a 10-storey mixed-use apartment and office LVL project in a prestigious area with bay and city views, demonstrating timber can be used for the 'top end of town'.

Image: Armsby Architects, 2017

Monash University Student Accommodation, Frankston, VIC – a five-storey CLT building over a concrete podium, chosen for speed of construction and environmental properties.

Image: Jackson Clements Burrows Architects, 2017



752 High St, Thornbury, VIC – a four-storey apartment block originally designed for conventional materials, which proved too expensive, and was adjusted to four levels of CLT over a concrete podium.

Image: Gardiner Architects, 2017

19 Merrivale St, South Brisbane, QLD – an 11-storey massive timber or hybrid building, still under design, which will include 132 apartments, a rooftop pool, a restaurant, a car park, and a gym and conference facility.

Image: Shane Thompson Architects, 2018



25 King St, Brisbane, QLD – a nine-storey mass timber building on a concrete podium that will be the world's tallest commercial timber structure.

Image: Bates Smart, 2017



In just one hour, Australian softwood plantations can grow enough timber to create a nine-storey building's worth of engineered timber, according to calculations by FWPA's Mid-rise Advisory Program.

The Program estimates that more than one million hectares of Australian softwood plantations grow a combined total of between 30 and 40m³ of timber per minute. Once turned into engineered wood products, that equates to between 11 and 15m³ produced every minute.

For context, let's take the nine-storey, 23-apartment block Forte, developed by Lendlease, as an example. The Melbourne-based tower was the world's tallest CLT building upon completion in 2012. Using 970m³ of timber in total, the Program's calculations show the required material was grown in approximately one hour.

In terms of more recent projects, the planned Multiplex Monash Student Accommodation in Frankston will require 1,700m³ of timber, which can be grown in approximately two hours. Atelier's 55 Southbank Boulevard, currently under construction in Melbourne, will require 4,300m³ of timber, which can be grown in around six hours.

We were advised that numbers 1 and 3 of these submissions were accepted by the Australian Building Codes Board (ABCB) Building Codes Committee (BCC) for inclusion in the public comment draft of the 2019 NCC.

The proposed extension of the use "...of fire-protected timber structural building systems for the construction of all classes of buildings..." would be a major achievement and endorsement of the work undertaken by FWPA in support of timber building systems, and would facilitate the use of fire-protected timber in all buildings up to eight storeys in the future.

Timber would be more easily used to construct buildings as diverse as shops, car parks, storage warehouses, laboratories, hospitals, schools and aged-care facilities under these changes. Builders and developers wanting to use timber would no longer have to undertake time-consuming and expensive 'Performance Solutions' to gain building approval, as long as their designs meet the deemed-to-satisfy requirements. This would have a positive development in terms of increasing demand.

The proposed changes would apply to both traditional framing and newer mass building systems utilising glue-laminated timber, laminated veneer lumber (LVL) and cross-laminated timber (CLT) products.

It is important to note that all the 'unsupported' PFCs are technically robust and other means of enabling them (e.g. WoodSolutions Technical Design Guides and CodeMark) will be investigated by FWPA going forward. Further work/discussions will be held with state regulatory/fire authorities to garner support for future submissions, and ultimately they will be resubmitted for inclusion in the NCC 2022.

Submissions for Changes to the National Construction Code

To grow the market, FWPA seeks to remove unnecessary restrictions on the use of timber. For that reason, during this financial year a number of proposal-for-change (PFC) submissions were made for inclusion in the National Construction Code (NCC) 2019, with a view to enabling the greater use of structural and appearance grade timber products in buildings.

The submitted PFCs were:

1. Mid-rise timber definitions and clarifications.
2. Use of fire-retardant coatings to achieve required fire hazard properties.
3. Change to permit the use of fire-protected timber structural building systems for the construction of all classes of buildings up to an effective height of 25 metres with automatic fire sprinklers.
4. General clause modifications and clarifications.
5. Timber dado walls.
6. Timber fire hazard properties.
7. Timber stairways in fire-isolated exits.
8. Timber stairways in non-fire-isolated exits.
9. Timber acoustic floor and wall systems.



Australian Standards activities

A major revision to the suite of AS/NZS 1604 Preservative treatment Standards is now being finalised following public comments.

This suite of standards includes:

AS/NZS 1604.1 Preservative treatment requirements – This Standard combines the existing suite of five preservative treatment parts into one standard, and aims to simplify its use and clarify treatment requirements.

AS/NZS 1604.2 Verification method – This Standard introduces suitable verification methods that can be used to demonstrate penetration and retention compliance with the AS/NZS 1604.1 requirements.

AS/NZS 1604.3 Test methods – This Standard combines the existing suite of four test method parts into one standard and has been amended to include new tests, and clarify existing test methods, as required.

In addition, FWPA has been working on changes to AS/NZS 1720.4 *Timber structures – Fire-resistance for structural adequacy of timber elements*. The draft of this 20-page Standard received more than 220 public comments. Due to changes in the composition of the working group members established to review these comments, FWPA was invited to take on the role of Project Leader, to complete this review and the revision itself.

Once they take effect, the major changes to this Standard will include a method for determining the fire-resistance for structural adequacy and insulation of solid timber, plywood, laminated veneer lumber, and glued-laminated structural timber elements, as an alternative to the fire test methods specified in Australia (AS 1530.4) and New Zealand (NZS/BS 476 series).

FWPA has also been working on changes to AS/NZS 3959 *Construction of buildings in bushfire-prone areas*. The draft of this 145-page Standard has been out for public comment and received more than 450 comments. FWPA is a member of FP-020, which is responsible for this Standard and, as such, we have been involved in meetings of the Working Group during which the submitted comments have been reviewed.

The primary focus of FWPA's participation is to ensure that proposed changes are technically based and to enable the safe use of timber products in bushfire-prone areas. As part of this work, FWPA has also made a submission to review the test criteria for 'bushfire-resisting timber' to enable the use of fire-retardant treated timbers.



Program 3

Assisting Value Chain Optimisation

This program is about increasing the value and volume recovery from existing resources to ensure that all wood fibre is utilised to its highest and best use.

Development and applications of Resistograph technology

Last year, FWPA managed access for FWPA levy payers to software tools developed by the previous Solid Wood Innovations research consortium they were designed to interpret data collected by IML-Resistograph (Resi) tools used by a number of commercial forest companies. This technology is now providing Australian industry with a rapid and cost-effective method of assessing wood quality in plantations at low cost.

The past 12 months have seen rapid uptake of this technology by grower-processor companies, while ongoing software development has continued to make the Resi data easier to process, as well as expanding the information that can be extracted from it.

An FWPA industry Interest Group was established to support uptake, and advise on and direct these developments. A major outcome of their work has been the development of analysis tools that will support commercial application.

Towards this end, a recently completed study in Southern pines, led by Professor David Lee of the University of the Sunshine Coast, evaluated the Resi technology as a means of predicting log stiffness, and found it to be effective when compared to other methods.

Given the low-cost of the data it provides, Resi is opening up a significant mechanism for growers and processors to assess wood quality in their resource. A FWPA-funded project conducted by the

Southern Tree Breeding Association (STBA) is now evaluating Resi as a rapid wood property phenotyping tool in breeding populations, allowing for analysis of the composite of a plant's observable characteristics or traits.

eCambium wood property model

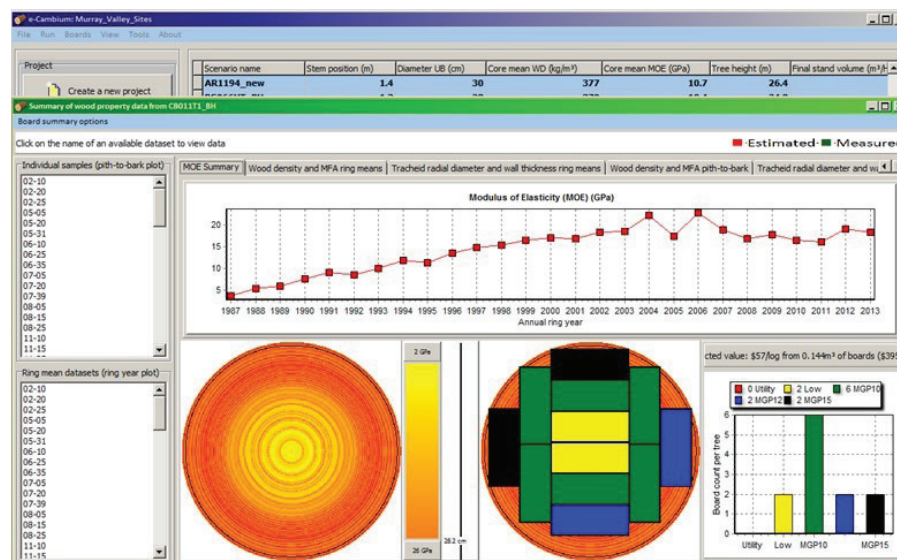
In the previous financial year, FWPA members recognised that assessing wood quality in radiata plantation resources can be expensive and the funds required to assess wood quality are rarely available. Despite this, much is known about how wood varies between trees, as well as in response to site, silviculture and water availability. However, this knowledge is embedded in scientific literature and can often seem counter-intuitive.

To help overcome these issues, eCambium software has been developed to provide the user with knowledge and understanding of tree physiology and wood formation

in a way that allows the quantitative prediction of wood quality from inputs describing site, weather and silviculture.

Since completion, there have been a number of applications of this technology. For instance, the move of co-developer Dr David Drew to Stellenbosch University in South Africa has seen eCambium incorporated into its third year, undergraduate Forest Growth and Yield Modelling program, demonstrating to students how silvicultural adjustments, particularly the timing and intensity of thinning activities, will affect harvest, as well as product quality and value.

eCambium is intended as a high-level screening tool to allow growers to model and categorise wood quality characteristics across their estate, and optimise management interventions. These can help in identifying the best sites for in-field ground-truthing using Resi. However, to transition the software into routine commercial



eCambium wood property model



use, eCambium needs to be automated, minimising necessary user skill. It is this goal that is targeted in the recently approved FWPA Resi-eCambium project.

Export Log and Woodchip Program

With increasing market opportunities for log and woodchip exports, particularly in niche, high value markets, through containerised systems, it is increasingly important for forest growers and contractors to effectively engage with export supply chains. Common issues in traditional domestic forestry supply chains around efficiency are being explored as part of the FWPA-funded Export Log and Woodchip Program.

One area of focus has been how to best prepare logs for export by

reducing moisture content, allowing greater volumes to be shipped in weight limited container units and reducing quality degradation. This is a greater issue for export supply chains where logs spend more time in transit than traditional forestry supply chains.

Preliminary results have shown bark removal for storage and the choice of storage location can help improve drying outcomes and fungal impact. Operational layout of the loading facility has also been shown to play a key role in the efficiency of loading.

Wood chip loading systems will be studied, particularly the tools and methods associated with increasing the bulk density of chips loaded onto a ship.



Proposal for Small Log Processing Initiative

All plantation wood that will be processed during the next 15 to 25 years is already in the ground. With that in mind, there is a valuable opportunity to combine industry knowledge of genetics, climate forecasts and site quality, with scientifically robust growth and yield models, to give a reliable indication of what the log characteristics will or could be.

Following on from initial investigations last year, FWPA has continued to work 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.

The ultimate goal is to enable the industry to easily assess information about 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 alternative wood products.

The Board has approved an early draft of a business case for this new program, and FWPA will consult broadly with industry stakeholders to seek endorsement of a modified plan that reflects their inputs.



Program 4

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.

New tool to predict eucalyptus' traits by DNA-testing a single seedling leaf

Supported by research funding from FWPA and a number of plantation owners, Australian researchers have developed a world-leading genetic DNA testing system that can predict key commercial attributes of an adult eucalyptus tree from a single seedling leaf, and provide a strong return on investment to forest growers.

This breakthrough has the potential to enable foresters to dramatically reduce the breeding cycle of *Eucalyptus globulus* (blue gum) and *Eucalyptus nitens* (shining gum) trees, significantly speeding up improvements to log quality.

Traditional breeding cycles are typically a decade or more, but modelling suggests the time can be halved with the new system and the genetic gains per year doubled or trebled, with a financial return of \$8 for every \$1 invested.

The new system assesses the quality of a tree or seedling by DNA testing a 5mm hole punch of a leaf for thousands of genetic markers developed by CSIRO and correlated with commercial attributes. The project also identified new genetic markers for wood density, and validated

those, as well as using previously-discovered markers for growth and pulp yield.

The researchers, led by Gondwana Genomics in partnership with Forico, Australian Bluegum Plantations and HVP Plantations, tested the DNA and commercial attributes of parent trees, and the DNA alone of their adult offspring. They used the DNA of the offspring to predict the parent's commercial attributes, with the results proving to be highly accurate.

In addition to identifying quality seedlings, the genetic profiling has a number of other potential applications including:

- identifying seedlings that are genetically diverse for breeding – as inbred trees have greater pest and disease risk
- accurately identifying a seedling's parents
- estimating inbreeding
- creating a DNA fingerprint for a particular tree, eliminating the risk of mis-labelling
- helping with 'due diligence' in valuing plantations
- auditing existing tree improvement programs
- breeding trees to combat specific risks, such as being disease-resistant.

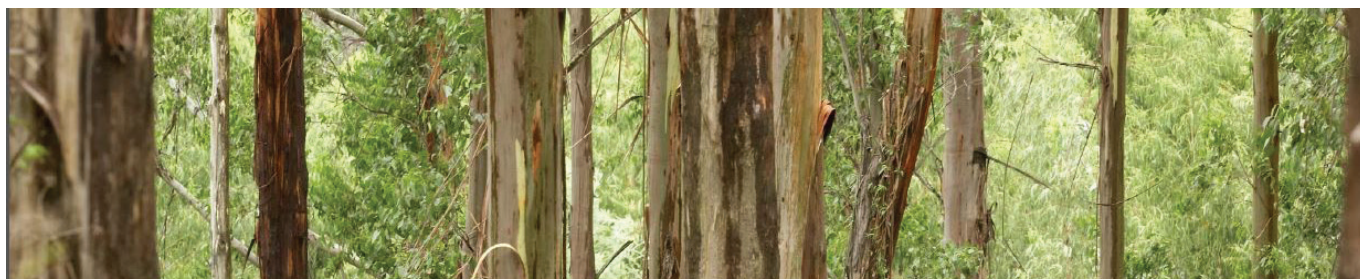
The Plantation Industry Herbicide Consortium

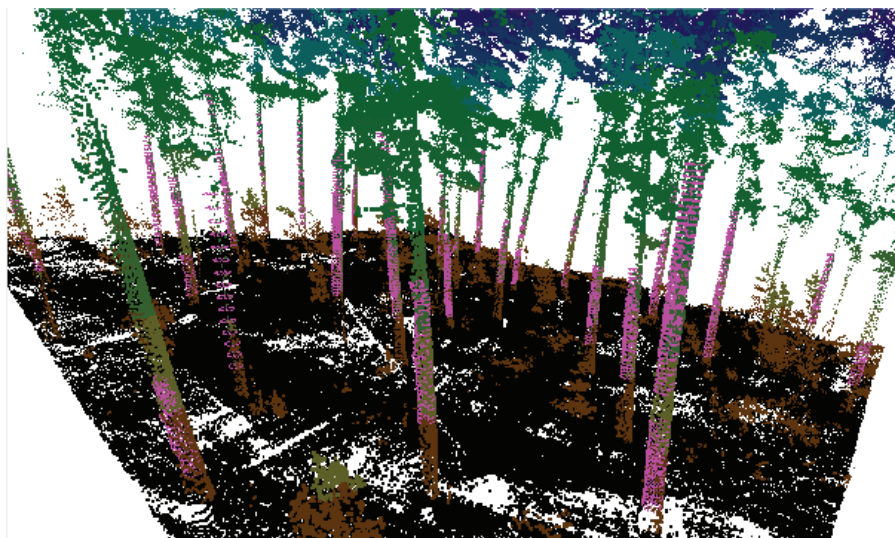
The Plantation Industry Herbicide Consortium has been renewed for another five years, with strong continued support from the industry.

The initiative is jointly funded by FWPA and the Forest Industries Research Centre at the University of the Sunshine Coast (USC), and has continued with its core projects of screening key herbicide products to ensure safe and effective solutions are available for plantation weed management, as well as contributing knowledge and best practice to the method and tools used for weed and pest management.

The collaboration between FWPA and USC has seen the appointment of a new researcher who is focused on driving activity and adding structure to the wealth of historical knowledge and valuable data that now exists within the Consortium.

During 2018, the Consortium has focused on the establishment of a trial of the spray drift characteristics of different combinations of nozzles and chemicals. Spray drift is the unintentional diffusion of pesticides and the resultant potential negative effects of pesticide application caused by off-target contamination. This research will help to better inform best practice in-field use.





Ground based LiDAR image

Optimising remotely acquired, dense point cloud data for plantation inventory

This project was designed to harness the rapid technological advances being made in the capture and processing of dense point cloud data as a tool for forest estate management. It involved multi-discipline collaboration with commercial plantation growers, leading forest industry service providers and robotics scientists to ensure the delivery of efficient, resource assessment products.

This project has sought to expand upon the operational adoption of remotely acquired data, in particular LiDAR data, by plantation growers both in Australia and in New Zealand, for the assessment and monitoring of plantations. The modelling and data workflow processes developed in these projects utilised data acquired by existing airborne sensors.

The overall aim of this project, which was led by industry partner SCION, was to optimise the extraction and processing of meaningful information from these dense point cloud datasets acquired from both airborne and

UAV platforms. The researchers compared a suite of 3D visualisation software packages to analyse their potential.

The project results clearly demonstrate that voxel-based metrics have considerable potential for improving the precision of forest inventories. Extraction of these metrics does not add greatly to inventory cost and the precision gains demonstrated are likely to markedly improve estimates of inventory attributes or allow equivalent accuracy at a lower cost. Precision gains to all but the lowest pulse density suggests voxel-based metrics could be implemented using LiDAR data captured at standard pulse densities associated with aerial capture, allowing for immediate and widespread implementation.

As these technologies have advanced they have provided direct benefits, such as more accurate and reliable improvements in data capture, which has improved both stand and tree-level assessment. In addition, indirect benefits such as safety and reduced operational time and costs offer further benefits such as remote access in difficult to access locations for on-ground inventory crews.

Next generation forest plantation investment

Australia has a considerable area of farmland where different types of planted forest would provide agricultural production and environmental benefits. However, despite the likely increase in demand by 2050, there is currently a lack of new investment, meaning Australia faces the danger of increased reliance on imported timber products in the future.

The aim of this ongoing voluntary matched funded research project, which is being conducted by the University of Melbourne and commenced at the end of the previous financial year, is to design and test new and more sustainable models for planted forests, by learning from past experiences. These models will involve greater integration of tree growing with agriculture, and new types of partnerships to provide benefits to a wider range of stakeholders. Realising these opportunities will require a new narrative, industry leadership and platforms that enable new coalitions of stakeholders to work together.

The researchers are currently focusing on two key regions in Victoria: Colac-Otway and Gippsland. They are in the process of assessing the requirements of landowners, timber industry, finance sector investors and other stakeholders, to analyse their experiences of past approaches to plantation investment, in Australia and around the world.

Based on this analysis, new models of business investment will be developed and tested with the goal of better meeting the needs of different partners and taking into consideration a range of economic and environmental values such as timber, carbon, biodiversity and



water. A national network will then facilitate shared learning and the transfer of the results to a wider group of partners. Completion of this project is expected in June 2019.

Optimising plantation productivity through improved fertiliser regimes

A FWPA-funded project is being conducted by McGrath Forestry Services, CSIRO and Integrated Pest Management group, with the aims of synthesising and delivering the available knowledge about nutrition of eucalypt plantations; identifying priorities for further research and operational improvements; and collating an industry nutrition trial dataset to be leveraged in future work.

The plantation industry has been through a period of rapid change, both biophysical and organisational, with new estates emerging that need to be managed through multiple rotations. Nutrition management has been identified as a key driver of plantation sustainability.

A review of the overall state of knowledge of nutrition and its effects on multi-rotation management was last conducted almost a decade ago at the 'Sustaining the Gains Workshop' hosted by the CRC Forestry in Perth in 2007.

This review highlighted that a strong interaction between water availability and nutrient supply are key drivers of plantation performance and that the depletion of nutrients during the first rotation will mean that management of nutrient supply will be more important in subsequent rotations. This included targeted fertiliser management to replace nutrients that are removed and the amelioration of nutrient deficiencies. The workshop concluded that much of the knowledge to support this management was yet to be developed.

This was followed by a synthesis of establishment and mid-rotation fertiliser trials from Australian Blue Gum Plantations and Midway Limited plantations, with the objective of determining the likely

responses to establishment and/or mid-rotation fertiliser application. From this study it was concluded that it was possible to identify sites likely to respond to fertiliser at establishment, but more work was required before reliable predictions of mid-rotation fertiliser responses could be made.

In WA there is additional data available from CSIRO, CALM/ FPC and WA Plantation Resources which would provide data from an additional 50+ sites.

Benefits to industry are expected to include increased grower confidence in nutrition management practices, more efficient fertiliser use through timely and site-specific nutrition applications, improvements in overall growth rates of eucalypt plantations and improved licence to operate from community and sustainability certification bodies.

Completion of this project is expected in September with publication to follow soon after.



Program 5

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.



For Our Future Leadership Program

This year, 28 emerging leaders graduated from FWPA's pilot industry leadership program, For Our Future, with comments from participants reflecting the universally positive feedback received.

Typical of the many positive comments were the following:

"In the rush of work, it's easy to become tunnel-visioned and task-focused, and this training was a reminder of the value of taking a higher-level approach. The program was brilliant, exhausting, challenging. I have been very privileged to have been given the opportunity to attend." – Neil Turner, Harvest Forester, Australian Bluegum Plantations

"You know the presenters are good when the breaks all sneak up on you and you do not look at your watch all week. The training has made me much more self-aware and confident than I had been." – Tammy Auld, Woodflow Manager, Timberlands Pacific

"The content was excellent and personally challenging, but there was even more value in getting to know and learn with a committed group of future forestry leaders." – Brad Barr, Wespine Resource Manager

The intensive training included initial assessment and testing, different ways of framing issues, organisational dynamics, consultation processes, conflict resolution and other leadership skills. Participants heard from industry experts and diverse leaders in other fields, and worked together on identifying challenges facing the forest and wood products industry.

Each participant attended one of two intensive four-day residential sessions (one in Western Australia, and one in South Australia), before coming together as a group for a five-day learning program in Melbourne in early June. Along the way, they became part of stronger regional and national leadership cohorts, while learning new skills and coming to a better understanding of industry issues.

The training was delivered by the Australian Rural Leadership Foundation in conjunction with Leadership Victoria and experiential leadership development experts Polykala.

Predicting forestry climate impacts with the click of a mouse with new tool

Thanks to FWPA-funded researchers, forest managers will now be able to gauge the likely climate impacts on growing conditions in their specific areas with a new interactive online tool developed by the CSIRO.

The Forest Climate Risk Tool, which is available to industry free-of-charge, provides information on factors such as the likely periods of drought, rainfall, number of heatwave days, temperatures and fire risk, in detail, down to a 5km x 5km grid of almost all forested and plantation areas in Australia.

The best available scientific models for climate impacts were used to develop the tool, which enables users to see both the 'most likely' result and a range of other possible results for 2030, 2050 and 2070.

The tool will prove invaluable for increasing the industry's awareness of climate impacts and, ultimately, managing risk and improving productivity.



Participants of the For Our Futures Regional Leadership Program



The steering committee for the project included representatives of HQPlantations, Forico, NewForests, HVP Plantations and the Forestry Corporation of NSW.

Data Aggregation Program

FWPA has continued to take 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.

Benefits vary from company to company however, experience shows this kind of data pooling assists with operational and investment decision making.

During the period, progress was made with the expansion of some of the existing data series and the establishment of several new data series. Highlights included:

- The softwood monthly timber sales data series was expanded to include a weighted average price data series.
- The softwood processors performance benchmarking data series was enhanced.
- To minimise the compliance burden for growers providing quarterly sales data, a summary report was developed to generate the data required for the annual gross value of production survey.
- The forest safety data series was expanded to include silviculture activities.
- Work progressed on establishing a softwood processors safety benchmarking series.

seventy-six organisations now contribute data to the production of 21 data series, covering the softwood and hardwood processing sectors right through to forest growing and forest safety.

Partnership with Australian Bureau of Agricultural and Resource Economics and Sciences

To provide key national data to the industry, FWPA has worked closely with the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) for many years. During the review period ABARES continued to produce the six-monthly publication of Forest and Wood Products Statistics. In addition, specific research reports were published including:

- Quarterly Softwood Timber Sales forecasts
- Price Elasticities - Draft Report
- Plantation Land use - Draft Report
- Residues market trends - Draft Report.

An industry consultation process has been undertaken during the past financial year to identify work program priorities for a new contract with ABARES to cover the period 2018 to 2021.

The scope of the proposed projects is varied, encompassing initiatives that will allow for improved access to data and specific research reports, spanning areas including statistics and modelling, resource availability and wood flows, and processing capacity.

In addition to the work with ABARES, FWPA is providing industry access to data through its data dashboard. To alert the industry to the existence of this data, we continue to publish the monthly e-newsletter

Statistics Count, which highlights economics issues identified and emerging during each month, and summarises key data sets.

Social and Economic Effects of the Forest Industry on Regional Areas

FWPA-funded research conducted by the University of Canberra in collaboration with consultancy EconSearch, a division of BDO, resulted in a number of important industry snapshots outlining the positive social and economic impacts of the forestry industry on specific regional areas.

Four reports were published during the period for the following areas:

- New South Wales (South West Slopes, Central Tablelands) Western Australia
- Green Triangle (SA and Victoria)
- Western Australia (South West region, Great Southern and Esperance region, Wheat belt plantation region)
- Queensland.

Reports for Victoria and Tasmania are being finalised and are expected to be published in the second half of 2018.

The 'Socio-economic impacts of the forest industry – Queensland' report found the forest industry contributed \$685 million to the Queensland economy in direct sales alone during the last financial year, increasing to a total of \$1.624 billion once flow-on effects in other industries were included. This led to a total contribution to gross regional product (the regional equivalent of GDP) of \$731 million.

In terms of jobs, the Queensland forestry industry generated more than 8,400 direct jobs, including almost 3,300 in forest growing and initial processing, and more than 5,100 in secondary processing.



The 'Socio-economic impacts of the forest industry – Western Australia' report found the forest industry contributed \$649 million to the Western Australian economy during the last financial year in direct sales alone, and a total of \$1.405 billion once flow-on effects in other industries were included.

In terms of jobs, the Western Australian forestry industry employed more than 2,100 people directly in growing, harvesting and primary processing, and about 4,570 once flow-on effects were taken into account.

The 'Socio-economic impacts of the softwood plantation industry South West Slopes and Central Tablelands regions' report detailed the millions of dollars and thousands of jobs generated by softwood plantations in those particular areas.

The softwood plantation industry in the South West Slopes was found to contribute \$1.05 billion in direct sales in 2015/16, rising to \$2.13 billion after including flow-on effects. It directly employed almost 2,000 people, roughly two-thirds in processing wood and paper, and one third in growing and harvest.

In the Central Tablelands, direct sales accounted for \$265 million, rising to \$700 million after flow-on effects, and directly employed more than 850 people.

According to the 'Socio-economic impacts of the forest industry – Victoria' (excluding the Green Triangle) and 'Socio-economic impacts of the forest industry – Green Triangle' reports the forest industry contributed almost \$1.9 billion to the Victorian economy in direct sales alone during the last financial year, and almost \$5.4 billion once flow-on effects in other industries were included. This led to

a total contribution to gross regional product of \$779 million.

In terms of jobs, the Victorian forestry industry overall generated 15,086 direct jobs, including almost 5,652 in primary processing, and over 9,434 in secondary processing.

New data dashboard launched

FWPA is committed to disseminating key public domain data and proprietary data to industry through our data dashboard. This provides easy access to information housed in one location, including GDP, employment, housing approvals and international delivered log prices.

This year, we re-launched the data dashboard for increased user-friendliness and flexibility, with new features allowing the user to create their own personalised dashboards by filtering the information most relevant to them, as well as the option to create and download customised graphs from the underlying data.

Natural Capital Accounting project

A collaborative research project between FWPA and multiple industry partners is using a system known as Natural Capital Accounting to help industries put an economic value on the environmental benefits they offer. The three-year, \$2 million project was launched last year by former Deputy Prime Minister Barnaby Joyce. A final detailed project plan has been approved, and stakeholder engagement and the establishment of the accounts has commenced.

Natural Capital Accounting is an internationally accepted way of valuing natural assets that are not included in economic measures such as GDP, including timber, fisheries, soil, air, biodiversity, land and water.

By quantifying the value of these attributes, the aim is to enable industry to capitalise on them in new markets, particularly with agencies that have statutory obligations. This process can also help companies in sustainability certification programs, by enabling them to back up their environmental credentials with tangible evidence. Financiers and shareholders are also likely to favour companies that can demonstrate they are not reducing natural capital and are sustainable. It will also lead to an increase in access to discounted finance and insurance, and drive efficiency in compliance and reporting.

Over the past financial year, the researchers have worked with industry stakeholders directly to establish tools including fact sheets, reports and data models that are evidence-based, useable and industry-friendly, with outputs that are transparent, verifiable and auditable.

Funded by Government and industry and spearheaded by CSIRO, other project partners include the Bureau of Meteorology and Australian Bureau of Statistics, Cotton R&DC, Fisheries R&DC and forestry companies including HVP, OneFortyOne and VicForests.



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. 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 two 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 seven male and one female Board members and eight male and six 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 six of the seven 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 three 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, Finance and Risk Committee the members of which, their experience and attendances are disclosed in the Annual Report.</p> <p>The Terms of Reference of the Audit, Finance and Risk 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 three 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 three years. The Terms of Reference of the Audit, Finance and Risk Committee are 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	Disclose if it has an internal audit function 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 three 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 Statement

Directors' Report

Directors present this report on Forest and Wood Products Australia Limited ('the Company') for the financial year ended 30 June 2018.

Directors

During the reporting period, eight non-executive directors served on the Board including the Managing Director. Seven 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
- Ms Christine Briggs
- Mr John McNamara
- Mr Brian Farmer
- Mr Jim Henneberry
- Mr Stephen Dadd
- Prof Tony Arnel
- Mr Ric Sinclair

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

Information on directors

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.

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, Finance and Risk Committee (until 5 October 2017) and Nominations and HR Committee (from 5 October 2017).

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, Finance and Risk 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 has led complex, global businesses through director and executive roles. He brings strengths in strategic leadership, culture change, stakeholder engagement, operations and research to the board of FWPA. Mr Henneberry has served as MD and CEO of Australian Paper and director of PPM and the Australian Forest Products Association (AFPA) and is currently a Trustee at Monash Australian Pulp and Paper Institute (APPI). He has held various management positions with CHH, International Paper and other international companies.

Mr Henneberry co-chaired the Australian Government Pulp and Paper Industry Strategy Review and is well-placed to extend inclusive consultations with industry partners. He has also led business-focused research in fibre and pulp and paper and has 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 an MBA (International Marketing) from the University of Houston; completed advanced business leadership at GE's US Leadership Institute; and is a graduate of the Australian Institute of Company Directors.

Board additional responsibilities: Member of the Audit, Finance and Risk Committee and Nominations and HR Committee.

Mr Stephen Dadd **Non-Executive Director**

Mr Dadd is the Executive General Manager of Boral's Timber Division and a Director of Allen Taylor & Co Ltd 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 and a Councillor of the Royal Agricultural Society of NSW. Mr Dadd has worked in Boral's Timber business for 15 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, Finance and Risk Committee.

Prof Tony Arnel **Non-Executive Director**

Tony 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.

Tony 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. In May 2018 he was appointed Industry Professor at Deakin University.

Board additional responsibilities: Member of the Audit, Finance and Risk Committee (from 5 October 2017).

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, Finance and Risk 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, Finance and Risk Committee (AF&RC)

Members:

- Mr John McNamara (Chair)
- Ms Christine Briggs (until 5 October 2017)
- Mr Jim Henneberry
- Mr Stephen Dadd
- Prof Tony Arnel (from 5 October 2017)

Invited guests:

- Mr Ric Sinclair
- Mr Jason See

The key tasks of the Audit, Finance and Risk 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 Christine Briggs (from 5 October 2017)
- Ms Lesley Austin (Secretary)

The secretary is an independent and external consultant.

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

- The establishment of procedures and systems to assess Board performance, identify skill gaps and to 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:

Director	Board		Audit, Finance and Risk 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	
Mr John Simon	5	5			1	1	6
Mr John McNamara	3	5	2	2	1	1	6
Mr Jim Henneberry	5	5	2	2	1	1	4
Ms Christine Briggs	5	5	1	1	1	1	4
Mr Brian Farmer	5	5			1	1	4
Mr Stephen Dadd	5	5	2	2			3
Mr Tony Arnel	3	5	1	1			2
Mr Ric Sinclair	5	5					10

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
- Providing domestic marketing and promotion services to the Australian forest and wood products industry.

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 2018 was an operating deficit of \$31,429 (2017: \$716,592 deficit).

Significant events after the reporting date

No matters or circumstances have arisen since the end of the financial year which in the opinion of the Directors have significantly affected or are likely to 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 2018 the number of members was 197.

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 and safety policy 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 2018 has been received and can be found on page 39 of the financial report.

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

John Simon
Director
24 August 2018

Alaric Sinclair
Director
24 August 2018



Auditor's Independence Declaration



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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 2018, 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.

RSM AUSTRALIA PARTNERS

R B MIANO
Partner

Dated: 24 August 2018
Melbourne, Victoria

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Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2018

		2018	2017
	Note	\$	\$
Revenue	3(a)	12,211,377	11,448,182
Other income	3(c)	2,644,398	2,090,404
Promoting wood products	4(a)	(2,754,183)	(2,423,775)
Aligning products to market needs	4(b)	(4,625,194)	(5,430,548)
Assisting value chain optimisation	4(c)	(1,163,587)	(1,381,869)
Resource availability and risk	4(d)	(1,592,333)	(1,857,908)
Decision making and capability	4(e)	(1,050,444)	(768,709)
Voluntary contribution programs	4(f)	(2,767,077)	(2,192,369)
Government grant programs	4(g)	(934,386)	-
Provision of importers refund	4(h)	-	(200,000)
Net surplus / (deficit) before income tax expense		(31,429)	(716,592)
Income tax expense	1(r)	-	-
Surplus / (deficit) after income tax expense for the year attribut-able to the members of Forest and Wood Products Australia Limited		(31,429)	(716,592)
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		(31,429)	(716,592)



Statement of Financial Position

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
Current assets			
Cash & cash equivalents	5	1,903,423	2,020,809
Trade and other receivables	6	3,018,788	1,859,384
Financial assets	7	4,061,951	3,588,663
Total current assets		8,984,162	7,468,856
Non-current assets			
Furniture and equipment	8	155,654	168,258
Total non-current assets		155,654	168,258
TOTAL ASSETS		9,139,816	7,637,114
LIABILITIES			
Current liabilities			
Trade and other payables	9	1,282,801	1,391,653
Short-term provisions	10	408,698	377,567
Other current liabilities	11	2,176,099	571,323
Total current liabilities		3,867,598	2,340,543
Non-current liabilities			
Other long-term provisions	10	79,806	48,444
Other non-current liabilities	11	372,856	397,142
Total non-current liabilities		452,662	445,586
TOTAL LIABILITIES		4,320,260	2,786,129
NET ASSETS		4,819,556	4,850,985
EQUITY			
Retained surplus		4,819,556	4,850,985
TOTAL EQUITY		4,819,556	4,850,985



Statement of Changes in Equity

For the year ended 30 June 2018

	Retained surplus \$	Total \$
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
Balance at 1 July 2017	4,850,985	4,850,985
Net surplus for the year after income tax	(31,429)	(31,429)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(31,429)	(31,429)
Balance at 30 June 2018	4,819,556	4,819,556

Statement of Cash Flows

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities:			
Receipts from members and government		13,564,991	13,818,204
Payments to suppliers and employees		(13,304,892)	(13,401,142)
Interest received		155,173	146,785
Net cash provided by operating activities	12	415,271	563,847
Cash flows from investing activities			
Acquisition of property, plant and equipment		(47,178)	(61,137)
Disposal / (acquisition) of financial assets		(485,479)	85,479
Net cash provided by (used in) investing activities		(532,657)	24,342
Net increase / (decrease) in cash and cash equivalents		(117,386)	588,189
Cash and cash equivalents at the beginning of the financial year		2,020,809	1,432,620
Cash and cash equivalents at the end of the financial year	5	1,903,423	2,020,809



Notes to the Financial Statements 30 June 2018

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 24 August 2018. 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.

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.



k) Fair value measurement (continued)

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.

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, The Trustee for Apical Super Fund, BT Super for Life 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 that 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.



		2018 \$	2017 \$
3 Revenue			
(a) Revenue			
Industry contributions	3(b)	6,434,559	5,831,449
Commonwealth matching	4(j)	4,394,818	4,520,549
Voluntary matching		1,382,000	1,096,184
Total revenue		12,211,377	11,448,182
(b) Industry contributions			
Processors		3,601,071	3,334,683
Importers		1,187,532	882,941
Growers		1,185,551	1,142,383
State growers		452,159	462,380
Penalties		8,246	9,062
Total industry contributions		6,434,559	5,831,449
(c) Other revenue			
Voluntary contributions		1,395,330	1,228,604
Government grant		719,386	454,800
Bank interest received		143,087	158,670
Industry project contributions		215,000	66,630
Others		171,595	181,700
Total other revenue		2,644,398	2,090,404
4 Program expenses			
(a) Promoting Wood Products			
Consumer activities		1,933,240	1,687,110
Research and development activities		16,700	-
Forest education activities		203,471	224,624
Program Partner activities		-	1,230
Program support management		600,772	510,811
		2,754,183	2,423,775
(b) Aligning Products to Market Needs			
Specifier activities		1,920,437	2,047,835
Research and development activities		1,281,165	1,839,708
Building codes and standard activities		272,490	295,188
Program support management		1,151,102	1,247,817
		4,625,194	5,430,548



	2018 \$	2017 \$
4 Program expenses (continued)		
(c) Assisting Value Chain Optimisation		
Research and development activities	700,000	1,009,126
Building codes and standard activities	27,043	20,239
Statistic and economic activities	100,000	-
Program support management	336,544	352,504
	1,163,587	1,381,869
(d) Resource Availability and Risk		
Research and development activities	782,316	1,070,439
Statistic and economic activities	165,024	255,000
Program support management	644,993	532,469
	1,592,333	1,857,908
(e) Decision Making and Capability		
Research and development activities	45,930	16,250
Statistic and economic activities	447,781	453,813
Leadership activities	258,274	-
Program support management (M)	298,459	298,646
	1,050,444	768,709
(f) Voluntary Contribution Program		
Program activities	1,816,800	1,203,262
Program support management	950,277	989,107
	2,767,077	2,192,369
(g) Government Grant Program		
Program activities	934,386	-
	934,386	-
(h) Provision of Importers refund		
Provision of importers refund	-	200,000
	-	200,000
(i) Employee benefits expenses*		
Wages and salaries	1,629,842	1,427,327
Annual leave	10,741	30,292
Increase to long service leave provision	51,753	62,617
Superannuation contributions	133,672	114,666
	1,826,008	1,634,902

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



	2018	2017
	\$	\$
4 Program expenses (continued)		
(j) Matchable Expenses		
Promoting wood products	590,915	387,642
Aligning products to market needs	4,440,853	5,173,976
Assisting value chain optimization	1,159,195	1,364,617
Resource availability and risk	1,680,726	1,491,592
Decision making and capability	1,048,911	768,709
Levies costs	(130,964)	(145,439)
	8,789,636	9,041,097
Commonwealth Matching (total matchable divide by 2)	4,394,818	4,520,549
5 Cash and cash equivalents		
Cash on hand	200	200
Cash at bank	1,903,223	820,609
Short-term bank deposits	-	1,200,000
	1,903,423	2,020,809
6 Trade and other receivables		
CURRENT		
Commonwealth matching	380,474	918,094
Levies receivable	289,601	188,153
Interest receivable	281	176
Prepayments	39,917	28,316
Voluntary contribution	429,872	310,200
Voluntary matching	513,866	243,765
Government grant	1,100,000	-
Other revenue	2,236	5,895
GST receivable/ (payable)	262,541	164,785
	3,018,788	1,859,384
7 Other financial assets		
Held to maturity investment: long term bank deposits	4,029,500	3,544,021
Interest receivable	32,451	44,642
	4,061,951	3,588,663



	2018	2017	
	\$	\$	
8 Furniture and equipment			
Office equipment			
At cost	265,859	230,808	
Less accumulated depreciation	(168,398)	(124,250)	
Total office equipment	97,461	106,558	
Improvements			
At cost	102,551	90,423	
Less accumulated depreciation/impairment	(44,358)	(28,723)	
Total improvements	58,193	61,700	
	155,654	168,258	
(a) Movements in Carrying Amounts			
	Equipment	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)
Lease incentive amortise	-	-	-
Balance at 30 June 2017	106,559	61,699	168,258
Balance at 30 June 2017	106,559	61,699	168,258
Additions	35,051	12,127	47,178
Depreciation expense	(44,148)	(15,634)	(59,782)
Balance at 30 June 2018	97,462	58,192	155,654

9 Trade and other payables	2018	2017
CURRENT	\$	\$
Trade payables	1,198,374	1,285,444
	1,198,374	1,285,444
Other payables & accruals		
Audit fee	15,000	15,400
PAYG tax & FBT (BAS)	69,427	90,809
	84,427	106,209
	1,282,801	1,391,653



			2018	2017	
			\$	\$	
10	Provisions				
		Annual Leave	Long Ser-vice 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	123,387	292,624	10,000	426,011
	Balance at 30 June 2017	123,387	292,624	10,000	426,011
	Additional provisions	18,310	66,813	-	85,123
	Amounts used	(7,569)	(15,061)	-	(22,630)
	Balance at 30 June 2018	134,128	344,376	10,000	488,504
	Analysis of total provisions				
	Current				
	Employee benefits - annual leave			134,128	123,387
	Employee benefits - long service leave			274,570	254,180
				408,698	377,567
	Non-current				
	Employee benefits - long service leave			69,806	38,444
	Make good of premises			10,000	10,000
				79,806	48,444
				488,504	426,011
11	Other liabilities				
	Current				
	Lease incentive liability			24,286	24,286
	Deferred revenue			1,614,417	450,000
	Grower research advisory committee			537,396	97,037
				2,176,099	571,323
	Non-current				
	Lease incentive liability			72,856	97,142
	Provision for probable claim			300,000	300,000
				372,856	397,142
	Total other liabilities			2,548,955	968,465



	2018 \$	2017 \$
12 Cash Flow information		
Reconciliation of Cash Flow from operations with profit after income tax		
Net income for the year	(31,429)	(716,592)
Non-cash flows in profit		
Depreciation, amortisation and impairments	59,782	59,193
Write off of assets	-	-
Changes in assets and liabilities, net of the effects of transfers of operations		
(Increase)/decrease in trade and term re-ceivables	(1,159,404)	491,042
(Increase)/decrease in interest receivables	12,191	(25,082)
Increase in trade payables and accruals	(108,852)	524,426
Increase in provisions	62,493	92,909
Increase in other liabilities	1,580,490	137,951
Cash flow from operations	<u>415,271</u>	<u>563,847</u>

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:

	2018 \$	2017 \$
Aggregate compensation	<u>563,155</u>	<u>572,163</u>

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.

	2018 \$	2017 \$
J.W. Gottstein Memorial Trust (R. Sinclair, J. Simon, B. Farmer)	-	7,000
HIA Manufacturers and Suppliers Council (J. Simon)	22,000	-
Timber Queensland (B. Farmer)	30,568	48,734

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 2018. (FY 2017: \$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)

	2018	2017
	\$	\$
By Maturity		
Operating lease commitments¹		
Within one year	130,452	123,069
One to five years	396,414	520,444
	526,866	643,513

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 of commitments

	2018	2017
	\$	\$
By Maturity		
Commitments		
One year or less	2,801,494	2,738,038
From one to five years	2,901,999	3,907,247
Total commitments by maturity	5,703,493	6,645,285

NB: Commitments are GST inclusive where relevant.

19 Events after the reporting period

No matter or circumstance has arisen since 30 June 2018 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 2018 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 24th day of August 2018



Independent Auditor's Report



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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 2018, 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 2018 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 2018, but does not include the financial report and the auditor's report thereon.

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

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RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

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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 2018
Melbourne, Victoria



Research Projects 2017/18

Levy-based Funding Project Description	FWPA Investment (\$)	Total Project Costs (\$)	Status	Project No.
Program 2 - Aligning products to market needs				
Framework of metrics and measures of non-tangible values for the forest wood products industry	27,000	27,000	Completed	PRA435-1617
Development Impacts Pty Ltd				
Acoustic testing	2,200	2,200	Completed	PRA424-1617
Octave Acoustics Pty Ltd				
Creating a Pathway to Build Timber Frame Houses in a Traditionally Double-Brick Housing Market	235,000	550,000	Completed	PNA371-1516
Timber Insight Pty Ltd				
Structural framing decisions in the detached housing and lower-rise attached dwelling market	45,000	45,000	Completed	PRA396-1516
Australian Construction Insight (ACI)				
Weatherproofing verification of timber cladding profiles based by the verification method given in 2015 BCA Part F1	96,000	124,150	Completed	PNA382-1516
Timber Development Association (NSW) Ltd				
A Road Map for the Design of Large Commercial and Multi Residential Timber Buildings	75,000	105,000	Completed	PRA320-1314
Timber Development Association (NSW) Ltd				
ACROTIM Reviewer 1	10,000	10,000	Active	PRA447-1718
TimberED Services Pty Ltd				
ARC Centre for Advanced Manufacturing of Prefabricated Housing	90,000	4,090,000	Active	PRA373-1516
University of Melbourne				
ARC Industrial Transformation Training Centre for Forest Value	200,000	200,000	Active	PRA372-1516
University of Tasmania				
Australian Wood Product Manufacturers - Environmental Life Cycle Inventory Update	377,705	610,805	Active	PNA384-1516
Thinkstep Pty Ltd				
Characteristic Values of Perpendicular to Grain Compression Strength of Common Australian and Imported Timber Species	23,000	48,000	Active	PNA462-1718
Timber Development Association (NSW) Ltd				
Green Star compliant Environmental Product Declarations (EPDs) for Timber Products	131,072	161,072	Completed	PRA321-1314
Timber Development Association (NSW) Ltd				
Guide to wood construction systems	90,000	182,000	Active	PNA323-1314
University of Tasmania				



Levy-based Funding Project Description	FWPA Investment (\$)	Total Project Costs (\$)	Status	Project No.
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	Active	PNA383-1516
Increasing the timber office fit-out market by designing for measurable life cycle benefits University of Technology Sydney	165,000	331,000	Completed	PNA322-1314
Investigation into Tall Timber Frame Building Issues Timber Development Association (NSW) Ltd	33,750	33,750	Completed	PRA412-1617
Long-span timber floor and framing systems for commercial buildings University of Technology Sydney	266,000	663,905	Active	PNA341-1415
Measuring Moisture and Axial Displacement in Australia's First 6 Storey Timber Framed Building Timber Development Association (NSW) Ltd	20,000	20,000	Active	PRA449-1718
Productivity in Mass Multi-storey Timber Construction University of Technology Sydney	39,675	39,675	Active	PRA427-1617
Review of aspects of Glulam project PNB385-1516 Juniper Consulting	2,200	2,200	Active	PRB448-1718
Review of WoodSolutions Mid-rise Program Brian Welch	8,000	8,000	Active	PRE454-1718
Strength verification of MDF products and fitness for purpose in structural applications University of the Sunshine Coast	71,970	314,900	Active	PNA364-1516
Study the influence of perpendicular to grain compression and creep in 4 to 8 Storey Lightweight Timber Framed Buildings Timber Development Association (NSW) Ltd	162,000	212,000	Completed	PNA394-1516
Suitability of imported products for frame and truss fabrication for mid-rise Australian Timber Importers Federation	5,000	5,000	Completed	PRA438-1718
Trialling the value of RFID tracking systems in prefabricated Timber Construction University of Technology Sydney	62,265	163,182	Active	PNA381-1516
Updating of fire safety supporting documentation for BCA Exova Warringtonfire	51,380	51,380	Completed	PRA277-1112
Investigate the possibility of using wood powder as feedstock for 3D printing University of Southern Queensland	40,000	196,000	Active	PNA360-1516



Levy-based Funding Project Description	FWPA Investment (\$)	Total Project Costs (\$)	Status	Project No.
Microtimber – Development of a 3D-printed, gradient timber panel composed of forestry waste and by-products	80,000	395,159	Active	PNA359-1516
University of Sydney				
Pilot Scale Floor Test to AS1530.4-2014 225mm CLT	56,908	56,908	Completed	PRA432-1617
Exova Warringtonfire				
Pilot Scale Floor Test to AS1530.4-2014 90mm CLT	35,443	35,443	Completed	PRA431-1617
Exova Warringtonfire				
Developing high-mass laminated flooring products from fibre-managed plantation hardwood	30,500	181,500	Active	PNB387-1516
University of Tasmania				
Draft Code of Practice for log scanners	4,000	4,000	Active	PRB455-1718
Tech Partner Australia				
Design of structural glulam based on lamination data	140,000	330,192	Active	PNB385-1516
The University of Melbourne - School of Ecosystem & Forest Sciences				
National Centre for Timber Durability and Design Life	1,500,000	3,750,000	Active	PNB425-1617
University of the Sunshine Coast				
Cost & Funding Requirements for Maintaining Support Functions for Australia's Forestry & Wood Products Industry	8,800	8,800	Completed	PRA441-1718
Industry Edge Pty Ltd				
Updating of fire safely supporting documentation	2,800	2,800	Active	PRA436-1718
Exova Warringtonfire				
Revision of testing and design methods for nailed, screwed, and bolted timber connections	120,000	309,500	Active	PNB460-1718
Engineered Wood Products Association of Australia				
Program 3 - Assisting value chain optimisation				
Production Forest Methodologies for the Emissions Reduction Fund	105,000	496,050	Active	PNC354-1415
NSW Department of Primary Industries				
The potential for durable "box-heart" posts from intensively managed hardwood plantations in southern Victoria	28,750	28,750	Completed	PRB357-1415
Heartwood Plantations				
A profitable future for Australian agriculture: Bio-refineries for higher-value animal feeds, chemicals and fuels	150,000	150,000	Active	PNC365-1516
Sugar Research Australia				



Levy-based Funding Project Description	FWPA Investment (\$)	Total Project Costs (\$)	Status	Project No.
Improving returns from Southern Pine plantations through innovative resource characterisation University of the Sunshine Coast	680,000	2,462,502	Active	PNC361-1415
RD&E Program in Advanced Log and Woodchip Export Supply Chain Management for Australia University of the Sunshine Coast	225,000	775,000	Active	PNC426-1617
Increasing the value of under-utilised forest resources through the development of advanced engineered wood products Department of Agriculture, Fisheries and Forestry Queensland (DAFF)	130,000	921,545	Active	PNB407-1516
Control and manage the moisture content of logs and biomass to maximise benefits along the wood supply chain University of the Sunshine Coast	50,000	489,000	Active	PNC400-1516
Processing pruned Eucalyptus nitens plantation logs to produce high-value sawn and veneer products Forestry Tasmania	100,000	100,000	Active	PNB417-1617
High-Tech Modular Building Components with High Contents of Australian Hardwoods CSIRO	400,000	1,120,000	Active	PNA380-1516
Program 4 - Increasing resource availability and reducing risk				
Centre for Reduced Age Plantations business case Forest Quality Pty Ltd	5,200	5,200	Active	PRC442-1718
Participation in a collaborative network for Climate Change Research Strategy for Primary Industries (CCRISPI) Climate Change Research Strategy for Primary Industries (CCRISPI)	45,000	45,000	Active	PRC226-1011
Enhanced forest inventory practice using immersive visualisation and measurement of dense point cloud data University of Tasmania - School of Technology, Environments and Design	15,000	211,751	Active	PNC464-1718
Forest Climate Risk Tool CSIRO - Land and Water	29,998	29,998	Completed	PRC420-1617
Forest Growers RD&I Strategic Plan Margules Groome Consulting Pty Ltd	9,173	9,173	Completed	PRC445-1718
Improving productivity of the sub-tropical private native forest resource Department of Agriculture, Fisheries and Forestry Queensland (DAFF)	215,000	748,906	Active	PNC361-1415
Management and support of Resistograph based intellectual property developed by the SWI Research Consortium Forest Quality Pty Ltd	5,000	5,000	Active	PRC421-1617



Levy-based Funding Project Description	FWPA Investment (\$)	Total Project Costs (\$)	Status	Project No.
Optimizing remotely acquired, dense point cloud data for plantation inventory	240,000	987,732	Active	PNC377-1516
SCION				
Pine drought mortality: predicting risk and providing adaptation strategies	30,000	175,546	Active	PNC358-1415
CSIRO Sustainable Ecosystems				
Plantation Nutrition Project Scoping 2018	13,000	13,000	Completed	PRC443-1718
TreeMod				
Review of Next Generation Harvesting Systems	20,000	20,000	Completed	PRC437-1718
University of Canterbury				
Eucalypt MAS: Implementation of marker-assisted selection in Australia's major plantation eucalypts	500,000	2,200,800	Completed	PNC378-1516
Gondwana Genomics Pty Ltd				
Improving wood quality in radiata and southern pines	150,000	300,000	Active	PNC428-1617
Southern Tree Breeding Association				
Incorporating genomic data in TREEPLAN evaluations to increase genetic gain	480,000	1,247,076	Active	PNC408-1516
Southern Tree Breeding Association				
Australian Forest Herbicide Research Consortium	0	1,050,000	Active	PNC439-1718
University of the Sunshine Coast				
Lifting farmgate profitability through high value modular agro-forestry	80,000	1,249,258	Active	RRD401-1516
CSIRO - Land and Water				
Improving productivity of the sub-tropical private native forest resource	215,000	748,906	Active	PNC379-1516
Department of Agriculture, Fisheries and Forestry Queensland (DAFF)				
Review of Next Generation Harvesting Systems	20,000	20,000	Active	PRC437-1718
University of Canterbury				
Improving Plant Pest Management Through Cross Industry Deployment of Smart Sensor, Diagnostics and Forecasting	20,000	14,848,595	Active	PRC429-1718
Horticulture Australia Limited				
Plant Biosecurity Research Initiative	16,429	16,429	Active	PRC430-1718
Horticulture Australia Limited				
Advanced real-time measurements at harvest to increase value recovery	25,000	500,000	Active	PNC465-1718
University of the Sunshine Coast				
Forests for the future: making the most of a high CO ₂ world	250,000	250,000	Active	PNC310-1213
CSIRO Ecosystem Sciences				



Levy-based Funding Project Description	FWPA Investment (\$)	Total Project Costs (\$)	Status	Project No.
Program 5 - Impacting decision making and industry capability				
FWPA Benefit Cost Analysis of R&D Projects 2017 Sylva Systems Pty Ltd	6,250	6,250	Active	PRA433-1617
Joint funded project AgVet Collaborative Forum Rural Industries R & D Corporation	15,000	15,000	Completed	PNC404-1516
Project Report summaries for Voluntary Matching Forestlands Consulting Pty Ltd	5,400	5,400	Active	PRE452-1718
Requirements to maintain research capacity in the forest and Wood products sector Warren's Insight Ltd	14,030	14,030	Active	PRE444-1718

Voluntary Matching Scheme Project Description	FWPA Investment (\$)	Total Project Costs (\$)	Status	Project No.
Utilisation of plantation harvest waste material for pharmaceutical applications Quality Matters Safety Matters Pty Ltd	30,628	86,326	Completed	VNB393-1516
Industry wide application of advanced breeding tools and systems – Tree Breeding Australia Southern Tree Breeding Association (STBA)	720,000	3,419,068	Active	VNC406-1516
Establishing a comprehensive and accessible permanent growth plot dataset for radiata pine plantations in the Green Triangle Region ForestrySA	66,500	173,000	Completed	VNC411-1516
Silvicultural systems to optimise value from northern Australian Mahogany Plantations McGrath Forestry Services Pty Ltd	265,000	1,560,000	Active	VNC402-1617
Mid-rise timber construction supply chain MIG Wood Products Victoria	17,500	35,000	Active	VNA415-1617
A model system for the discovery and development of biocontrol agents against forest pests University of the Sunshine Coast	60,000	120,000	Active	VNC418-1617
Optimising plantation productivity through improved fertilizer regimes McGrath Forestry Services Pty Ltd	30,000	100,000	Active	VNC422-1617
Next generation forest plantation investment University of Melbourne	306,000	612,000	Active	VNC423-1617
Log haulage registered code of practice Australian Forest Products Association (AFPA)	78,000	200,000	Active	VNA434-1617



Voluntary Matching Scheme Project Description	FWPA Investment (\$)	Total Project Costs (\$)	Status	Project No.
Validated softwood stiffness predictions using IML-Resistograph and eCambium: online automated processing Forest Quality Pty Ltd	50,000	332,000	Active	VNB459-1718
Automated Calculation Routines of mid-rise TIMBER structures under combined wind and quake actions Timber Tech SRL	50,000	200,000	Active	VNA440-1718
Eucalypt MAS_1A: Testing accuracy of within-family selections in eucalypts Gondwana Genomics Pty Ltd	12,000	78,000	Active	VNC446-1718
Giant Pine Scale Chemical Control HVP Plantations	113,800	273,000	Active	VNC450-1718

FWPA Members

As of 30 June 2018

Full Member Companies

A G Brown Sawmill Pty Ltd
 Agriwealth Contracting Pty Ltd
 Albany Plantation Export Company Pty Ltd
 Allied Timber Products Pty Ltd
 Alpine MDF Industries Pty Ltd
 ANZFIF Sub 1 (Australia New Zealand Forest Investment Fund)
 ANZFOF Sub1 (Australia New Zealand Forest Operating Fund)
 Associated Kiln Driers Pty Ltd trading as A.K.D. Softwoods
 Austral Plywoods Pty Ltd
 Australian Bluegum Plantations Pty Ltd
 Australian Solar Timbers
 Australian Sustainable Hardwoods Pty Ltd
 Australian United Timbers Pty Ltd
 Australian Wood Panels Pty Ltd
 Auswest Timbers Pty Ltd
 AW Moran Sawmilling Pty Ltd
 Baradine Sawmilling Co Pty Ltd
 Bayswood Timber Wholesalers Pty Ltd
 Big River Group Pty Ltd
 Birnam Forests Pty Ltd
 Bluebat

Boral Timber Division
 Borg Panels
 Briggs Veneers Pty Ltd
 Britton Bros Pty Ltd
 Bunbury Fibre Exports Pty Ltd
 Bunbury Fibre Plantations Pty Ltd
 Bunbury Treefarm Project
 Byjuke partnership
 Carter Holt Harvey Woodproducts (Southern Region) Pty Ltd
 Carter Holt Harvey Woodproducts (Central and Northern Regions) Pty Ltd
 Carter Holt Harvey Woodproducts Australia
 Clockworkbovine
 Cotswold Investments Pty Ltd
 D&R Hendersen Pty Ltd
 D.M and L.A Pratt
 D.S Fuller & L.R Fuller trading as Dale & Lindsay Fuller Partnership
 Dale & Meyers Operations Pty Ltd trading as DTM Timber
 Darren Bott
 David Neville Calvert
 Dindas Australia Pty Ltd
 DMK Forest Products Pty Ltd
 Endeavour Foundation trading as NangarinTimbers
 Enrights Sawmill

Environmental Forest Farms Management Ltd
 Fenning Investments Pty Ltd
 FGI Australia Pty Ltd
 Forest Products Commission (WA)
 Forest Strategy Pty Ltd
 Forestry Corporation
 ForestrySA
 Forico Pty Ltd
 FourSquare Timbers Pty Limited
 Frostpine
 G.L. & V.N. Barber Pty. Ltd.
 Garry Davey Timber Cutting
 George Fethers & Co. Trading Pty Ltd
 Gippsland Logging & Earthmoving Pty Ltd
 Green Triangle Forest Operating Sub Trust
 Green Triangle Forest Products
 Greensill Bros Pty Ltd
 Gunnedah Timbers Pty Ltd
 Gunnersens Pty Ltd
 GW & NI Saunders Sawmill Pty Ltd
 Hallmark Oaks Pty Ltd
 Hancock Victorian Plantations Pty Ltd (HVP)
 Hexan Holdings Pty Ltd trading as Whiteland Milling
 Highland Pine Products Pty Ltd



HQPlantations Pty Ltd
 Hume Forests Limited
 Hurford Sawmilling Pty Ltd
 Hurford Wholesale Pty Ltd
 Hyne Timber
 Injune Cypress
 Intech Operations Pty Ltd trading as
 Mucherts Sawmill (QLD)
 Ironwood Taree Pty Ltd
 ITI (NSW) Pty Ltd
 ITI (Queensland) Pty Ltd
 ITI (SA) Pty Ltd
 ITI (Victoria) Pty Ltd
 ITI (WA) Pty Ltd
 J Notaras & Sons Pty Ltd
 J Wright & Sons Pty Ltd
 Jarrah Select Pty Ltd
 Jarrahwood Australia Pty Ltd
 Jeff and Lilian Ang
 Jelfor Timbers Pty Ltd
 Jetstar Enterprises Pty Ltd trading
 as Permapole
 John Cook & Sons Pty Ltd
 Kangaroo Island Plantation Timbers
 Kilner Creek Company Trust
 Koppers Wood Products Pty Ltd
 KSI Sawmills Pty Ltd
 LA & KE Barnett
 LM Hayter & Sons Pty Ltd
 Lormier Timber Pty Ltd trading as
 Davids Timber
 Lotus Oaks Pty Ltd
 Machin's Sawmill Pty Ltd
 Mathews Timber Pty Ltd
 McCormack Demby Timber Pty Ltd
 McDonnell Industries Pty Ltd
 McKay Timber
 Meyer Timber Pty Ltd
 Middlesex Mill Pty Ltd
 Midway Limited
 Millmerran Timbers Pty Ltd
 Montana Timber Holdings Ltd
 Moran Logging Company Pty Ltd
 MRG Connections Pty Ltd
 Nannup Timber Processing (NTP)
 New Forests Asset Management
 Pty Ltd trading as The Trust
 Company (Australia) Ltd
 Norske Skog Paper Mills (Australia)
 Ltd
 NSFP Smartfibre Pty Ltd
 Onefortyone Plantations Pty Ltd
 Oregon Sales Pty Ltd trading as
 Timbeck Cedar Products

Parkside Building Supplies Pty. Ltd.
 Penrose Pine Products Pty Ltd
 Pentarch Forest Products Pty Ltd
 PF Olsen TISA Pty Ltd as Trustee
 for Timberland Australasian Fund II
 Planet Timbers (WA) Pty Ltd
 Porta Mouldings Pty Ltd
 Private Forestry Service
 Queensland
 Queensland Department of
 Agriculture and Fisheries
 Radial Timber Australia
 Ravenshoe Timbers Pty Ltd
 Redmond Sawmill
 Regional & Rural
 Ridgewood Timber Pty Ltd
 RMS Australian Forests Assets Pty
 Ltd
 Ryan & McNulty Pty Ltd
 S A Relf & Sons Pty Ltd
 SA Pine Pty Ltd
 Sarawood (Aust)
 Schiffke Sawmill Pty Ltd
 SFM Environmental Solutions
 Simmonds Lumber Pty Ltd
 South East Fibre Exports Pty Ltd
 South East Pine Sales Pty Ltd
 Southern Pacific Fibre
 Stora Enso Australia Pty Ltd
 Sustainable Timber Tasmania
 Swan Le Messurier Pty Ltd
 Ta Ann Tasmania Pty Ltd
 Tarmac Sawmilling Pty Ltd
 TASCOT trading as Dongwha
 Timbers Pty Ltd
 Tasman KB Pty Ltd
 Territory and Municipal Services
 Directorate - ACT Government
 The Hesmat Unit Trust
 The Laminex Group
 The Timber Treathers Trust
 Tilling Timber Pty Ltd
 Timberlands Pacific Pty Ltd
 Timberlink Australia
 Timothy J Mitchell
 Towers Timber trading as
 Wambenger
 Treated Pine Distributors trading as
 Waverly Consulting
 Urgenty Pty Ltd trading as Mary
 Valley Timbers
 VicForests
 VIDA Wood Australia Pty Ltd
 Visy Pulp & Paper Pty Ltd

WA Chip & Pulp Co Pty Ltd
 Wade Sawmill Pty Ltd
 Weathertex Pty Ltd
 Wesbeam Pty Ltd
 Wespine Industries Pty Ltd
 Whiteheads Timber Sales Pty Ltd
 Wild Partnership
 Williams Timber Pty Ltd
 Wilton Logging Pty Ltd
 Woodpanels International Pty Ltd
 Wright Forest Products Pty Ltd

Associate Member Companies

A E Girle & Sons
 Australasian Timber Flooring
 Association
 Australian Forest Products
 Association (AFPA)
 BIS Shrapnel Pty Ltd
 Everist Timber Pty Ltd
 Frame & Truss Manufacturers
 Association of Australia Ltd (FTMA)
 ITW Australia
 Keith Timber Group
 Kennedys Classic Aged Timbers
 Pty Ltd
 Koppers Performance Chemicals
 Australia
 Lonza Wood Protection trading as
 Arch Wood Protection (Aust) Pty
 Ltd
 Multinail Australia Pty Ltd
 Poyry Management Consulting
 (Australia) Pty Ltd
 Regional Development Australia
 Limestone Coast Incorporated
 Responsible Wood
 Rodpak
 Rothoblaas SRL
 The Timber Preservers Association
 of Australia
 Timber & Building Materials
 Association (Aust.) Ltd
 Timber Corporation PTY LTD
 Timber Development As. (NSW) Ltd
 Timber Insight Pty Ltd
 Timber Merchants Association
 (Victoria)
 Timber Queensland Ltd
 Victorian Association of Forest
 Industries (VAFI)
 Wood Products Victoria Ltd



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