



Forest & Wood
Products Australia

Annual Report 2021/22





In the spirit of reconciliation, Forest & Wood Products Australia acknowledges the Traditional Custodians of Country throughout Australia, and we acknowledge their connection to the land and their custodianship of forests. We pay our respect to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples.

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From the Chair

*"Uncertainty is the only certainty there is."*¹

Following the uncertainty of FY2020/2021 and the unexpected strong financial result for that year, FWPA entered FY2021/2022 with some confidence despite the ongoing impact of the pandemic and a better understanding of the significant long-term impact of the Black Summer bushfires. Income from harvesting of softwood plantations was down. With the fire salvage completed, supply was constrained, resulting in a material change in the sawlog volume available for harvest.

Harvesting in natural forests was also down, again due to supply constraints in some jurisdictions. With demand for manufactured wood products at very high levels, particularly those used in building and construction, increased imports were needed to fill the gap. Demand for Australian hardwood plantation fibre was subdued due to the ongoing impact of the pandemic in North Asian markets. The net result was a slight reduction in total revenue for FY2022.

As reported last year, the Board took a cautious approach to planned expenditure for FY2022. With the better-than-expected result in that year, we entered FY2022 with a substantial cash balance available for deployment across all areas of investment covered in our current Strategic Plan. There was a high level of activity in research into resource issues under the guidance of the Grower Research Advisory Committee, which included collaborative research projects with the regional NIFPIs.

Australian Forest Products Association (AFPA), the peak national body for Australia's forestry, wood and paper products industry, proposed an increase in forestry sector levies for research, development and extension, and for biosecurity that was met with overwhelming approval by Australia's forest growers. FWPA supported this process through extensive member consultation and by providing input to the AFPA submission to government. These changes provided an opportunity to increase funding and capacity for vital forest science initiatives, and to tackle ever-increasing biosecurity threats. The levy increase proposal was approved by the Australian Government in late 2021 and the staged levy increases commenced on 1 July 2022.

Support for the grower levy increase is just one example of the excellent relationship between FWPA and AFPA. It's a relationship that benefits the entire forestry industry, and I thank AFPA CEO Ross Hampton and his team for their ongoing support.

Although demand remains strong for most forest and wood products, our research shows community understanding of the

benefits of using wood is reduced in the absence of regular high-quality public messaging. Our highly successful consumer campaign, The Ultimate Renewable™, further evolved this year with the Board approving significant expenditure on the June launch of a widespread advertising campaign – the first since the onset of the pandemic.

While the use of cash reserves resulted in a planned financial loss for the year, we continue to maintain a prudent cash reserve level, more details of which can be found in the financials section of this Annual Report. FWPA received a clean and unqualified external audit report for FY2022. I am proud of the way our team managed the business throughout the audit period, and offer particular acknowledgement to the Finance Audit and Risk Management Committee for its work during this time.

In September 2021, I reluctantly accepted the resignation of Ric Sinclair, FWPA's Managing Director for the previous 13 years. The Board is proud of FWPA's achievements under Ric's leadership, and he leaves both the company and industry in a strong position. I thank Ric for his contribution, support and friendship, and along with the Board, wish him all the best for the future.

Following an international search that produced an impressive calibre of candidates, the Board was delighted to appoint Andrew Leighton as our new CEO. Andrew brings a wealth of relevant technical, industry, management and leadership experience and is the ideal person to continue the work and mission of FWPA and lead the company towards a successful future.

Last year I reported that we had initiated the development of a 'clean slate' review and rewrite of the FWPA Strategic Plan, to help guide company and industry priorities. The new plan will be aspirational, while also recognising what can be achieved within our revenue constraints. The Board believes it imperative that Andrew, as CEO, is involved in the development of our strategy, and is accountable for its implementation. We therefore paused finalisation of the plan to allow Andrew the opportunity to familiarise himself with all aspects of it. This process is nearing completion, and we expect to publish and launch the new Strategic Plan in the near future.

Our 2021 Annual General Meeting was held virtually and attended by members and industry representatives from across the forest and wood products supply chain. At that meeting members elected Yvonne Pengilly, who holds a Bachelor of Technology (Engineering) and has worked in the construction industry for more than 35 years, to the Board. Yvonne brings

fresh perspective on the important area of timber demand, and regulatory controls within the construction sector. This provides FWPA with valuable access to an extensive construction industry network.

The Board and management were particularly pleased that the Australian Government also saw fit to renew the Statutory Funding Contract with FWPA for a further 10-year term ending in 2031. This extended contract provides greater certainty and confidence to FWPA and its members and stakeholders regarding the services and programs that the company can deliver on behalf of the Australian forest and wood products industries.

FWPA aims to deliver programs that benefit the largest possible number of stakeholders, including forest growers, domestic processors, timber importers and the Australian Government. We continue to seek and encourage feedback on how we can best service the industry. These tasks are aided greatly by strong linkages to our National Representative Bodies: The Australian Forest Products Association, Australian Timber Importers Federation, and the Engineered Wood Products Association of Australasia. The Australian Government continues to be a strong supporter, funder and stakeholder, and I particularly thank the Department of Agriculture, Fisheries and Forestry for its ongoing support. I thank my fellow directors for their wise counsel and efforts to ensure we maintain the highest levels of governance.

Finally, I would like to acknowledge the work of our outstanding team, in particular Chris Lafferty, Eileen Newbury and Jason See. During a period of significant uncertainty, they formed an interim senior leadership team and showed great resilience and dedication in helping to run the company during the period we were without a CEO.



Craig Taylor
Chair

From the CEO

As the new CEO of FWPA I would like to start by thanking the Board for putting their trust in me to continue the outstanding work of this organisation. I feel privileged to be leading FWPA, which supports an industry that plays such an important role in local communities and society at large, particularly as we navigate the challenges and the opportunities of an increasingly carbon constrained and environmentally conscious world.

On arrival I was met by a highly capable and proactive team – a credit to my predecessor and his work. The team consistently demonstrates strength and resilience, ensuring our programs are executed to the highest possible standard. I would like to express my sincere appreciation for their efforts and support in facilitating a smooth transition for me as I assumed the role of CEO.

FWPA is first and foremost a service organisation. We are accountable to our members, the Australian Government, and our various stakeholders, who depend on us to deliver research activities and market promotion outcomes that deliver value for them. My aim is to build an FWPA that is highly connected with its stakeholders, is agile and responsive in meeting the industry's real-world goals and delivers meaningful and measurable outcomes that further our mission. Our collective goal must be to work in close collaboration with industry partners to build a strong, resilient, and growing industry. FWPA's new, soon-to-be-published Strategic Plan will reflect this aim and outline the key outcome-focused areas in which FWPA can effectively take a leadership role.

While recent capacity restrictions and global supply chain issues have impacted the industry, FWPA has taken a long-term view. As such, we have been working to ensure consistently strong and growing demand for wood products throughout the inevitable industry cycles.

Our recent national consumer advertising campaign The Ultimate Renewable™ underpinned these efforts. The campaign aims to generate widespread awareness amongst the general population of carbon and sustainability credentials associated with using wood in the built environment. As part of this campaign, we were delighted to welcome our new FWPA spokesperson, Adam Dovile,

a well-known TV personality best known for his appearances on Channel Seven's Better Homes & Gardens.

Initial feedback from industry and consumers on this campaign has been overwhelmingly positive. The Ultimate Renewable™ website views increased by 2,265%. Preliminary results of post-campaign evaluation undertaken subsequent to the reporting period show a positive shift in perceptions of the sustainability credentials of wood and that two-thirds of respondents say they are more likely to use wood after seeing the campaign. The results also show that the campaign resonated with new and younger audiences, a cohort that is vital to the future of the industry. The results of the post-campaign survey and evaluation will be available on the usual FWPA channels during 2023.

The WoodSolutions program, which offers easily accessible timber-related resources and education to the design and build sector, continues to go from strength to strength. With 550,000 users in the past year alone, its dedicated website is recognised worldwide as a comprehensive one-stop-shop for construction industry professionals seeking the most reliable timber-related information.

WoodSolutions continues to host its series of free educational webinars – the result of a pandemic-driven pivot by the team, after face-to-face events were no longer an option. In total, we hosted 25 such webinars in FY2021/2022, attracting 7,720 participants, including architects, builders, structural engineers, building designers and surveyors.

Our dedicated Mid-rise Advisory Program (MAP) management team handed its duties over to WoodSolutions on June 30 2022. When the MAP management team started six years ago, the Australian construction industry had little awareness of how timber could be used effectively in mid-rise buildings.

Thanks to the MAP team's dedication, enthusiasm, commitment and expertise, we now have a design and build sector significantly more aware of the benefits of timber in construction. Many mid-rise timber buildings in Australia today would not exist were it not for the efforts of this team and the participating Industry Partners.

I congratulate the MAP team on its many achievements and thank the members of that team for the solid foundation they have provided for WoodSolutions to build on, as the program enters its next stage.

In research, FWPA continues to support a diverse range of projects spanning all areas of the forest and wood products supply chain, many of which feature in other sections of this Annual Report. Notably, major forest growers worked collaboratively through the Grower Research Advisory Committee (GRAC) to identify and fund ten new research initiatives worth \$11.2 million. These projects will cover a range of areas including reduction of risks posed by pests and diseases, improvement of geospatial accuracy, and drought-proofing plantations. Investment in these vital initiatives was made possible through a combination of voluntary funding contributed by grower members and levy revenue, boosted significantly by the agreed increases to the forest grower levy that commenced in July 2022. The Board is pleased with the renewal of funding for the National Centre for Timber Durability and Design Life for a further five years.

I thank our Board of Directors, the FWPA team, our members, stakeholders, research and development partners, suppliers, and the Australian Government for their ongoing and invaluable support during the past year. I look forward to continuing our work together and further building on these relationships into the future.



Andrew Leighton
Chief Executive Officer

2021/22 Highlights

Continued focus on outcomes



WoodSolutions website



Almost 550,000 users during the financial year

Sessions - 707,000

Page views - 1,506,296

5,989 pages of information and resources



Next evolution of



Introducing new Ambassador, Adam Dovile

Multi-channel national advertising campaign

2,265% increase in website views

3.6 million reached through Facebook and Instagram

WoodSolutions free supplier listings received 123,418 click throughs to their websites.



25 webinars

7,720 participants, including architects, builders, structural engineers, building designers and surveyors.

Renewal of National Centre for Timber Durability & Design Life

Positive mid-term review by FWPA Board

Centre activities renewed for 5 years... with the potential for 3 more!

A growing team of local timber research talent

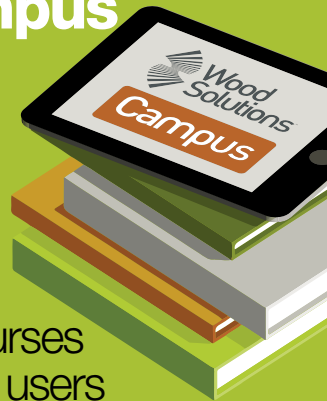


Timber Talks

podcast series

21 new episodes
10,487 listens.

Educating the construction sector with WoodSolutions Campus



13 courses
2,215 users
100 certificates issued

New forest grower levy to support research with additional funding in future years

\$1.7m in FY2023

\$3m in FY2024

\$4.2m from FY2025



ForestLearning: Engaging the next generation of Australians



19,260 users

7 Virtual Classrooms attended by
4,138 students from
142 Aussie classrooms

FWPA helped fund **10** grower research projects with **\$11m** in funding



Contribution to Australian Standards



AS 1859.1:2017 & 1:2021
Reconstituted Wood Panels - Particleboard

AS/NZS 4357.0:2022 Structural laminated veneer lumber

AS/NZS 8008:2022 Timber - Finger-jointed structural timber

AS/NZS 4266.1:2017 & 1:2021
Reconstituted wood-based panels: Base panels

Pooling industry data for stronger insights!



50 forestry companies contribute data towards **15** data series.

Strategic Framework

FY2021/2022 was the third year operating under the existing 2020–2025 Strategic Plan while developing a clean sheet Strategic Plan. During the coming calendar year, FWPA will transition to the new Strategic Plan and reallocate programs accordingly.

Industry vision

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

Mission

We collaborate with industry stakeholders and Government to determine strategy. We 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.

Desired outcomes

We work with FWPA members and levy payers, the Australian government and other key stakeholders to secure the co-operation and collaboration needed to deliver outcomes that provide optimal benefit to the whole industry, including increased:

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



Strategic Framework | Programs

FY2021/2022 was the fourth full year of the Company's Statutory Funding Contract.

In prior strategic plans, the organisation's activities were structured around functional areas such as research and development (R&D), marketing and standards development.

Coinciding with the commencement of the current strategic plan, FWPA shifted focus and language away from functional inputs towards outcomes. To be successful, the shift required cultural change within the organisation and the broader industry. As the current strategic plan draws to a close, the Company looks to learn from and build on this approach. The focus in FY2022 was to consolidate and implement activities to further deliver on our mission and develop a new strategic plan for the next five years.

FWPA's current outcome-based programs focus on the following five strategic priorities:

1

Promoting the advantages of wood products

2

Aligning products to market needs

3

Assisting value chain optimisation

4

Increasing resource availability and reducing risk

5

Impacting decision-making and industry capability

The role of FWPA and our scope of work will continue to evolve in response to changing industry dynamics. However, our focus remains on identifying and delivering collaborative innovation that will benefit the largest possible proportion of our stakeholders.

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 Contract (SFC). The SFC requires FWPA to continually review its operating environment.

In consultation with key stakeholders, the organisation must regularly consider the appropriateness of its programs and activities.

The strategic review process is depicted on page 10.

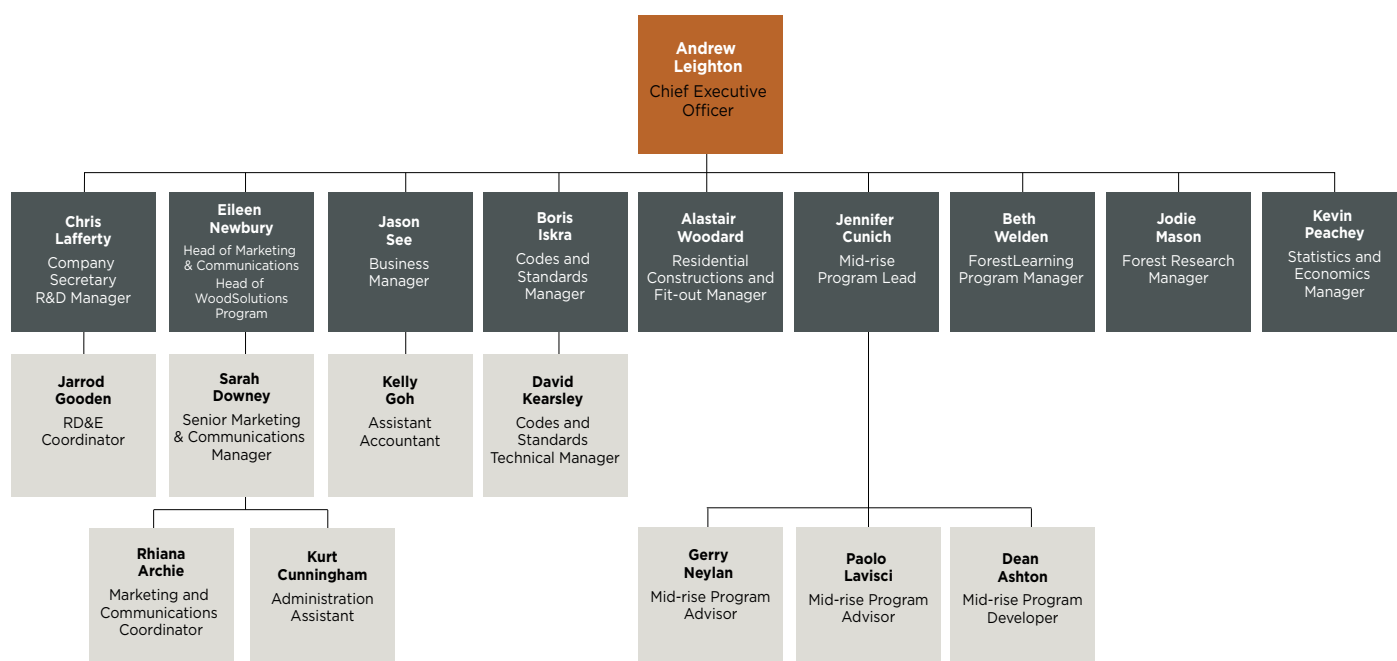
This review process creates a rolling five-year planning cycle that ensures the organisation remains focused on the future, while making necessary adjustments within the operating environment.

This Annual Report should be read in conjunction with the five-year Strategic Plan and the 2021/22 Annual Operating Plan.

Strategic review process



The FWPA team as at 30 June 2022



Working towards a successful forestry industry for the future

Supporting a successful Australian forestry industry today, while clearly vital, is just one half of the FWPA story. Equally as important is its work to secure the future of the industry in the short, medium and long term.

FWPA has a vital role in an industry that needs to operate with a firm focus on the future. Timber production is a unique process. The lengthy growing cycles mean the impact of some decisions made today won't be felt for 20 to 30 years. Planning for the future through smart decision-making is therefore a critical aspect of how the industry operates and prepares. Supporting the industry towards an uncertainty-filled future drives much of what FWPA does.

Climate change and booming demand

The changing climate presents a range of challenges for forestry. As conditions change, so too will the ability to successfully grow certain tree species in certain locations. Challenges such as heat stress, drought, fire, floods, and the arrival of new pests and diseases all play a part.

Climate change, a growing global population and rapidly increasing urban expansion mean demand for forest and wood products will almost certainly boom in the coming years, which can be improved by increasing awareness and understanding of their environmental benefits. According to an FWPA-commissioned report, Australia will be looking to fill a growing gap between supply and demand for sawn softwood timber, with the forestry industry needing to establish 468,000 hectares of additional softwood plantations if the gap expected by 2050 is to be filled.

To achieve this, the forest industry may need to consider establishing plantations in environments where conditions are too hostile for many current species to survive. For that reason, part of FWPA's work with Tree Breeding Australia involves the pre-emptive testing of material across a range of environments likely to reflect future climates. The goal is to identify genetic materials with the known ability to adapt to potentially changed conditions and survive attack from pests and diseases not currently in Australia.

The opportunities presented by a changing climate

Climate change not only brings challenges, but also opportunities. By ensuring the FWPA voice is heard in conversations about measures to reduce climate change impacts, and by actively advocating for the role forest and wood products can play, we can position wood as the preferred material of the future.

Key to this is to ensure as many people as possible understand that timber is a strong, versatile and, most importantly, sustainable material, with the added advantage of being able to store carbon, even after harvest.

FWPA recently partnered with thinkstep-anz to develop three reports on the carbon economy as it relates to the forest and wood products industry. These reports provide an endorsement tool to promote the use of wood products to industry and government, with the goal of creating exciting opportunities for the use of wood.

Climate change, a growing global population and rapidly increasing urban expansion mean demand for forest and wood products will almost certainly boom in the coming years, which can be improved by increasing awareness and understanding of their environmental benefits.



Investing in research and building capacity

A lack of investment in Australian forestry research during recent years has led to a significant decline in research capacity, despite the crucial role research plays in boosting forest productivity and profitability, reducing risk, and creating new carbon friendly products.

FWPA therefore welcomed this year's introduction of a forest grower levy increase, with matching funds from the Australian Government. This increase will boost research investment by approximately \$1.7 million in FY2023, and \$4.2 million by FY2025.

In addition, more than \$11m in funding has been allocated to 10 new grower research projects, covering a range of grower priorities. Investment in these projects will prepare the industry to capitalise on opportunities arising from new technologies and innovations that will fortify Australian forestry for many years to come.

Elsewhere, six new PhD research scholarships were announced, thanks to co-funding by FWPA forest grower members and the University of Tasmania, with matching funds from the

Australian Government. The projects will involve industry representatives working in collaboration with PhD students, and the hope is for the research outcomes to be of greatest relevance and usefulness for industry. These scholarships will also create a cohort of researchers with an understanding of, an interest in, and a passion for forestry, helping to re-build much-needed research capacity and expertise in the sector.

Embracing latest technologies

Other key FWPA-supported research projects underway look at technologies such as driverless vehicle options for more efficient timber harvesting, and autonomous pruning possibilities for enhanced forest management practices.

These cutting-edge technologies have the potential to support bushfire risk management, while offering productivity gains to increase the economic value of Australia's timber resource. They could also mitigate the occupational health and safety risks of performing these tasks manually, making for a future forestry industry that's more productive, profitable and safe.

Promoting the benefits of forest and wood products

We live in an age of increasingly environmentally conscious consumers, savvy about what does and does not constitute a sustainable product, and discerning in the way they distinguish between the products and brands they feel comfortable supporting and those they do not.

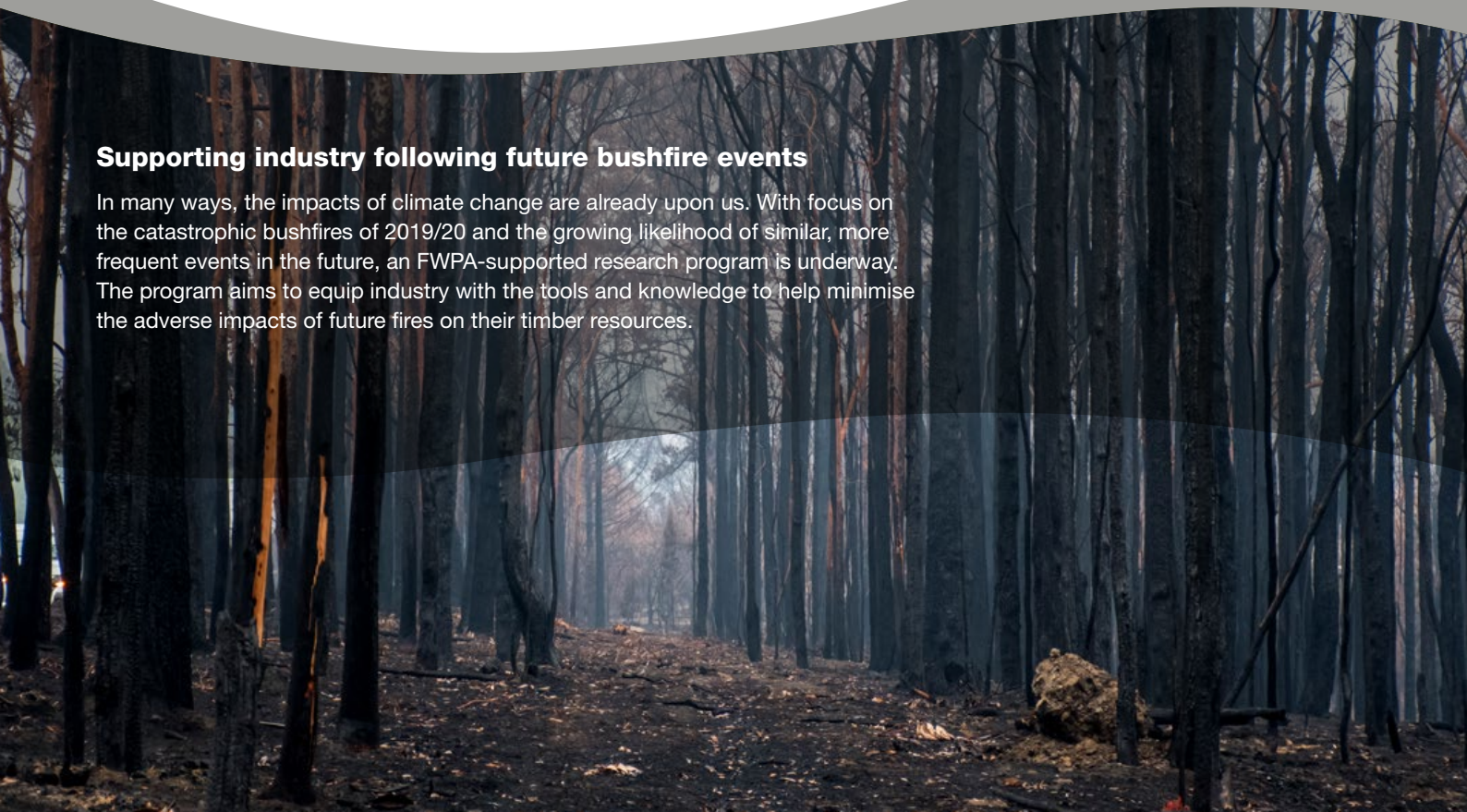
FWPA stakeholders play a vital role but we also need to convince their customers, the consumers, to choose forest and wood products. While the construction industry and other sectors embrace timber as an input, if their customers reject timber, it's near certain that it will not be used.

The great news is that forestry has a compelling story to tell, as the only sustainable and completely renewable packaging and building material.

As more people look for sustainable alternatives across all their purchases – whether it's the bag they use to transport items home from the supermarket or the materials they use to build their new home – we need to ensure widespread understanding among consumers and influencers of why 'wood is good'!

Supporting industry following future bushfire events

In many ways, the impacts of climate change are already upon us. With focus on the catastrophic bushfires of 2019/20 and the growing likelihood of similar, more frequent events in the future, an FWPA-supported research program is underway. The program aims to equip industry with the tools and knowledge to help minimise the adverse impacts of future fires on their timber resources.



Forest and wood products must be top-of-mind with consumers as the most sustainable options.

FWPA's consumer brand The Ultimate Renewable™ works to achieve this. Initially intended to counter negative perceptions of the environmental impact of forest and wood products, it has been used in widespread marketing activities to ensure the public develops an accurate understanding of the realities of the Australian forest industry and its many advantages.

The brand and its advertising campaigns focus on the sustainability and environmental benefits of the forest and wood products industry, and their place in the fight against climate change. Fundamentally, its activities are designed to educate various audiences that wood is The Ultimate Renewable™ resource, as it can be replanted and will continually grow back.

These activities aim to make forest and wood products the material of choice amongst consumers, thanks to the strength and versatility of the material alongside its environmental credentials.

The most recent iteration of The Ultimate Renewable™ consumer advertising campaign was launched this year. FWPA decided to resume the campaign, following a pause during COVID-19, to tap into an increased interest in sustainability amongst Australians.

The national campaign, comprising new television advertisements, social media activity, magazine advertisements, podcasts, and out-of-home billboards and signage, attracted strong engagement, and an overwhelmingly positive response from consumers and industry. Preliminary results of post-campaign evaluation undertaken subsequent to the reporting period show that The Ultimate Renewable™ website received 66,280 page views, an increase of 2,265%. Facebook audience reached 3.3 million and Instagram 373,259. Importantly, the results demonstrate that the campaign resonated with new and younger audiences. The results of the campaign evaluation will be available via the usual FWPA communication channels.

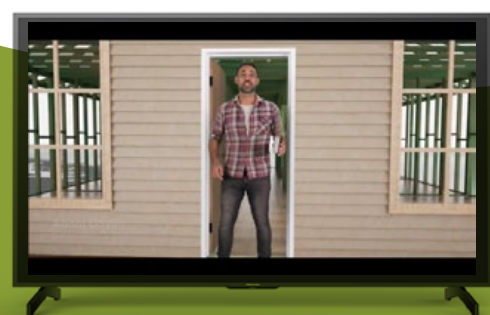
Educating the consumers and decision-makers of tomorrow to future-proof the industry is another important aspect of FWPA's work.

The ForestLearning program has continued to offer Australian primary and secondary school teachers an ever-expanding range of technology-rich, highly engaging ways to teach students about the forestry industry and its benefits.

The program has continued to innovate, embracing new technologies such as Virtual Reality experiences that take students from the classroom directly into the forest, as well as virtual classrooms allowing students to meet and ask questions in real-time directly to Australian foresters working in the field.

FWPA's activities also acknowledges and addresses the important role that influencers play in decisions about building materials used. FWPA's WoodSolutions educational and technical resources engage the design and build professionals, helping them to understand how wood can effectively and safely be used.

It is consumers who will ultimately sign off on the use of forest and wood products, and equipping them with the information needed to make the most sustainable and environmentally beneficial choice is another vital tactic.



The national campaign, comprising new television advertisements, social media activity, magazine advertisements, podcasts, and out-of-home billboards and signage, attracted strong engagement and an overwhelmingly positive response from consumers and industry.

Program 1

Promoting the advantages of wood products

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

New The Ultimate Renewable™ campaign launched

On June 19, we launched the latest evolution of our consumer advertising campaign The Ultimate Renewable™. This campaign introduced our new ambassador, Adam Dovile, a highly-skilled builder and carpenter with a genuine love of timber. Dovile is a recognisable face thanks to his regular appearances on channel Seven's Better Homes and Gardens.

The campaign ran for two months, reinforcing public awareness of wood's sustainable characteristics, while generating consumer and industry engagement with The Ultimate Renewable™ brand.

New television advertisements appeared nationally across eight networks, supported by promotional social media, magazine advertisements, podcasts, out-of-home billboards and signage in metro and regional locations.

The campaign drove strong engagement. The Ultimate Renewable™ website received 48,437 page views during the campaign, representing an increase of 2,265%. On social media it achieved reach of 3.6 million on Facebook and Instagram..

ForestLearning continues to expand

ForestVR launches new resources

ForestLearning launched new ForestVR 360-degree video experiences, allowing schoolchildren to explore Australia's forests without leaving the classroom.

ForestVR provides a safe way to navigate the health, safety and geographical access issues associated with in-person excursions to forests and timber processing facilities.

The *Forest Science Explorers* series, for primary students in years four to six, explores tree lifecycles, and adaptation and forest management practices of four

different Australian forest types; tall wet eucalypt forests, dry eucalypt forests, cypress pine forests and jarrah forests.

The *Careers in Forests and Wood* resources give students an insight into three different careers in forestry and wood processing.

The *Agroforestry: Trees at work on the farm*: This experience transports students onto three different Australian farms that reap the benefits of agroforestry by incorporating trees into their farming landscapes.

New 'Environmental Change and Forest Management' resource

Together with the Geography Teachers Association Victoria (GTAV), ForestLearning developed a new teaching and learning toolkit Environmental Change and Forest Management for year 10.

This resource enables students to explore and understand Australia's special forest landscapes, environmental changes and the use of geospatial technology to support sustainable forest management practices.



Grow. Build. Plant. Repeat.



WOOD
The Ultimate
Renewable™
tur.org.au

JCDcaux

"It's great to see that many more design and build specifiers recognise the benefits of wood and embrace its use. I am excited to add my voice to this great cause by partnering with The Ultimate Renewable™ to promote the benefits and sustainable nature of this wonderful, versatile material," said Adam Dovile.

Launch of Schools and Industry Champion Toolkit

During the year we released a new set of tools for teachers and industry champions working with schools. This resource includes:

- How-to Guides for teachers on engaging with the forest and wood industry, plus links of forest/wood themes to the Australian Curriculum K-12
- How-to Guides for industry champions hosting incursions/excursions in primary and high schools including presentation outlines aligned to the Australian curriculum
- Preparation checklists and tips/tricks to use in the lead up to school activities and presentations
- Post activity evaluation templates.

George the Farmer explores Australia's forests

ForestLearning partnered with ABC TV star George the Farmer to deliver free education toolkit resources, virtual classrooms, videos and more.

These resources allow primary school students to explore Australia's forests, discover where wood and paper come from, and learn about sustainable forest management practices.

Australia-wide teacher survey

ForestLearning commissioned the Student Edge group to conduct a nationwide survey of teachers to gauge their perceptions of forestry and careers, plus their evaluation of the new ForestLearning resource, the content of the website and teacher packs.

Highlight results include ...

- Seven in 10 teachers have used their teacher packs since receiving them, with three in ten saying they used them at least monthly.
- The majority of teachers feel 'positive' towards the forestry industry, with only one in five feeling 'somewhat negative', and none feeling 'very negative'.
- Nine in 10 teachers believe it is 'important' to teach students about forestry and wood products, with two-thirds saying it is 'very important'.

Strategic promotions

As at the end of FY2022, seven Virtual Classroom sessions had taken place, with 4,138 students from 142 classrooms around Australia taking part. The regularly updated ForestLearning Facebook page had 2,563 followers and the LinkedIn page had 604 followers.



Sean Ryan at the ForestLearning ForestVR video shoot for Agroforestry Case Studies of Australia



Grant Dooner, Technology Educator at Champagnat Catholic College in Pagewood, said of his use of ForestVR tools in his classrooms: "I have used the existing ForestVR experiences in the classroom to great success, with students highly engaged around an environment they might not otherwise get to experience. A lot of material available to Australian teachers online is American and doesn't always fit the Australian curriculum or context. The Australian-produced ForestLearning materials, including ForestVR, help overcome this issue."

FWPA and thinkstep-anz reports on carbon economy

Business sustainability consultant thinkstep-anz, in close collaboration with FWPA, published three reports on the carbon economy as it relates to the forest and wood products industry. Together, these reports aim to establish a shared understanding of carbon concepts, identify what work still needs to be done, and may be used to further advocate for the use of wood products in industry and policy settings.

The first report is a primer and glossary for FWPA members. It details the carbon cycle of forestry and wood products and how carbon interacts with the entire process from plantations to operations, to end products. The primer also discusses how to determine the carbon footprint of the forestry industry and carbon accounting in building assessment.

This report aims to equip FWPA members with information to enhance the market's understanding of the benefits of timber, and to advocate for better standards to measure greenhouse gas emissions.

The second report is a resource for

building and design professionals. It explores embodied carbon in buildings and wood products, and how wood can be incorporated for best practice design. This resource looks at how to use forest and wood products in the built environment and will ideally be used to support market development.

The third report addresses the future of carbon in Australia. It holistically examines Australia's plantation management and use of wood products, and how this will contribute to Australia's carbon balance.

This report discusses wood and the bio-economy, and carbon in Australian native forests and plantations. It engages in a broad range of topics including production of wood products, emissions and residues, how to model carbon in wood products and the net effect on Australia's carbon balance. Importantly, it also includes recommendations that could be used to inform decisions.

Promoting the advantages of trees and drought resilience

FWPA held discussions with the Victoria Drought Resilience Adoption and Innovation Hub, sharing research and marketing expertise to help rural economies adopt new drought resilience

practices through a focus on trees.

Eight Adoption and Innovation hubs were established across Australia thanks to funding announced by the former Minister for Agriculture, Drought and Emergency Management, David Littleproud. These hubs are designed to connect farmers, agribusinesses and communities with drought resilience experts, and contribute to the design of new technologies and practices.

FWPA supported the drought resilience efforts of these hubs by providing links to the existing network of dedicated regional forestry hubs in Victoria, funded by the Department of Agriculture, to facilitate knowledge sharing and best practice.

WoodChat podcast series continues to inform and entertain

The WoodChat podcast series continued to grow its audience throughout FY2022. The podcasts feature in-depth conversations with experts on industry news, discoveries and innovations.

We published four new WoodChat episodes in FY2022 on topics including re-imagining the log and woodchip export supply chain for improved efficiencies, future-proofing the forestry industry against the impact of bushfires, how technology is being used to make Australian forests smarter, and the environmental stewardship of Australian forestry.

During FY2022 the series, which now comprises 24 episodes, received an extra 2,258 listens.



Program 2

Aligning products to market needs

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

A new era for the Mid-rise Advisory Program (MAP)

Since the program's inception, it was agreed funding arrangements would be reviewed at the six-year mark. If at this point industry partners elected to cease funding contributions, all management, contacts and resources would pass to the WoodSolutions team.

After careful consideration by members, the MAP program finished this year. During the handover, WoodSolutions and the MAP team worked to ensure all ongoing projects would be completed as intended. WoodSolutions will continue to build on the impressive legacy created by the founding team.

Brisbane to host prestigious conference

The World Conference on Timber Engineering (WCTE) – one of the world's premier scientific forums on technical and architectural innovations in timber engineering and construction – will take place in Brisbane in 2025.

FWPA and stakeholders from the domestic forest and wood products sector supported the bid to host the 2025 WCTE in the Queensland state capital.

The conference will provide an excellent and timely opportunity for local industry to showcase internationally the best of Australian research developments, and strong examples of next-generation domestic buildings that successfully incorporate timber products.

WoodSolutions.com.au continued success

WoodSolutions.com.au continues to provide a comprehensive bank of timber-related information for the construction industry. It continues its ranking as one of the world's top websites for timber information, with almost 550,000 users during the financial year partaking in 707,000 sessions and an impressive 1,506,296 page views.

WoodSolutions webinars

The team continued to host its series of fortnightly Tuesday webinar events for design and build professionals. Total attendance for the 25 webinars was 7,720, including architects, builders, structural engineers, building designers, surveyors and academics.

Speakers for these events were locally recognised experts, who spoke on wide-ranging topics including the timber products supply chain, regenerative design, building in bushfire prone areas, fire safety and the carbon zero future.

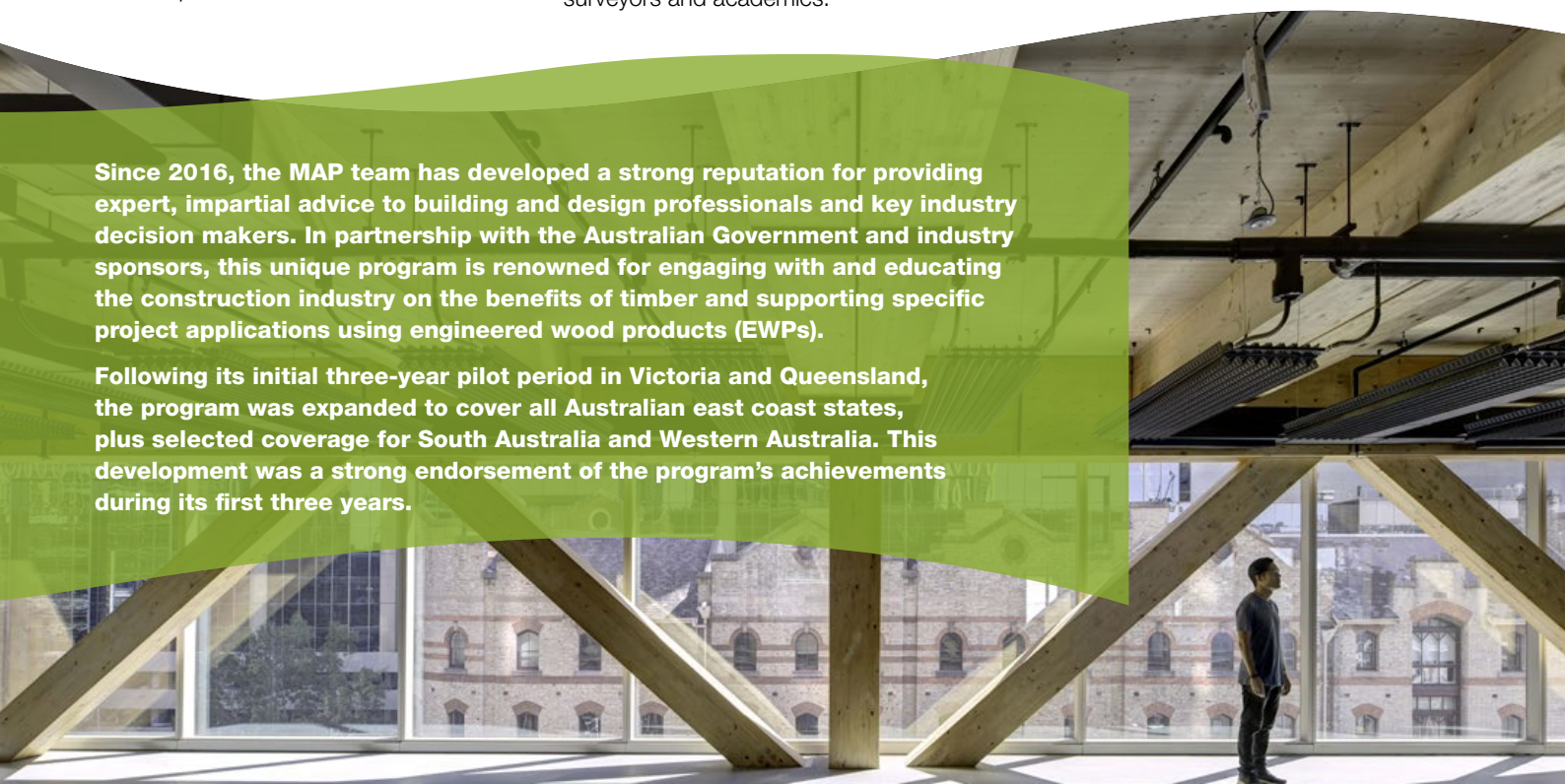
Learning about timber solutions for bushfire-prone areas

It remains vital that appropriate building design and active management of surrounding bushfire risks is highly prioritised when building in bushfire-prone areas.

A WoodSolutions webinar on this topic attracted 290 participants, during which they learned about the Bushfire Attack Level (BAL) system, which is used in Australia to assess risk and severity of potential fires in particular settings. Importantly, participants received detailed explanations of the different timber options available for construction at bushfire-prone sites, and recent changes to the related standards.

Since 2016, the MAP team has developed a strong reputation for providing expert, impartial advice to building and design professionals and key industry decision makers. In partnership with the Australian Government and industry sponsors, this unique program is renowned for engaging with and educating the construction industry on the benefits of timber and supporting specific project applications using engineered wood products (EWPs).

Following its initial three-year pilot period in Victoria and Queensland, the program was expanded to cover all Australian east coast states, plus selected coverage for South Australia and Western Australia. This development was a strong endorsement of the program's achievements during its first three years.



WoodSolutions Campus

The WoodSolutions education platform, Campus, continues to offer free online timber education to educators, students, the forest and wood products industry and supply chain, and the design and build industry.

Campus has 2,215 registered users and issued 100 certificates this year. Participants earned credits towards the University of Tasmania's Graduate Certificate in Timber (Processing & Building).

In the 13 courses on offer, subjects include timber and wood properties, mid-rise timber construction, timber grades and grading, building regulations and standards, timber inspection, managing moisture, designing for durability and designing for bushfires.

Campus helps overcome a lack of understanding about wood products and performances, which can lead to restricted market opportunities and customer dissatisfaction when products are misused.

Timber Talks podcast series

Series Four and Five of the Timber Talks podcast series continue to entertain and inform, with inspiring insights shared by leading experts in timber design, specification and construction. The 21 new episodes published throughout the year drew 10,487 listens.

InFocus video series

During the year, WoodSolutions added to its InFocus series of short, informative videos with two new topics – How do we produce hardwood? and Safety in forestry.

The series educates specifiers and consumers about different features of the forest and wood products supply chain. The seven videos produced to date have attracted more than 136,000 views.

By translating complex information and ideas, these short videos feature industry representatives presenting information in a personable and relatable way, with the goal of creating genuine engagement and countering public misconceptions around forestry.

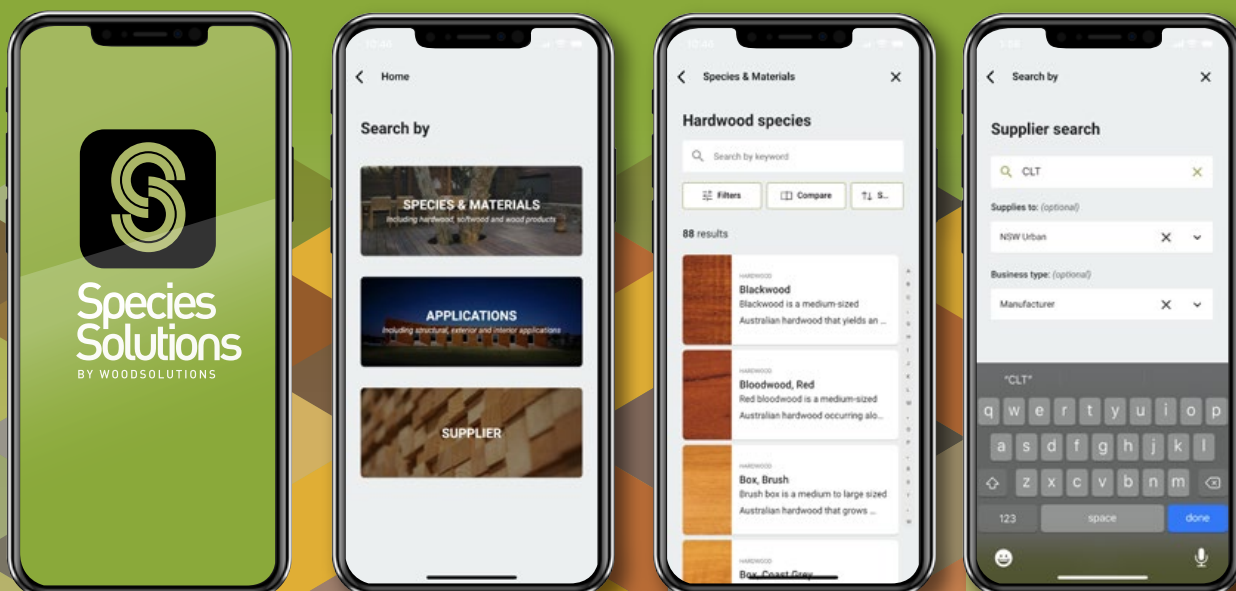
Fire safety professionals tour timber demonstration building

Tours held with some of Australia's leading fire safety professionals, of the WoodSolutions mid-rise timber demonstration building at Holmesglen Institute in Chadstone, Victoria, were well received by attendees. During the tours, representatives from Warringtonfire's fire testing and fire assessment team familiarised themselves with mid-rise construction products, systems and assembly methods with relevance to fire resistance, compliance and certification.



Timber species and suppliers at your fingertips

WoodSolutions launched SpeciesSolutions, a new, free app that offers an accessible guide to common timber species, their uses and where you can buy them. The intent is to be the first port of call for anybody beginning a project that uses wood and wood products. SpeciesSolutions is an update to the previous WoodSolutions Species app, and keeps the original informative content, with improved functionality and an easily navigable interface. The original version assisted users to match timber species to their best suited applications, and the updated app also provides supplier details.



Centre for Timber Durability and Design Life

A mid-term review of the National Centre for Timber Durability and Design Life conducted by FWPA board members resulted in the extension of the Centre's activities for a further five years, with the potential for three more. This extension reflects the Centre's many achievements since its establishment in 2017.

The review found the Centre has made great inroads working with industry to ensure Australia has access to the world's leading research and best practice, while building strong links between industry, academia and customers. The review panel concluded the Centre successfully completed its establishment phase through the development of a coherent research program, employment of staff, and initiation of significant activities.

Highlights

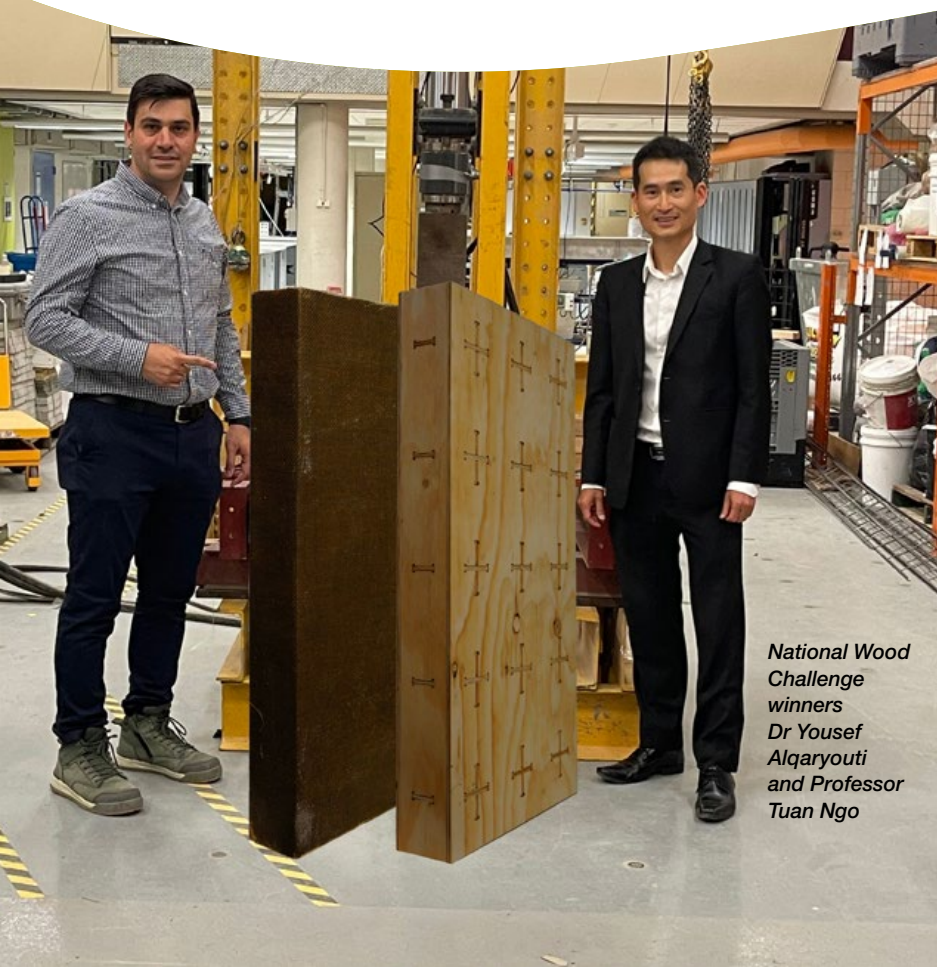
- The Centre team continues to develop a better understanding of the processes associated with smouldering in timber treated with chromated copper arsenate (CCA). An ongoing project in this area has already provided insights into how

and why such smouldering occurs. This knowledge will now be used to investigate preventative approaches which will reduce the risks connected with the use of CCA-treated timber in bushfire prone areas.

- An evaluation of the treatability of the Australian softwood resource is underway at the Centre, with more than 650 pieces of timber from a wide variety of sites tested to date. The results will inform guidelines for treatment variations based on geographic location to help growers identify the best treatment options and select the most treatable timber for planting.
- A large-scale durability field trial at South Johnstone and Nambour conducted by the Centre in collaboration with the Queensland Department of Agriculture and Fisheries has entered its second year. More than 8,000 timber samples treated with 40 different options have now been distributed across the sites and exposed to the elements. The first samples are expected to undergo physical testing in Spring 2022, to determine changes in properties as decay progresses. The results will

inform updates to the CSIRO service life prediction models used by industry to determine whether timber species are fit-for-purpose under various scenarios.

- The performance of decking with large proportions of heartwood has raised concerns among producers due to the shallow nature of the resulting treatments. A field trial was established by the NSW Department of Primary Industries in 1997 to address this issue specifically. A recent inspection of the trial site conducted by representatives from the Centre showed heartwood-heavy decking continues to perform well. Results indicate a solid preservative shell around a heartwood core is likely to provide a reliable option. More results can be expected as further analysis of the site is conducted.
- The disposal of treated timber poses an ever-increasing challenge for the industry. Working with a broad group of industry stakeholders, FWPA is looking to identify the volume and location of treated timber entering the waste stream in Australia, regulatory issues around transportation, and potential pathways to reuse.



*National Wood Challenge winners
Dr Yousef Alqaryouti
and Professor Tuan Ngo*

National University Wood Challenge

The 2021 National University Wood Challenge offered financial support to small teams of university students and academics with innovative ideas for the use of wood in the production of new sustainable products.

The challenge, funded in conjunction with FWPA by the Australian Government through the National Forest Industries Plan, supports teams with novel ideas about how wood can be used.

Professor Tuan Ngo and Dr Yousef Alqaryouti of the University of Melbourne won the challenge with their use of digital fabrication technology to create a sustainable wood panel system for the construction industry.

By combining low-grade timber with bio-based, fibre-reinforced polymer and recycled wood fibre, the winners were able to achieve a low-cost, lightweight and strong prototype.

They will use the \$10,000 prize money to further develop the system, with the aim of bringing the product to market.

Codes and Standards coordination

FWPA aims to increase the use of wood-based products through efficient and effective development and maintenance of standards, codes and handbooks.

FWPA's National Codes and Standards Manager, Boris Iskra, coordinates the development and review of Australian timber standards, and associated building standards and codes.

Boris also represents Australian industry interests on several international committees, including the International Organisation for Standardisation (ISO) panel Technical Committee (TC) 165 Timber Structures, alongside representatives of more than 30 countries.

FWPA's work with these international committees enables the sharing of insights from global experts on international standards and their application within the Australian forest and wood products supply chain. This work also provides opportunities for FWPA and its members to participate in global research initiatives.

FY2022 - Key developments in Australian Standards

FWPA actively participates on various Australian Standards technical committees to help ensure proposed changes are technically based, and do not unjustifiably impact on the use of timber products in Australia.

FWPA is a Standards Australia nominating organisation that actively participates in and is represented on each of the country's three timber committees:

- TM-010 Timber Structures and Framing
- TM-011 Engineered Timber Products
- TM-012 Timber Grading and Preservation

In addition, FWPA is represented on several built environment standards committees with direct relevance to the use of timber products.

This year, FWPA supported the finalisation and publication of each of the following new Australian Standards and/or amendments:

- **AS 1859.1:2017 & 1:2021**
Reconstituted Wood Panels – Specifications Part 1: Particleboard

This Standard specifies the product requirements for standard, moisture resistant, high-performance particleboard (HP) wood panels, typically used in joinery applications. A key element of this amendment is the introduction of HP wood panels suitable for use in load bearing structures under a range of climatic conditions.

- **AS/NZS 4357.0:2022 Structural laminated veneer lumber, Part 0: Specifications**

This Standard provides manufacturing, in-grade structural characterisation and structural verification requirements for the use of structural laminated veneer lumber (LVL). LVL manufactured to this Standard is used in a range of structural timber products including beams and columns for houses, truss chord members, and scaffold planks.

- **AS/NZS 8008:2022 Timber – Finger-jointed structural timber – Product and performance requirements**

This Standard specifies product performance requirements and test methods for finger-jointed structural timber, LVL and glued-laminated timber. It provides specifications that enable the production, verification and safe use of structural finger-jointed timber products.

- **AS/NZS 4266.1:2017 & 1:2021**
Reconstituted wood-based panels – Methods of testing, Part 1: Base panels

This Standard covers the methods of testing described in several reconstituted wood-based panels Standards including particleboard, and both wet and dry fibreboard. An amendment was issued to clarify an analysis procedure, as well as correct associated formula and statistical tables.

Educating insurance sector on timber and construction

Increasingly frequent extreme weather events across Australia, resulting in correspondingly frequent climate change impacts, make it vital for the insurance sector to understand how timber can be used safely in construction.

WoodSolutions hosted a webinar for Insurance Business Australia titled *Assessing risk: why engineered wood products are a safe solution for mid-rise construction*. The audience of 101 representatives from the insurance sector included insurance brokers, underwriters, architects, risk engineers, and building and quantity surveyors.

During the webinar, we outlined some of the potential risks often associated with using engineered wood products (EWPs) in construction, together with explanations of what insurers need to keep in mind when assessing timber projects.

To complement the webinar, we published articles in *Insurance Business Australia* magazine, including a feature piece on the process used to salvage waterlogged timber, a highly relevant and valuable piece given the catastrophic flood events in Queensland and New South Wales.

Program 3

Assisting value-chain optimisation

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

Driverless vehicles for timber harvesting

An FWPA-funded report, titled Next Generation Timber Harvesting Systems: Opportunities for remote controlled and autonomous machinery, provides a comprehensive review of opportunities within current harvesting practices for either remote or autonomous control. The report aims to facilitate the development of next generation harvesting systems.

While advanced robotic systems are already commonplace in controlled workspaces such as factories, the use of remote-controlled or autonomous machinery in complex environments such as forests is still in its infancy.

The report, which was developed by Associate Professor Rien Visser of the School of Forestry, University of Canterbury, New Zealand, presents the most immediate opportunities on which to focus research efforts, and considers longer-term opportunities for the remote control, tele-operation and automation of forestry operations.

Automated pruning in forest management

The findings of an FWPA-commissioned report - developed by the University of the Sunshine Coast's Forest Research Institute (FRI) and international research partners – focused on the current state of automated pruning equipment, both in Australia and overseas. The report gave confidence to plantation managers around the potential of these technologies.

Innovation of this type of technology could be used to support bushfire risk management, improve the economic value of the nation's timber resource, and reduce occupational health and safety risks.

Before committing to significant financial investment, FWPA commissioned the independent global review of current mechanical tree pruning technologies being used in plantation and forest management. The report also examined the potential of future technologies both domestically and internationally.

The findings of this recently completed report, titled A review of current mechanical & robotic tree pruning equipment, will be used to inform decisions around investment in research and development of autonomous pruning technologies in Australia.

National fire program to better support industry

Together with industry partners, FWPA designed a comprehensive research plan for a national bushfire program to determine the effects of fire on commercial plantations.

The research program aims to increase the Australian timber industry's preparedness and capacity to minimise the adverse impacts of fires in forestry plantations.

It further aims to guide the forestry and timber industries on post-fire operations to optimise the quantity of logs that can be salvaged and used following fire damage.

The program will ultimately develop a decision support system (DSS) that can be used by industry to identify optimal post-fire salvage responses that are customised to different regions, fire intensities, stand ages and site conditions. The DSS will provide benefits to the timber industry through better utilisation of fire-impacted forests.

Concept for autonomous purpose-built forwarder, including a self-loading (Image from Ringdahl 2011)



Tree pruning robot prototype. (Image sourced from: www.electronicproducts.com/Electromechanical_Components/Remote-controlled_tree_climbing_chainsaw-welding_robot.aspx)

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.

Forest growers levy boost from 1 July 2022

FWPA and other members of the Australian forest and wood products sector welcomed confirmation of a forest grower levy increase, with matching funds from the Australian Government.

The additional funds generated through the increase will be managed by FWPA and used to boost industry investment in research by approximately \$1.7 million in 2022–23, \$3 million in 2023–24, and \$4.2 million from 2024–25, based on current log production.

Widespread industry consultation and collaboration led by the Australian Forest Products Association (AFPA) during 2020–21, resulted in 90% of Australia's forest growers supporting the AFPA request for the grower levy increase.

In late 2021, the Australian Government committed to match the extra funding generated through the levy increase, and in the first half of 2022 legalised the increase through amendments to associated regulations.

The additional revenue will improve the industry's capacity to invest in vital forestry research, and drive industry innovation for a successful future.

Research priorities to be addressed by the additional funds include:

- continued investigation of remote sensing and machine learning for smart, safe and efficient forest management
- genomic techniques that will significantly advance tree breeding
- understanding soil microbial processes in forestry nurseries, and
- developing technologies and practices that enable better detection and protection from fires, pests and diseases to help build resilience against climate change.

FWPA thanks AFPA for leading this process.

Six new scholarships to support grower research priorities

Australian forest growers identified new research priorities which are the impetus for six new PhD research scholarships co-funded by FWPA forest grower members and the University of Tasmania, with matching funds from the Australian Government.

The six projects conducted under the Forest Growers Research Program (FGRP) are the result of ongoing interactions with FWPA's Grower Research Advisory Committee (GRAC).

These research projects cover a wide range of challenges, from the risk posed to plantations by browsing herbivorous mammals, to traits in genetic material that affect resistance to drought, heat, diseases and pests, and management approaches designed to maximise tree survival under various conditions.

Optimising productivity in northern Australia's mahogany plantations

FWPA and its project partners released the results of an important \$500,000, five-year study into approaches to help maximise the productivity and profitability of African mahogany plantations in northern Australia.

The project, a partnership between African Mahogany Australia, Northern Tropical Timbers, McGrath Forestry Services and FWPA, commenced in 2016.

The researchers observed a range of sites in the Douglas-Daly region of the Northern Territory. They set out to identify relationships between tree growth, thinning and the nutrient status of soil and foliage, by using existing data and conducting a series of new trials that manipulated plantation fertility and density.

Their goal was to identify the optimum thinning and fertilisation regimes for productivity across sites under a wide range of climatic conditions, with this collected knowledge being transferable to a wide range of sites across Northern Australia.

A report detailing the findings of the study provides guidance for industry on the impact of climate and various silvicultural management practices – including fertilisation, thinning and pruning, as well as processing options – on plantation productivity.



Throughout each project, forest managers will work collaboratively with PhD students to ensure research remains industry focused, and the outcomes and results of research are translated to industry partners in a timely and accessible manner.

The scholarships will play a vital role in building capacity in the sector as students will be industry-ready by the time the research is complete.

More than \$11m for 10 new grower research projects!

Australian forestry research received another significant boost with the announcement of funding for 10 new grower research projects, following an open call to the research community for submissions.

The 10 successful research projects will cover topics such as mitigating the risks posed by pests and diseases, to improving geospatial accuracy, drought-proofing plantations, genomics and more.

The final roster of projects is based on the recommendations of a working group made up of GRAC members, known as the GRAC Executive Committee. The Committee's robust evaluation of submissions considered the potential of each project to best advance the priority topics identified in FWPA's forestry research investment plans.

FWPA's forestry research investment plans comprise a portfolio of research priorities across nine key themes considered likely to help realise GRAC's vision of 'doubling the value of Australia's commercial forests by 2040, by fostering an innovation culture in our enterprises, applying world's best practices, collaborating and investing into research and development as appropriate.'

A scientific advisory panel comprising two external members and two grower members, all with appropriate research and subject matter expertise, assisted with the evaluations.

In addition, the committee worked to ensure the chosen projects represented a balance of different forest types and geographical regions, before recommending to the FWPA Board that \$11.2 million be made available for the 10 successful projects.

Investment in biosecurity

During the year, FWPA funded a range of research projects relating to biosecurity.

- Dr Angus Carnegie, Principal Research Scientist at the NSW Department of Primary Industries: research into social licence relating to tree removal as a method of limiting the spread of exotic pests and diseases.
- Dr Andy Howe of the University of the Sunshine Coast: a framework for the discovery of effective biocontrol agents in the fight against damage caused by Gonipterus weevils in Australian eucalypt plantations.
- Dr Helen Nahrung of the University of the Sunshine Coast: development of criteria used in biosecurity risk assessments at Australian borders for the arrival, establishment, spread, and potential impact of pests and diseases.
- Francisco (Paco) Tovar, of Plant Health Australia: the National Forest Pest Surveillance Program, which will commence operation in 2022–23. This cross-sectoral partnership will see government, the forestry sector and stakeholder community groups across Australia work together on the implantation of post-border surveillance around exotic pest entry.
- Conrad Trollip, PhD candidate working with Agriculture Victoria: exploration of environmental DNA sampling of fungal pests in forest species as a more rapid method of detection when compared to current practices.

Each of the researchers presented details of their research and outcomes to date at the 2022 Plant Biosecurity Research Initiative (PBRI) Symposium in Adelaide. The two-day, biannual symposium showcased the latest research into combatting threats to Australian plants.

The event attracted more than 100 pest and disease experts, researchers and growers from across Australia and overseas.

growAG: Connecting and collaborating with the agriculture sector

AgriFutures' growAG venture is an online platform showcasing Australian agricultural innovations, organisations, research, investment and commercialisation opportunities, in one easy-to-use location.

The platform is designed to create a global gateway into the Australian research and innovation system. It aims to maximise Research Development Corporation (RDC) research investment by increasing collaboration and connectivity in the agricultural sector for better research outcomes that will add genuine value for producers.

growAG is a joint initiative between Australia's 15 RDCs, including FWPA, and the Australian Department of Agriculture, Fisheries and Forestry (DAWE).

Since launching in 2021 the platform has showcased more than 2,600 research projects and more than 100 commercialisation opportunities. There are already 55 research projects included on the site led by FWPA.

There has been significant uptake within the Australian market, as well as internationally, with 58,000 website visits so far.

Program managers and researchers can use growAG as a tool to find new partners and investment. Startups, scaleups and corporates looking to invest in commercial opportunities can easily discover research projects underway. Organisations and individuals can flag their interest in funding research that will help overcome their specific challenges.

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.

Market dynamics and potential impacts on timber imports

Australia faces a persistent and growing gap between supply and demand of sawn softwood timber, according to a landmark FWPA-commissioned interim report.

The report analyses market dynamics of the softwood products industry and the potential impact on Australian timber imports.

On current trajectories, Australia will be consistently unable to meet demand for new housing because of a persistent and growing gap between demand and supply of timber, particularly sawn softwood.

The report examines forecast population growth, housing demand, future production and import volumes, and future domestic softwood demand and finds a 40.5%, or 2.638 million m³ per year, shortage of timber by 2050. The report goes on to calculate that Australia needs

to establish 468,000 hectares of additional softwood plantations to address this supply gap.

Data aggregation program

FWPA continues to work with industry to aggregate individual company data that contribute to industry datasets. The data is collected, interpreted and shared with industry monthly via an online data portal.

The market indices that draw on this data build capacity across the sector by tracking industry prices and trends. They provide market participants with transparency and confidence, and support planning, growth, commercial decisions and long term investment.

During the FY2022, more than 50 organisations contributed data towards the production of 15 data series, including timber product sales and volume.

Softwood Timber Market Index on the way

Applications of the FWPA softwood product sales and volume data series have enabled a new approach to tracking price for sawn softwood timber products in the sector, with the development of

a new softwood Timber Market Index (TMI) on recommendation by the AFPA Timber Market Index Working Group (TMIWG), which considers opportunities for the improvement of the sector's market indices.

Once launched in late 2022, industry subscribers will enjoy access to enhanced data that will enable improved decision making.

The proposal for the development of a softwood TMI received broad support from industry stakeholders when the concept was introduced last year, with TMIWG and FWPA drafting a business plan for the new index.

The working group secured the support of the 11 foundation members and is in active conversation with two more. The foundation members will form an FWPA-led steering committee that will take over TMI governance responsibilities from the TMIWG.

The steering committee is now reviewing opportunities to establish market indices in the Australian hardwood sector and will engage with industry to initiate this process.

Softwood timber in an average house report

FWPA prepared a report on the quantity of wood products and their specific applications in new home construction. The report tracks changes in the use of wood in the residential construction sector, which enables the industry to forecast timber demand. This work continues with incorporated changes as they arise.

FWPA was able to use the report to calculate how long it takes for Australia's softwood plantation estate to grow the amount of structural timber needed to build an average house. The answer is 140 seconds!



Shedding light on global trends

A series of five, one-hour FWPA-hosted webinars explained the recent changes in supply and demand for timber products, both within Australia and overseas.

The webinar series, titled Domestic and international timber market dynamics, provided information on the recent turbulence in international timber markets, and how the impacts have been felt by the Australian industry.

The goal of the webinars was to help stakeholders gain a comprehensive understanding of current timber markets globally, vital in the support of smart planning in their own businesses.

Each webinar drew upon significant international and domestic expertise to canvas the current timber market and future outlooks.

The series was well received by industry, with 50 stakeholders tuning in for each session, including CEOs and other senior executives from FWPA member organisations, as well as key decision-makers from across the Australian forest and wood products sector.

The sessions were followed by an industry panel comprising representatives from Australian businesses spanning the timber supply chain. These panellists provided insights on how the current market conditions are impacting their businesses.



Voluntary Matching Projects - Research & Development

Project Description	Commonwealth and industry coinvestment (\$)	Total project costs (\$)	Status	Project No.
FCNSW Log Price Review Mechanism	17,730	17,730	Completed	VSE126-1920
Industry Edge Pty Ltd				
Sawn Timber in Australia 2019 – 2035 Study	105,946	105,946	Completed	VSE124-1920
BIS Oxford Economics Pty Ltd				
Identification of Cost Effective and Practical Methods to Achieve 6-Star Timber Framed Residential Housing Solutions	16,304	16,304	Completed	VNA501-1920
Forest Industries Federation (WA)				
Maximising northern tropical forestry - linking communities and cutting-edge technologies	480,000	480,000	Active	VNB537-2021
CRC Developing Northern Australia				
Fire Resistance of Modern Dovetail Timber Connector	173,250	173,250	Completed	VNA481-1819
Timber Development Association (NSW) Ltd				
Validated softwood stiffness predictions using IML-Resistograph and eCambium: online automated processing	388,000	388,000	Completed	VNB459-1718
Forest Quality Pty Ltd				
An Investigation to Detect and Map Internal and External Defects in the Commercial Eucalypt Timber Species Using Non-destructive Techniques	36,000	132,155	Active	VNC511-1920
University of Tasmania				
A tool to predict fertiliser response and profitability in softwood plantations across Australia. Component 1: South West WA	218,949	547,699	Active	VNC476-1819
McGrath Forestry Services Pty Ltd				
Characterising and managing fire risks to plantations under changing climates	632,800	1,194,994	Active	VNC518-1920
University of Melbourne				
Demonstrating Stewardship of the Environment and Ecologically Sustainable Forestry: Monitoring the Effectiveness of the Tasmanian Forest Practices Code for Biodiversity	134,179	134,179	Active	VNC457-1718
Forest Practices Authority				
Development of fit-for-purpose silviculture linking plantation management and productivity to wood properties	110,000	150,000	Active	VNC530-2021
University of South Australia				
Forest Pest Management Research Consortium	70,000	313,000	Active	VNC576-2122
University of the Sunshine Coast				
Indigenous Commercial Forestry Opportunities: East Arnhem, northern Australia	534,557	534,557	Active	VNC506-1920
University of the Sunshine Coast				
Innovation in value realisation through the supply chain and supply chain technology	525,000	525,000	Active	VNC513-1920
University of the Sunshine Coast				
Microbiome Management: Leveraging advances in microbiome research to deliver cost-effective tools to boost resilience and productivity of pines throughout their production lifecycle	120,000	1,087,347	Active	VNC578-2122
Western Sydney University				

Voluntary Matching Projects - Research & Development

Project Description	Commonwealth and industry coinvestment (\$)	Total project costs (\$)	Status	Project No.
Mobile applications to support stakeholder surveillance of exotic forest and environment pests	56,000	56,000	Active	VNC514-1920
Plant Health Australia				
Next Generation Resource Assessment and Forecasting for Australian Plantation Forestry	133,335	288,118	Active	VNC519-1920
CSIRO Sustainable Ecosystems				
Operational immersive visualisation and measurement of dense point cloud data in forest inventory	162,000	362,184	Active	VNC520-1920
University of Tasmania - School of Technology, Environments and Design				
Silvicultural systems to optimise value from northern Australian Mahogany Plantations	1,010,000	1,570,000	Completed	VNC402-1617
McGrath Forestry Services Pty Ltd				
Development of a portfolio of alternative weed control strategies for use in plantations	110,000	160,000	Active	VNC529-2021
University of South Australia				
Incorporating genetics into forest valuation models – IRRPLAN	698,998	917,936	Active	VNC480-1819
Southern Tree Breeding Association				
Increased and sustained productivity gains in national tree improvement programs for softwood and hardwood plantations	333,219	2,123,837	Active	VNC479-2122
Tree Breeding Australia Ltd				
Increased and sustained productivity gains in national tree improvement programs for softwood and hardwood plantations	333,219	2,123,837	Active	VNC579-2122
Tree Breeding Australia Ltd				
Industry wide application of advanced breeding tools and systems – Tree Breeding Australia	1,938,085	3,419,068	Active	VNC406-1516
Southern Tree Breeding Association				
Optimising plantation productivity through improved fertiliser regimes	100,000	435,000	Active	VNC422-1617
McGrath Forestry Services Pty Ltd				
Quality assurance in the pedigree of radiata pine	150,000	150,000	Active	VNC561-2021
Tree Breeding Australia Ltd				
Sirex biocontrol: cryptic nematode field strain prompts urgent review of program	110,000	280,000	Active	VNC517-1920
University of the Sunshine Coast				
Tools, systems and enabling genetic technologies for pines and eucalypts	962,844	1,947,595	Active	VNC515-1920
Tree Breeding Australia Ltd				
Using genomics to double the rate of genetic gain in Australian forest	433,489	983,460	Active	VNC580-2122
Tree Breeding Australia Ltd				
Re-measurement of lower-rainfall farm forestry species in Victoria to improve genetic quality and establishment	11,000	11,000	Completed	VNC494-1920
David Dore				

Voluntary Matching Projects - Research & Development

Project Description	Commonwealth and industry coinvestment (\$)	Total project costs (\$)	Status	Project No.
Giant Pine Scale Chemical Control	263,000	263,000	Active	VNC450-1718
HVP Plantations				
Giant Pine Scale Postgraduate Research Scholarship Agreement	137,500	137,500	Active	VNC472-1819
LaTrobe University				
The Industry Plantation Management Group – Applied Research and Extension	877,500	877,500	Active	VNC458-1718
WA Plantation Resources Pty Ltd				
Carbon dynamics from native forestry in Australia	10,000	10,000	Active	VRE574-2122
NSW Department of Primary Industries				
Log Haulage Registered Code of Practice (LHRCoP)	200,000	200,000	Completed	VNA434-1617
Australian Forest Products Association				
Silvopastoral trials of commercial pine systems in North Queensland	71,351	691,587	Active	VNC555-2122
CRC for Developing Northern Australia Ltd				
Developing exotic pest surveillance capacity in high-risk areas across Australia	255,000	255,000	Active	VNC512-1920
Plant Health Australia				
Forest Growers Research Program	409,000	409,000	Active	VNC584-2122
University of Tasmania - School of Technology, Environments and Design				
Optimising productivity of hardwood plantations: yield gap analysis for <i>Eucalyptus globulus</i> plantations in southern Australia	380,000	999,973	Active	VNC516-1920
McGrath Forestry Services Pty Ltd				
Triple-M IoT – Exploring the use of the Internet of Things in Monitoring and Managing Moisture in production forestry and landscape fire management	130,000	220,000	Active	VNC560-2021
Indicium Dynamics Pty Ltd				

Levy-funded Projects

Project Description	Commonwealth and industry coinvestment (\$)	Total project costs (\$)	Status	Project No.
EPD for Australian Cypress Sawn Timber	46,900	46,900	Completed	PNA500-1920
thinkstep Pty Ltd				
EPD Verification of Sawn Cypress Timber	2,450	2,450	Completed	PRA538-2021
Life Cycle Logic Pty Ltd				
Science and Process Review Of Safe Work Australia's (SWA) Workplace Exposure Standard Proposal for Formaldehyde	18,200	18,200	Completed	PRA544-2021
Engineered Wood Products Association of Australasi				
Fire Engineering Issues on Exposed Mass Timber and the Way Forward	12,375	12,375	Completed	PRA524-1920
Timber Development Association (NSW) Ltd				
Measuring Moisture and Axial Displacement in Australia's First 6 Storey Timber Framed Building	87,000	87,000	Completed	PRA449-1718
Timber Development Association (NSW) Ltd				
Review and Survey of Global Dust Exposure Levels in Wood Processing	9,250	9,250	Active	PRA503-1920
Meder Consulting				
Establishing the relationship between random and biased testing for structural verification of Australian sawn softwood	18,000	78,400	Active	PNA498-2021
University of South Australia				
Investigate the possibility of using wood powder as feedstock for 3D printing	60,000	216,000	Active	PNA360-1516
University of Southern Queensland				
Microtimber – Development of a 3D-printed, gradient timber panel composed of forestry waste and by-products	90,000	405,159	Active	PNA359-1516
University of Sydney				
Carbon footprint of the Australian forest and wood products sector	25,760	25,760	Completed	PRE571-2122
thinkstep Pty Ltd				
Developing a technical basis for a biased testing structural property verification method for Australian sawn softwood	42,600	77,900	Active	PRA497-1920
TimberED Services Pty Ltd				
Investment Plan: Operational improvement opportunities for the Softwood sawmilling industry	20,652	20,652	Completed	PRB479-1819
Kenneth John Robertson				
Processing pruned <i>Eucalyptus nitens</i> plantation logs to produce high-value sawn and veneer products	168,915	168,915	Active	PNB417-1617
Forestry Tasmania				
National Centre for Timber Durability and Design Life	3,750,000	3,750,000	Active	PNB425-1617
University of the Sunshine Coast				
National Load Restraint Trial and Testing	9,530	64,530	Active	PRB467-1819
Australian Forest Contractors Association				
RD&E Program in Advanced Log and Woodchip Export Supply Chain Management for Australia	775,000	775,000	Active	PNC426-1617
University of the Sunshine Coast				

Levy-funded Projects

Project Description	Commonwealth and industry coinvestment (\$)	Total project costs (\$)	Status	Project No.
Advanced real-time measurements at harvest to increase value recovery		2,130,612	Active	PNC465-1718
University of the Sunshine Coast				
AGVET Commonwealth Agreement (ID 4-B14CTJ9)	72,500	72,500	Active	PNC487-1819
University of the Sunshine Coast				
Benefits for costs financial analysis for February 2022 proposal submissions	12,800	12,800	Active	PRC573-2122
Sylva Systems Pty Ltd				
Boosting Diagnostic Capacity for Plant Production Industries	90,000	14,826,135	Completed	PNC499-1920
Grains R&D Corporation				
Characterising native forest structure from co-incident terrestrial and airborne LiDAR	79,254	298,941	Active	PNC546-2021
NSW Department of Primary Industries				
Improved tools to predict fertiliser response and profitability in softwood plantations across Australia. Component 2: Eastern Australia	373,147	1,778,759	Active	PNC477-1819
TreeMod				
Investment Guide – Beneficial soil microbiome-tree interactions in nursery and forest settings	9,000	9,000	Active	PRC536-2021
Chris Murphy Advisory Pty Ltd				
Optimising nutrition management of hardwood plantations for sustainable productivity and profitability	253,740	1,715,218	Active	PNC478-1819
WA Plantation Resources Pty Ltd				
Reducing the risk of other myrtle rust strains entering Australia and the Pacific.	10,000	63,813	Active	PNC556-2021
Department of Agriculture, Fisheries and Forestry QLD (DAFF)				
Review of current technology in mechanical & robotic tree pruning equipment	14,600	14,600	Completed	PRC522-2021
University of the Sunshine Coast				
Smarter Regions CRC proposal	5,000	5,000	Active	PRC543-2021
University of Adelaide				
Developing plantation trees better adapted to changing environments	120,000	305,000	Active	PNC547-2021
Tree Breeding Australia Ltd				
Genomic screening for Teratosphaeria resistance	150,000	859,352	Active	PNC586-2223
Gondwana Genomics Pty Ltd				
Improving wood quality in radiata and southern pines	300,000	300,000	Active	PNC428-1617
Southern Tree Breeding Association				
Incorporating genomic data in TREEPLAN evaluations to increase genetic gain	677,737	1,444,813	Active	PNC408-1516
Southern Tree Breeding Association				

Levy-funded Projects

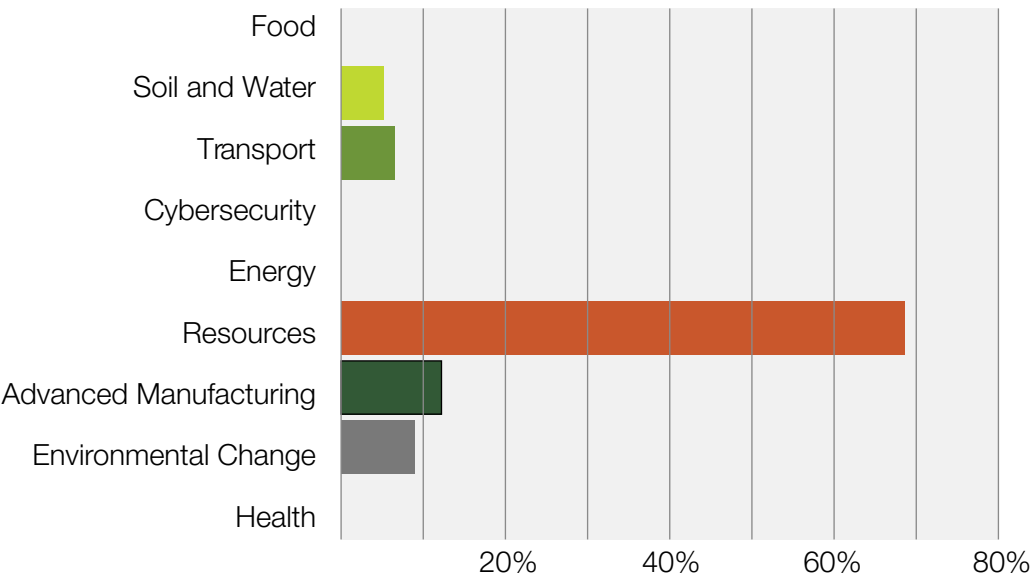
Project Description	Commonwealth and industry coinvestment (\$)	Total project costs (\$)	Status	Project No.
Investigating regional groundwater issues to assist future management decisions in the South East Lower Limestone Coast Water Allocation Plan region	20,000	20,000	Active	PNC559-2122
University of South Australia				
Biological Control of Giant Pine Scale in Australia	457,826	1,144,893	Active	PNC489-1819
Agriculture Victoria				
Improving Plant Pest Management Through Cross Industry Deployment of Smart Sensor, Diagnostics and Forecasting	40,000	14,868,595	Active	PRC429-1718
Horticulture Australia Limited				
Monitoring parasitoids of Gonipterus weevils in Australian eucalypt plantations	25,000	69,277	Active	PNC550-2021
University of the Sunshine Coast				
Plant Biosecurity Research Initiative Phase II 2021-23	90,000	832,000	Active	PRC521-1920
Plant Biosecurity Research Initiative				
Plantation Forestry Biosecurity Plan Review	57,040	144,510	Active	PRC468-1819
Plant Health Australia				
Estimating the implications of net-zero targets	30,725	30,725	Completed	PRE562-2021
Natural Capital Economics				
Project Report summaries for Voluntary Matching	12,870	12,870	Active	PRE452-1718
Forestlands Consulting Pty Ltd				
Review of the current research on the key drivers of community perceptions of wildlife and species protection	9,100	9,100	Completed	PRE549-2021
Hollow-wood Enterprises Pty Ltd				
Revision of FWPA procedures for governance of the GRAC and GCF & development of a Trust and Management Agreement	11,165	11,165	Active	GRC132-2021
Grace Legal				
A novel Wood Fibre based Structural-Foam (WFSF) (university Wood Challenge 2021)	20,000	20,000	Completed	GOV150-2122
University of Melbourne - Department of Infrastructure Engineering				
Assessing and managing mid-rotation wood quality in Australian softwood plantations to produce fit-for-purpose logs	424,420	1,738,377	Active	PNB548-2021
University of the Sunshine Coast				
Australian Forest Herbicide Research Consortium	384,240	1,434,240	Active	PNC439-1718
University of the Sunshine Coast				
BDA Marketing Planning Proposal	37,500	37,500	Active	PRE585-2122
BDA Marketing Planning ATF The BDA Unit Trust				
Development of guidance material for farm forestry, private native forestry and Indigenous owned or managed lands/ forests [in support of GOV141-2021]	237,500	237,500	Active	GOV161-2122
Greenwood Strategy Solutions Pty Ltd				
Digital Fabrication and Structural Design of Low-Cost Hybrid Sandwich Panel Systems (University Wood Challenge)	30,000	30,000	Completed	GOV151-2122
University of Melbourne - Department of Infrastructure Engineering				

Levy-funded Projects

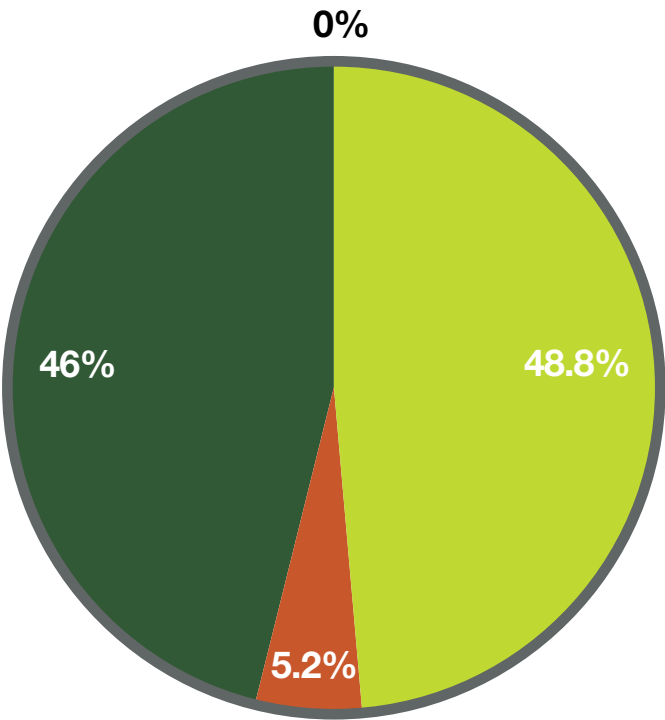
Project Description	Commonwealth and industry coinvestment (\$)	Total project costs (\$)	Status	Project No.
Fibre-filled steel tubular (FFST) posts and beams	20,000	20,000	Completed	GOV152-2122
Griffith University				
Forest Supply Chain Value Optimisation 2022	100,000	180,400	Active	PNC577-2122
University of the Sunshine Coast				
FWPA and WoodSolutions Carbon guides	77,200	77,200	Active	PRE565-2122
thinkstep Pty Ltd				
FWPA strategic planning report 2021	59,999	59,999	Active	SKD134-2021
Forest Hill Consulting				
Optimising the bonding performance of fibre-managed Tasmanian plantation hardwood	20,000	20,000	Completed	GOV153-2122
University of Tasmania				
Partnership agreement for 2022 Science & Innovation Awards	22,727	22,727	Active	PRE563-2122
Department of Agriculture and Water Resources				
Revision of testing and design methods for nailed, screwed, and bolted timber connections	455,972	645,472	Active	PNB460-1718
Engineered Wood Products Association of Australasi				
Support for Indigenous owned, Farm Forestry and Private Native forest resources [linked to GOV141-2021]	3,000	3,000	Active	GOV154-2122
Clear Sky Consulting				
WA Timber industry Welcome Mat	5,000	5,000	Completed	SKD072-1819
Forest Industries Federation (WA)				
World Business Council Sustainable Development (WBCSD) Forest Sector Road Map	17,011	17,011	Active	PRE564-2122
Kurrumbene Projects Advocacy				

Expenditure against national and rural research priorities

National Research Priorities



Rural Research Priorities



Advanced technology to enhance innovation of products, processes and practices across the food and fibre supply chains through technologies such as robotics, digitisation, big data, genetics and precision agriculture.

Biosecurity to improve understanding and evidence of pest and disease pathways to help direct biosecurity resources to their best uses, minimising biosecurity threats and improving market access for primary producers.

Soil, water and managing natural resources to manage soil health, improve water use efficiency and certainty of supply, sustainably develop new production areas and improve resilience to climate events and impacts.

Adoption of R&D, focusing on flexible delivery of extension services that meet primary producers' needs and recognising the growing role of private service delivery.

Voluntary Matching Projects - Extension

Project Description (key projects)	Commonwealth and Industry Co-investment	Total Project Costs	Status as @ 30 June 22
Program 2 - WoodSolutions			
Timber Talks Podcast - to educate, inspire and inform Adam Jones Podcasting	\$37,391	\$37,391	Active
Refuel Continuing Professional Development (CPD) program to educate and inform architects 12 month contract Australian Institute of Architects	\$15,000	\$15,000	Active
Sponsorship to educate and inform building surveyors 12 month contract Australian Institute of Building Surveyors	\$20,000	\$20,000	Active
Sponsorship to educate and inform quantity surveyors 12 month contract Australian Institute of Quantity Surveyors	\$6,050	\$6,050	Active
Sponsorship to educate and inform landscape architects 12 month contract Australian Institute of Landscape Designers	\$20,000	\$20,000	Active
Sponsorship of Sustainability Awards to educate and inform architects and designers 12 month contract Architecture & Design	\$25,000	\$25,000	Active
Sponsorship to educate and inform carpenters 12 month contract Carpentry Australia	\$5,500	\$5,500	Active
Sponsorship to educate and inform interior designers 12 month contract Design Institute Australia	\$11,000	\$11,000	Active
Sponsorship to educate and inform construction sector Design Build	\$30,700	\$30,700	Completed
Sponsorship to educate and inform building designers 12 month contract Design Matters	\$50,000	\$50,000	Active
Research into microcertification for design & build professionals Edubrief	\$6,600	\$6,600	Completed
WS Technical Design Guide Updates #18, #19 and #38 EFT Trust	\$36,850	\$36,850	Completed
Sponsorship of educational workshops for engineers 12 month contract Engineering Training Institute Australia	\$8,800	\$8,800	Active
Literature review Engineered Wood Products Association of Australasia	\$11,000	\$11,000	Completed
Sponsorship for research and writing initiative into the neurological, psychological, and emotional benefits of enriched environments to inform an educate the design and build sector Tye Farrow	\$11,400	\$11,400	Active
Sponsorship to educate and inform design & build professionals, industry and supply chain Frame Australia	\$7,500	\$7,500	Completed
Sponsorship to educate and inform the frame and truss manufacturers 1 event Frame and Truss Manufacturers Australia	\$6,350	\$6,350	Completed
Sponsorship to educate and inform design & build professionals 12 month contract Green Building Council of Australia	\$22,000	\$22,000	Completed
Sponsorship to educate and inform building sector of National Construction Code (NCC) changes Housing Industry Association	\$25,000	\$25,000	Completed
Development & production of informative videos on the forest and wood products industry for the InFocus series HLS Productions	\$25,500	\$25,500	Active

Voluntary Matching Projects - Extension

Project Description (key projects)	Commonwealth and Industry Co-investment	Total Project Costs	Status as at 30 June 22
Program 2 - WoodSolutions			
Development and presentation of technical education and information Legacy Engineering - SA	\$3,500	\$3,500	Active
Sponsorship to educate and inform construction sector 12 month contract Master Builders Australia	\$25,000	\$25,000	Active
Qualitative Market Research into microcertification and specifier survey Pollinate	\$53,900	\$53,900	Completed
Sponsorship to educate and inform property and development market 12 month contract Property Council of Australia	\$30,800	\$30,800	Active
Sponsorship to educate and inform wood scientists and engineer professionals and students 12 month contract Society of Wood Science and Technology	\$5,000	\$5,000	Completed
Development of WoodSolutions SpeciesSolutions APP and website management and maintenance Technocrat	\$156,695	\$156,695	Active
Sponsorship Australian Timber Design Awards and technical education for the design and build sector 12 month contract Timber Development Association NSW & ACT	\$86,874	\$86,874	Active
Ask an Expert service WoodSolutions website Timber Consulting	\$8,696	\$8,696	Active
Sponsorship and technical education for the design & build sector 12 month contract Timber Queensland	\$8,840	\$8,840	Active
Development and presentation of technical education and information - 12 month contract TimberEd - WA	\$4,768	\$4,768	Active
Sponsorship and technical education for the design & build sector 12 month contract TPC Solutions - VIC	\$38,409	\$38,409	Active
Sponsorship to educate and inform property & development market 12 month contract Urban Development Institute of Australia	\$8,000	\$8,000	Completed
Sponsorship to educate and inform property & development market 12 month contract Urban Development Institute of Australia	\$8,000	\$8,000	Completed
Total	\$812,123	\$812,123	

Levy-funded Projects - Extension

Project Description (key projects)	Commonwealth and Industry Co-investment	Total Project Costs	Status as @ 30 June 22
Program 1 - The Ultimate Renewable™			
Strategy and Market Research into Growing Future Homes project to engage consumers Greenwood Strategy		\$13,475	Completed
National Consumer Advertising Campaign 12 months Nunn Media		\$2,012,243	Active
Public Relations Pesel & Carr		\$18,000	Active
Partnership and endorsement to promote the benefits of wood with consumer market - ongoing Planet Ark		\$232,375	Active
Consumer campaign market research and tracking, and Future Homes market research Pollinate		\$51,700	Completed
Production and filming of TV consumer advertisement Powerhouse Productions		\$40,568	Completed
Total	0	\$2,368,361	

FWPA Members

As at 30 June 2022

Full Member Companies

A G Brown Sawmill Pty Ltd	D.M and L.A Pratt	ITI (NSW) Pty Ltd
ACT Environment, Planning and Sustainable Development Directorate – Departmental	D.S Fuller & L.R Fuller trading as Dale & Lindsay Fuller Partnership	ITI (Queensland) Pty Ltd
Adam's Sawmill Pty Ltd	Dale & Meyers Operations Pty Ltd trading as DTM Timber	ITI (SA) Pty Ltd
Agriwealth Contracting Pty Ltd	Darren Bott	ITI (Victoria) Pty Ltd
AKD NSW Pty Ltd	David Neville Calvert	ITI (WA) Pty Ltd
AKD Queensland Pty Ltd	Dindas Australia Pty Ltd	J Notaras & Sons Pty Ltd
AKD Victoria Pty Ltd	DMK Forest Products Pty Ltd	J Wright & Sons Pty Ltd
Albany Plantation Export Company Pty Ltd	Endeavour Foundation trading as Nangarin Timbers	Jarrah Select Pty Ltd
Allied Timber Products Pty Ltd	Enrights Sawmill	Jarrahwood Australia Pty Ltd
Alpine Mdf Industries Pty Ltd	Ents Forestry Pty Ltd	Jeff and Lilian Ang
ANZFIF Sub 1 (Australia New Zealand Forest Investment Fund)	Environmental Forest Farms Management Ltd	Jelfor Timbers Pty Ltd
ANZFOF Sub1 (Australia New Zealand Forest Operating Fund)	Fenning Investments Pty Ltd	Jetstar Enterprises Pty Ltd trading as Permapole
Associated Kiln Driers Pty Ltd trading as A.K.D. Softwoods	Forest Products Commission (WA)	John Cook & Sons Pty Ltd
Austral Plywoods Pty Ltd	Forest Strategy Pty Ltd	Kangaroo Island Plantation Timbers
Australian Bluegum Plantations Pty Ltd	Forestry Corporation	Kilner Creek Company Trust
Australian Solar Timbers	ForestrySA	Koppers Wood Products Pty Ltd
Australian Sustainable Hardwoods Pty Ltd	Forico Pty Ltd	KSI Sawmills Pty Ltd
Australian United Timbers Pty Ltd	FourSquare Timbers Pty Ltd	LA & KE Barnett
Australian Wood Panels Pty Ltd	Frostpine	LM Hayter & Sons Pty Ltd
Auswest Timbers Pty Ltd	G.L. & V.N. Barber Pty Ltd	Lormier Timber Pty Ltd trading as Davids Timber
AW Moran Sawmilling Pty Ltd	Garry Davey Timber Cutting	Lotus Oaks Pty Ltd
Baradine Sawmilling Co Pty Ltd	George Fethers & Co. Trading Pty Ltd	Machin's Sawmill Pty Ltd
Bayswood Timber Wholesalers Pty Ltd	Gippsland Logging & Earthmoving Pty Ltd	Mathews Timber Pty Ltd
BBS Flooring Products Pty Ltd	Green Triangle Forest Operating Sub Trust	McCormack Demby Timber Pty Ltd
Big River Group Pty Ltd	Green Triangle Forest Products	McDonnell Industries Pty Ltd
Birnam Forests Pty Ltd	Greensill Bros Pty Ltd	McKay Timber
Bluebat	Gunnedah Timbers Pty Ltd	Meyer Timber Pty Ltd
Boral Timber Division	Gunnarsens Pty Ltd	Middlesex Mill Pty Ltd
Borg Panels	GW & NI Saunders Sawmill Pty Ltd	Midway Limited
Briggs Veneers Pty Ltd	Hallmark Oaks Pty Ltd	Millmerran Timbers Pty Ltd
Britton Bros Pty Ltd	Hancock Victorian Plantations Pty Ltd (HVP)	Montana Timber Holdings Ltd
Bunbury Fibre Exports Pty Ltd	Henson Sawmilling Pty Ltd	Moran Logging Company Pty Ltd
Bunbury Fibre Plantations Pty Ltd	Hexan Holdings Pty Ltd trading as Whiteland Milling	Morgan Sawmill Jamestown
Bunbury Treefarm Project	Highland Pine Products Pty Ltd	Morgan Sawmill Jamestown
Byjuke Partnership	HQPlantations Pty Ltd	MRG Connections Pty Ltd
Carter Holt Harvey Woodproducts (Southern Region) Pty Ltd	Hume Forests Limited	Nannup Timber Processing (NTP)
Carter Holt Harvey Woodproducts (Central and Northern Regions) Pty Ltd	Hurford Sawmilling Pty Ltd	New Forests Asset Management Pty Ltd (ABN 42 114 545 283) trading as The Trust Company (Australia) Ltd (ABN 21 000 000 993)
Carter Holt Harvey Woodproducts Australia	Hurford Wholesale Pty Ltd	NLG Timber Pty Ltd
Clockworkbovine	Hyne Timber	Norske Skog Paper Mills (Australia) Ltd
Cotswold Investments Pty Ltd	Injune Cypress	NSFP Smartfibre Pty Ltd
D&R Hendersen Pty Ltd	Intech Operations Pty Ltd trading as Mucherts Sawmill (QLD)	Onefortyone Plantations Pty Ltd
	Ironwood Taree Pty Ltd	OneFortyOne Wood Products

FWPA Members

As at 30 June 2022

Oregon Sales Pty Ltd trading as
Timbeck Cedar Products
Parkside Building Supplies Pty Ltd
Penrose Pine Products Pty Ltd
Pentarch Forest Products Pty Ltd
Planet Timbers (WA) Pty Ltd
Porta Mouldings Pty Ltd
Porters Sawmilling Pty Ltd
Portland Pine Products
Private Forestry Service Queensland
Queensland Department of
Agriculture and Fisheries
Radial Timber Australia
Ravenshoe Timbers Pty Ltd
Redmond Sawmill
Regional & Rural
Reliance Forest Fibre
Ridgewood Timber 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
Shield Resources Pty Ltd
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
TASCO trading as Dongwha Timbers
Pty Ltd
Tasman KB Pty Ltd
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
Ventech Australia
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
Western Junction Sawmill
Whiteheads Timber Sales Pty Ltd
Wild Partnership
Williams Timber Pty Ltd
Wilton Logging Pty Ltd
Woodhouse Timber Company Pty Ltd
Woodpanels International Pty Ltd
Wright Forest Products Pty Ltd

Associate Member Companies

A E Girle & Sons
AG Trusses
Andre Augusto Avino
ATS Building Products
Australasian Timber Flooring Association
Australian Forest Contractors Association
Australian Forest Products Association
Australian Timber Importers Federation
Biomass Heating Australia
BIS Shrapnel Pty Ltd
Dellow Corporation Pty Ltd trading as
Curvwood
Egger Australasia Pty Ltd
Everist Timber Pty Ltd
Explore
Fingal Pastoral Pty Ltd
ForestPHD Pty Ltd
Frame & Truss Manufacturers
Association of Australia Ltd (FTMA)
Greenwood Strategy Solutions Pty Ltd
Greenvally Pty Ltd
Hume Plasterboard Pty Ltd

IMEMS Pty Ltd trading as
IMEMS Environmental
Keith Timber Group
Kennedys Classic Aged Timbers Pty Ltd
Koppers Performance Chemicals Australia
Kurrumbene Agribusiness
Lendlease DesignMake Pty Ltd
Lonza Wood Protection trading as
Arch Wood Protection (Aust) Pty Ltd
Margules Groome Consulting
Marshall Pine
McInnes International Pty Ltd
Merriwa Timbers
Multinail Australia Pty Ltd
National Building Supplies Group Pty Ltd
Omega Consulting
Pollard's Sawdust Supplies
Poyry Management Consulting
(Australia) Pty Ltd
Pryda
Regional Development Australia
Limestone Coast Incorporated
Responsible Wood
Rodpak
Rothoblaas SRL
Siempelkamp Pty Ltd
Springwood Resources Australia Pty Ltd
Stephen Mitchell Associates
Sumitomo Forestry Australia Pty Ltd
Sylva Systems Pty Ltd
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
Wood Based Products Pty Ltd
Wood Products Victoria Ltd
XLam Pty Ltd



Financial Statements 2021/22



Financial Statements

For the year ended 30 June 2022

Forest & Wood Products Australia Limited
A.C.N 127 114 185

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Directors' Report

Directors present this report on Forest & Wood Products Australia Limited ("the Company") for the financial year ended 30 June 2022.

Directors

During the reporting period, seven non-executive directors served on the Board. Six directors 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 (excluding the Managing Director if so appointed) at least two of whom are non-member directors. After the first annual general meeting, directors, with the exception of the Managing Director (if appointed) 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 Craig Taylor
Ms Christine Briggs
Mr Stephen Dadd
Ms Katie Fowden
Prof Tony Arnel
Mr Nicholas Robert
Ms Yvonne Pengilly
(from 28 October 2021)
Mr Alaric Sinclair
(until 30 November 2021)

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

Information on directors

Chair

Mr Craig Taylor

Mr Taylor has more than 30 years' management and consulting experience in primary industries, sustainable resource

management, supply chain management, manufacturing, sales and marketing, mostly in the plantation forestry sector. He is a Director and Principal of The Fifth Estate Consultancy, which works across the spectrum of the resources and primary production sectors. Mr Taylor provides advice to Australia's and New Zealand's largest forest and wood products companies covering strategy, business development and investment. After completing his BSc (Forestry) at the ANU, Mr Taylor worked as a professional forester with the NSW Forestry Commission before taking on management roles with Boral Timber and Wesfi. Immediately before joining The Fifth Estate, he was a Vice President with Jaakko Pöyry Asia-Pacific. He is a Non-Executive Director of PF Olsen Limited (New Zealand), the largest independent forest manager in Australia and New Zealand, and Chairman of Beyond Subsistence Pty Limited, a NFP that undertakes forestry and agroforestry training and development with subsistence farmers in Africa. He is a member of the Australian Institute of Company Directors and the Institute of Foresters of Australia.

Board additional responsibilities:

Chair of Nominations and HR Committee, Chair of Growers Research Advisory Committee and non-voting Independent Chair of Director Selection Committee (from 5 May 2022).

Non-Executive Directors

Ms Christine Briggs

Ms Briggs has a rewarding career of more than 30 years in the forest and wood products industry, largely focused on the Australian and New Zealand sectors, and with international experience in North America. She has held senior sales and marketing general management roles with major Australian timber manufacturing businesses such as CSR, Weyerhaeuser, Gunns, Timberlink and is currently at AKD. Her international experience includes time in the US, working with Weyerhaeuser Building Materials during 2003. Ms Briggs' business executive experience covers strategic planning and business development, stakeholder engagement,

sales & marketing excellence and supply chain development. In her current role with AKD, she advises the company on market positioning and the development and adoption of the strategic market direction for the business. She is also a member of the Forest Industry Advisory Council which provides advice from a cross-section of industry participants on issues affecting Australia's forestry sector to the Australian Government. Ms Briggs' qualifications include a Bachelor of Business with a Marketing Major from University of Technology, Sydney and Graduate of the Australian Institute of Company Directors (GAICD).

Board additional responsibilities:

Member of the Nominations and HR Committee.

Mr Stephen Dadd

Mr Dadd is an Executive Director of the Pentarch Group. Prior to joining Pentarch he ran Boral's National Building Products Division where he worked for more than 18 years in a range of executive roles including as Executive General Manager of Boral's timber business. Before Boral, Mr Dadd was a strategy consultant with the Boston Consulting Group for nine years and has also worked in the sugar industry as production Engineer with CSR.

Mr Dadd serves on the Board of various Pentarch group companies including the Highland Pine Products joint venture. He is a non-Executive Director of the Australian Forest Products Association (AFPA) and is the chair of AFPA NSW and the Central West NSW Forestry Hub. Mr Dadd is also a Councillor of the Royal Agricultural Society of New South Wales.

He has a degree in Chemical Engineering from the University of New South Wales and an MBA from the London Business School and is a Graduate of the Australian Institute of Company Directors.

Board additional responsibilities:

Chair of the Finance, Audit and Risk Management Committee.

Ms Katie Fowden

Ms Fowden is the Strategic Relations Manager for Hyne Timber and XLam, where a significant part of her role is the promotion of the companies brand, products and the industry more broadly.

Ms Fowden's background is in advocacy, government liaison, policy and corporate communications. Her skills and experience align closely with the aims and objectives of FWPA. She is also currently a non-executive director of Responsible Wood.

Board additional responsibilities:

Member of the Finance, Audit and Risk Management Committee.

Prof Tony Arnel

Tony is Industry Professor for the Built Environment at Deakin University and works in the Faculty of Science, Engineering and Built Environment. Most recently he was the Global Director of Sustainability at Norman, Disney and Young. He is an expert in the built environment and has been a policy formulator and sustainability advocate for more than three decades working in government, capital city government and the private sector.

Tony is a Life Fellow of the Australian Institute of Architects. He is also a 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 ARBS Exhibitions Ltd (Chairman) and the Deakin University School of Engineering (Chair). He is the immediate past President of the Energy Efficiency Council and a fellow of the Australian Institute of Company Directors.

Board additional responsibilities:

Member of the Finance, Audit and Risk Management Committee and non-voting Independent Chair of Director Selection Committee (until 5 May 2022).

Mr Nicholas Roberts

Nick has significant forestry and timber industry experience in Australia and overseas. He has been the Chief Executive Officer of Forestry Corporation, NSW's largest commercial forest manager, for more than 10 years and was previously Managing Director of Weyerhaeuser Australia, a position he held for five years. He has been actively involved in industry associations, including chairing A3P.

Board additional responsibilities:

Member of the Nomination and HR Committee.

Ms Yvonne Pengilly

Yvonne holds a Bachelor of Technology (Engineering) and has worked within the construction industry for 35+ years including roles as board member, assistant commissioner, managing director, regional manager, project manager, design manager and contracts administrator across project areas of trade contracting, client side project management, principal contractor, developer and government. These roles have encompassed a diverse range of projects including housing, hospitals, integrated hotel casino, airport, shopping centre, 5 star resort, multistorey residential projects and modular construction in both regional and metropolitan areas. During her career, Yvonne has worked with in all facets of the industry from family-operated businesses to Tier 1 builders, and significant developers delivering high-end resort developments and apartments. Yvonne is a registered open builder in Queensland and has held board positions with two state regulatory authorities in Queensland, along with being Chair of the Building Regulators Forum supporting the Building Ministers forum to respond to the Building Confidence Report recommendations. Yvonne was awarded Master Builders Qld (MBQ) State Woman In Construction 2013 and used this platform to found Women In Construction FNQ, which successfully promotes engagement with engineers, architects and builders in Far North Queensland through educational events.

Board additional responsibilities:

Member of the Finance, Audit and Risk Management Committee.

Managing Director**Mr Alaric Sinclair**

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 and resigned effective 30 November 2021

Board additional responsibilities:

Invited guest to the Finance, Audit and Risk Management Committee and Nominations and HR Committee.

Company Secretary**Dr Chris Lafferty**

Dr Lafferty joined FWPA in March 2002. As Research and Development Manager, He is responsible for implementing FWPA's policy of supporting R&D projects across the entire forest and wood products value chain.

Dr Lafferty was appointed Company Secretary in February 2009.

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: Finance, Audit and Risk Management Committee and Nominations and Human Resources Committee. All committee members listed below were members of the committee for the entire year, unless otherwise specified.

Finance, Audit and Risk Management Committee (FARMC)

Members:

Mr Stephen Dadd (Chair)
 Prof Tony Arnel
 Ms Katie Fowden
 Ms Christine Briggs
 (until 17 February 2022)
 Ms Yvonne Pengilly
 (from 17 February 2022)

The key tasks of the Finance, Audit and Risk Management 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 Craig Taylor (Chair)
 Ms Christine Briggs
 Mr Nicholas Roberts

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 MD or CEO and their direct reports.
- Approve annual performance targets and assessment of performance against the targets.

Board meetings

During the reporting period the Board held five meetings. Details of attendance by individual Board members are provided below:

Director	Board		Finance, Audit and Risk Management Committee		Nominations and Human Resources Committee		Length of Service
	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Years
Mr Craig Taylor	5	5			3	3	4
Ms Christine Briggs	5	5	3	3	3	3	8
Mr Stephen Dadd	5	5	4	4			7
Ms Katie Fowden	5	5	4	4			4
Prof Tony Arnel	5	5	4	4			6
Mr Nick Roberts	5	5			3	3	2
Ms Yvonne Pengilly	3	3	1	1			1
Mr Alaric Sinclair (until 30 Nov 2021)	3	3					14

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.

Significant changes in state of affairs

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

Objectives

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

Strategies

- Promote the benefits and usage of forests and wood products in response to changing community attitudes (Promoting the advantages of wood products).
- Ensure that the industry's products and services are fit for purpose, appropriately aligned to market needs and better communicated to key influencers (Aligning products to market needs).
- Increase the value and volume recovery from existing resources to ensure that all wood fibre is utilised to its highest and best use (Assisting value chain optimisation).
- To 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 2022 was an operating deficit of \$1,357,299 (2021: \$747,634 surplus).

Significant events after the reporting date

No matters or circumstances have arisen since the end of the financial year that in the opinion of the Directors have significantly affected or are likely to significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

Code of conduct

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

Conflict of interest and register of interests

A director must disclose an interest wherever he or she considers there is a potential perceived conflict of interest and a Declaration of Directors' Interests is a standing agenda item for all Board meetings.

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. The total amounts that members of the company are liable to contribute if the company is wound up is \$184, based on 184 current ordinary members.

Risk management, fraud control and business recovery

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

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under s.60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is included on page 46 of this financial report and forms part of the Directors' Report.

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



Craig Taylor
Chair
31 August 2022



Stephen Dadd
Chair of Finance, Audit and Risk
Management Committee
31 August 2022

Auditor's Independence Declaration

**RSM Australia Partners**

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**Auditors Independence Declaration under Section 60-40 of the
Australian Charities and Not-for-profits Commission Act 2012**

As lead auditor for the audit of the financial report of Forest and Wood Products Australia Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Australian Professional accounting bodies; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

R B MIANO
Partner

Melbourne, Victoria

Dated: 31 August 2022

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Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	3	16,714,461	15,852,792
Interest revenue calculated using the effective interest method		32,180	54,964
Promoting wood products	4(a)	(4,018,874)	(1,206,611)
Aligning products to market needs	4(b)	(3,843,892)	(3,958,313)
Assisting value chain optimisation	4(c)	(426,841)	(710,754)
Resource availability and risk	4(d)	(1,223,110)	(1,711,750)
Decision making and capability	4(e)	(1,110,186)	(1,094,888)
Voluntary contribution programs	4(f)	(4,686,015)	(3,318,738)
Government grant programs	4(g)	(2,251,022)	(3,063,413)
Grower research contribution programs	4(h)	(544,000)	(95,655)
Net surplus / (deficit) before income tax expense		(1,357,299)	747,634
Income tax expense	1(q)	-	-
Surplus / (deficit) after income tax expense for the year attributable to the members of Forest & Wood Products Australia Limited		(1,357,299)	747,634
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the year attributable to the members of Forest & Wood Products Australia Limited		(1,357,299)	747,634

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	232,576	2,240,602
Trade and other receivables	6	4,417,573	4,277,827
Financial assets	7	9,341,949	10,048,389
Total current assets		13,992,098	16,566,818
Non-current assets			
Furniture and equipment	8	111,682	122,282
Total non-current assets		111,682	122,282
TOTAL ASSETS		14,103,780	16,689,100
LIABILITIES			
Current liabilities			
Trade and other payables	9	3,186,838	3,362,329
Provisions	10	455,914	554,085
Contract liabilities	11	6,360,334	7,287,474
Lease liabilities	12	86,609	78,789
Total current liabilities		10,089,695	11,282,677
Non-current liabilities			
Provisions	10	10,389	45,428
Total non-current liabilities		10,389	45,428
TOTAL LIABILITIES		10,100,084	11,328,105
NET ASSETS		4,003,696	5,360,995
EQUITY			
Retained surplus		4,003,696	5,360,995
TOTAL EQUITY		4,003,696	5,360,995

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2022

	Retained surplus \$	Total \$
Balance at 1 July 2020	4,613,361	4,613,361
Net surplus for the year after income tax	747,634	747,634
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	747,634	747,634
Balance at 30 June 2021	5,360,995	5,360,995
Balance at 1 July 2021	5,360,995	5,360,995
Net surplus for the year after income tax	(1,357,299)	(1,357,299)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(1,357,299)	(1,357,299)
Balance at 30 June 2022	4,003,696	4,003,696

The above Statement of Change in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities:			
Receipts from members and government		15,769,377	15,153,884
Payments to suppliers and employees		(18,408,278)	(14,828,787)
Interest received		38,620	60,058
Net cash provided by / (used in) operating activities	13	(2,600,281)	385,155
Cash flows from investing activities			
Acquisition of furniture and equipment		(18,128)	(16,278)
Proceeds from / (investments in) of financial assets		700,000	(2,200,000)
Net cash provided by / (used in) investing activities		681,872	(2,216,278)
Cash flows from financing activities			
Repayment of lease liabilities		(89,617)	(96,888)
Net cash provided by / (used in) financing activities		(89,617)	(96,888)
Net increase / (decrease) in cash and cash equivalents		(2,008,026)	(1,928,011)
Cash and cash equivalents at the beginning of the financial year		2,240,602	4,168,613
Cash and cash equivalents at the end of the financial year	5	232,576	2,240,602

The above Statement of Cash Flow should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

30 June 2022

1. Summary of significant accounting policies

a) General information

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

Forest & 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 31 August 2022. 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 or amended Accounting Standards and Interpretations adopted

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

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

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

Conceptual Framework for Financial Reporting (Conceptual Framework)

The company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the company's financial statements.

AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel and related parties.

c) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the *Australian Charities and Not-for-profit Commission Act 2012* ('ACNC Act').

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

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the

contract with a customer; identifies the performance obligations in the contract; determines the transaction price that takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Industry contributions (levies)

Industry contributions (levies) are recognised when it is received or when the right to receive payment is established from the Department of Agriculture, Fisheries and Forestry and from State Growers.

Commonwealth matching and Voluntary matching

Commonwealth matching and Voluntary matching revenue is recognised when it is received or when the right to receive payment is established from the Department of Agriculture, Fisheries and Forestry.

Notes to the Financial Statements 30 June 2022

Government grants

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

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) Trade and other receivables

Receivables are recognised at amortised cost, less any allowance for expected credit losses.

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 & equipment: 13% – 50%
Leasehold improvements: 14%

An item of furniture and equipment is derecognised upon disposal or when disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

i) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost,

which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

j) Impairment of non-financial assets

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

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

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

Notes to the Financial Statements 30 June 2022

k) 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.

l) Contract liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

m) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

n) Employee provisions

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

Short-term employee benefits

Liabilities for wages and salaries, including non-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, Qsuper, Superleader, Vision Super Saver, VicSuper Future Saver, CARE Super, The Trustee for Apical Super Fund and BT Super for Life. Contributions are made to the Company employee superannuation funds and are charged as expenses when incurred.

o) Provisions

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

p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

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

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

q) 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*.

r) 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.

Notes to the Financial Statements 30 June 2022

s) Economic dependence

Forest & Wood Products Australia Limited (FWPA) is dependent on the Department of Agriculture, Fisheries and Forestry for a significant portion 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 has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time

Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Notes to the Financial Statements 30 June 2022

	2022 \$	2021 \$
3. Revenue		
Revenue from contracts with customers		
Voluntary contributions	1,709,786	1,659,738
Government grant	2,250,922	3,063,413
Grower research contributions	1,177,221	95,655
	5,137,929	4,818,806
Other Revenue		
<i>Industry Levies</i>		
Processors	2,859,705	2,952,551
Importers	1,368,140	1,068,469
Growers	845,562	813,388
State growers	404,908	537,402
Penalties	9,865	9,533
	5,488,180	5,381,343
Commonwealth matching	3,418,425	3,817,770
Voluntary matching	2,343,007	1,659,000
Other income	326,920	175,873
Total other revenue	11,576,532	11,033,986
Total revenue	16,714,461	15,852,792
<i>Disaggregation of revenue</i>		
The disaggregation of revenue from contracts with customers is as follows:		
<i>Geographical regions</i>		
Australia	5,137,929	4,818,806
4. Program expenses		
a) Promoting Wood Products		
Consumer activities	2,586,034	534,001
Forest education activities	251,730	179,977
Program support management	1,181,110	492,633
	4,018,874	1,206,611
(b) Aligning Products to Market Needs		
Specifier activities	1,366,132	1,203,111
Research and development activities	725,040	1,025,121
Building codes and standards activities	197,298	236,520
Statistic and economic activities	4,860	8,255
National residential construction	148,430	167,771
Program support management	1,402,132	1,317,535
	3,843,892	3,958,313
(c) Assisting Value Chain Optimisation		
Research and development activities	170,000	403,102
Building codes and standards activities	7,500	5,500
Program support management	249,341	302,152
	426,841	710,754

Notes to the Financial Statements 30 June 2022

	2022 \$	2021 \$
4. Program expenses (continued)		
(d) Resource Availability and Risk		
Research and development activities	712,882	998,895
Statistic and economic activities	-	44,825
Program support management	510,228	668,030
	1,223,110	1,711,750
(e) Decision Making and Capability		
Research and development activities	238,661	82,489
Statistic and economic activities	505,814	623,968
Program support management	365,711	388,431
	1,110,186	1,094,888
(f) Voluntary Contribution Program		
Voluntary contribution project	3,862,018	2,451,405
Mid-rise program	823,997	867,333
	4,686,015	3,318,738
(g) Government Grant Program		
National Institute of Forest Products Innovation	1,861,116	2,920,497
Research grant project	249,250	104,250
Other government funded project	140,656	38,666
	2,251,022	3,063,413
(h) Grower Research Contribution Program		
Grower research project	544,000	95,655
	544,000	95,655
(i) Employee benefits expenses*		
Wages and salaries	1,843,234	1,647,791
Annual leave	11,287	25,655
Increase/ (decrease) to long service leave provision	8,666	25,730
Superannuation contributions	180,198	148,613
	2,043,385	1,847,789
* Employee benefits expenses were allocated into various program support management from 4(a) to 4(e) above as per cost allocation policy. Mid-rise employee benefits expenses were allocated to 4(f).		
(j) Matchable Expenses		
Promoting wood products	565,951	487,652
Aligning products to market needs	3,658,696	3,844,869
Assisting value chain optimisation	393,257	693,581
Resource availability and risk	1,212,490	1,696,574
Decision making and capability	1,099,601	1,088,101
Levies and other not matchable expenses	(93,146)	(175,236)
	6,836,849	7,635,541
Commonwealth Matching (total matchable divided by 2)	3,418,425	3,817,771

Notes to the Financial Statements 30 June 2022

	2022	2021
	\$	\$
5. Cash and cash equivalents		
Cash on hand	200	200
Cash at bank	232,376	2,240,402
	232,576	2,240,602
6. Trade and other receivables		
Commonwealth matching	1,426,337	1,674,015
Levies receivable	215,014	309,584
Prepayments	34,409	25,728
Voluntary contribution	77,867	97,128
Voluntary matching	1,434,194	889,952
Government grant	-	1,100,000
Grower's collaboration	1,098,480	157,863
Other revenue	18,150	23,557
GST receivable	113,122	-
	4,417,573	4,277,827
7. Other financial assets		
Long-term bank deposits	9,329,500	10,029,500
Interest receivable	12,449	18,889
	9,341,949	10,048,389
8. Furniture and equipment		
Office equipment		
At cost	285,706	267,577
Less accumulated depreciation	(253,032)	(213,355)
Total office equipment	32,674	54,222
Improvements		
At cost	92,551	92,551
Less accumulated depreciation	(92,424)	(80,141)
Total improvements	128	12,410
Right-of-Use Asset		
At cost	281,107	186,451
Less accumulated depreciation	(202,227)	(130,801)
Total Right-of-Use Asset	78,880	55,650
	111,682	122,282

(a) Movements in Carrying Amounts

Reconciliations of the written down values at the beginning and end of the current and comparative financial years are set out below:

Notes to the Financial Statements 30 June 2022

	Right-of-Use Asset \$	Office Equipment \$	Improvements \$	Total \$
Balance at 30 June 2020	122,431	67,838	25,766	216,035
Additions	-	16,279	-	16,279
Depreciation expense	(66,781)	(29,895)	(13,356)	(110,032)
Balance at 30 June 2021	55,650	54,222	12,410	122,282
Balance at 30 June 2021	55,650	54,222	12,410	122,282
Additions	94,656	18,129	-	112,785
Depreciation expense	(71,426)	(39,677)	(12,283)	(123,386)
Balance at 30 June 2022	78,880	32,674	128	111,682

	2022 \$	2021 \$
Trade payables	2,867,098	3,143,993
	2,867,098	3,143,993

9. Trade and other payables

Other payables & accruals		
Audit fee	20,000	16,900
PAYG tax & FBT (BAS)	71,261	63,892
Accrued payable	228,479	-
GST payable	-	137,544
	319,740	218,336
	3,186,838	3,362,329

10. Provisions

	Annual Leave \$	Long Service Leave \$	Make good of premises \$	Total \$
Balance at 30 June 2020	118,406	419,057	9,763	547,226
Additional provisions	25,655	26,497	135	52,287
Balance at 30 June 2021	144,061	445,554	9,898	599,513
Balance at 30 June 2021	144,061	445,554	9,898	599,513
Additional provisions	11,287	-	-	11,287
Amounts used	-	(134,599)	(9,898)	(144,497)
Balance at 30 June 2022	155,348	310,955	-	466,303

Analysis of total provisions

CURRENT

Employee benefits – annual leave	155,348	144,061
Employee benefits – long service leave	300,566	410,024
	455,914	554,085

NON-CURRENT

Employee benefits – long service leave	10,389	35,530
Make good of premises	-	9,898
	10,389	45,428
	466,303	599,513

Notes to the Financial Statements 30 June 2022

	2022	2021
	\$	\$
11. Contract liabilities		
Mid-rise program contribution	71,993	279,209
NIFPI grants	4,560,728	5,120,583
Voluntarily and growers' funds	272,613	1,276,641
Other Government grants	1,455,000	511,806
WoodSolutions national program	-	99,235
	6,360,334	7,287,474

12. Lease liabilities

Lease liability	86,609	78,789
Total lease liabilities	86,609	78,789

13. Cash Flow information

Reconciliation of Cash Flow from operations with profit after income tax

Net income for the year	(1,357,299)	747,634
Depreciation, amortisation and impairments	123,385	110,032
Unwinding of interest on lease liability and make good provision	2,780	7,002
Unwinding of make good provision	(9,898)	-
Changes in assets and liabilities, net of the effects of transfers of operations		
(Increase) / decrease in trade and other receivables	(139,746)	(2,677,974)
(Increase) / decrease in interest receivables	6,440	5,068
Increase / (decrease) in trade payables and other payables	(175,491)	156,924
Increase / (decrease) in provisions	(123,312)	52,152
Increase / (decrease) in contract liabilities	(927,140)	1,984,317
Cash flow from operations	(2,600,281)	385,155

14. Key management personnel compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of Forest & 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:

Aggregate compensation	699,398	577,476
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15. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia:

Audit services – RSM Australia

Auditing the financial statements	20,000	16,000
Other auditing services	4,500	3,500
Other services	7,000	900
	31,500	20,400

Notes to the Financial Statements 30 June 2022

16. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 14.

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.

Receivable from and payable to related parties

There were trade receivables from or trade payables to related parties at the current and previous reporting date.

	2022	2021
	\$	\$
Payment to related parties:		
AFPA (S.Dadd)	200,980	5,555
Fire Protection Association Australia (Y. Pengilly)	5,594	-
Income from related parties:		
AKD Softwood (C.Briggs)	16,294	66,000
Hyne Timber (K. Fowden)	27,500	27,500
PF Olsen (C.Taylor)	162,296	149,455
Current receivables:		
PF Olsen (C. Taylor)	118,122	-
AKD Softwood (C.Briggs)	11,711	-

Loans to/from related parties

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

17. Contingent assets and contingent liabilities

There were no contingent assets and contingent liabilities as at 30 June 2022 and 30 June 2021.

18. 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.

19. Operating Lease Commitments (non-cancellable)

The Company had no commitments for expenditure as at 30 June 2022 and 30 June 2021.

20. Project of commitments	2022	2021
	\$	\$
By Maturity		
Operating lease commitments		
Within one year	785,775	1,677,145
One to five years	366,681	867,480
	1,152,456	2,544,625

21. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 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.

22. Events after the reporting period

The registered office of the Company is:

Forest & 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 & Wood Products Australia Limited, the directors declare that:

In the directors' opinion:

- the attached financial statements and notes comply with the *Australian Charities and Not-for-profit Commission Act 2012* ("ACNC Act"), the Australian Accounting Standards – Reduced Disclosure Requirements, the *Australian Charities and Not-for-profit Commission Regulation 2013* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 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.

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

On behalf of the directors



Craig Taylor
Chair



Stephen Dadd
Chair of Finance, Audit and Risk Management Committee

Dated 31 August 2022

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 statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the 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 Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* ("ACNC Act"), including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 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 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 2022 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.

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.

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RSM Australia Partners ABN 36 965 185 036

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Independent Auditor's Report (continued)



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 – Simplified Disclosures under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Australian Charities and Not-for-profits Commission Act 2012* 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.

A handwritten signature in blue ink, appearing to read 'RSM'.

RSM Australia Partners

A handwritten signature in blue ink, appearing to read 'R B Miano'.

R B MIANO

Melbourne, Victoria

Dated: 6 September 2022



Forest & Wood Products Australia

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