



Australian
Forest
Products
Association

ANNUAL REPORT

2020-2021





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Photo: Timberlands Pacific



Photo: Opal Group



Photo: Timberlink

MEMBERS

Memberships at June 30 2021

FULL MEMBERS

African Mahogany Australia
 Allied Natural Wood Exports
 Allied Timber Products
 Allied Timber Products NSW
 Altus Renewables
 Associated Kiln Driers (AKD Softwoods)
 Australian Bluegum Plantations
 Australian Sustainable Hardwoods
 Boral Timber
 Britton Timbers
 Capital Battens
 Fenning Timbers
 Forest Products Commission WA
 Forestry Corporation of NSW
 ForestrySA
 Forico
 Green Triangle Forest Products
 HQPlantations
 HVP Plantations
 Hyne & Son
 Kangaroo Island Plantation Timbers
 McDonnell Industries
 McKay Timber
 Midway
 Neville Smith Forest Products
 New Forests Asset Management
 Norske Skog Australasia
 Oji Fibre Solutions
 OneFortyOne Plantations
 OneFortyOne Wood Products
 Opal Group
 Pentarch Forest Products
 PF Olsen Australia
 Plantation Pine Products Australia
 Reliance Forest Fibre
 Ryan & McNulty
 SFM Environmental Solutions
 Southern Cross Forests
 Sustainable Timber Tasmania
 Ta Ann Tasmania
 Timberlands Pacific
 Timberlink
 Tiwi Plantation Corporation
 VicForests
 Visy Industries

WA Blue Gum
 WA Plantation Resources
 Walkers Sawmill
 Wesbeam
 Wespine Industries

ASSOCIATE MEMBERS

Appita
 Arbuthnot Sawmill
 Austimber Harvesting & Haulage
 Australian Carbon Farming
 Australian Forest Contractors Association
 Australian Forest Growers
 CLTP Tasmania
 CO2 Group
 Engineered Wood Products Assoc. of Australasia
 Fennell Forestry
 Forest Industries Federation WA
 Global Forest Partners Group
 Harvestco Group of Companies
 Institute of Foresters of Australia
 Koppers Australia
 Longwarry Sawmills
 Lonza Wood Protection
 Margules Groome Consulting
 Morgan Sawmill Jamestown
 Porta Mouldings
 Powelltown Sawmills
 Pyrennes Timber
 Radial Timber
 Reid Bros Timber
 SA Pine
 SFM Asset Management
 Softwoods Working Group
 South East Pine Sales
 Tabeel Trading
 Timber NSW
 Timber Queensland
 T-Ports
 Van Schaik's Bio Gro
 Wood Based Products



Greg McCormack
Chair

As I write the national headlines are full of talk of stronger climate targets and debate about the impacts of this on various parts of the economy. As you are aware forest industries are overall part of the solution for both the globe and our nation for this most pressing issue. AFPA has been accelerating our policy work in this area as we are well aware of both the risks and opportunities which Climate Change and Carbon sequestration presents to our broad membership. This year we have employed a specialist Climate Policy Manager, created a climate Subcommittee and will be entering the coming federal election with well argued policy requests of all Parties.

Sadly, the COVID pandemic has continued to create havoc and most of us have been in and out of multiple 'lockdowns' over the past months. This has taken a personal toll on many and I know has been a great concern for all businesses as they try to support staff in isolation and keep morale high.

One of the side effects of the pandemic (it has been too devastating overall to call it a silver lining) has been the growing understanding by politicians and officials of just how 'essential' – timber and fibre is to our functioning as a society. It has required constant vigilance from our national and state Associations but each time industries were closed we were able to successfully explain that many everyday items from paper towels to packaging, to pallets for food transport come from our industries. Not to mention the timber which underpins so much construction.

Economically, many fundamentals are very good for forest industries, and this is reflected in global prices. There are major challenges on the trade front ranging from China's log ban through to skyrocketing costs for shipping containers, but the signals are very strong. The demand for timber products is on an upward trajectory as macro factors drive consumers and businesses towards

“The global demand for timber products is on an upward trajectory”

us. This ranges from the global pivot away from plastics through to the growing number of buildings being constructed from mass timber.

The biggest challenge for all of us is the same as it has been for many years – a shortage of resource to make the most of these opportunities.

AFPA has worked with Master Builders Australia to identify that unless more plantations are put in the ground – and very quickly – our nation will be short some 250,000 house frames by 2035. This is a ridiculous situation when we have some 380 million hectares of agricultural land in Australia. Plantations occupy about 1.8 million hectares and we need to grow that by about 400,000 hectares. This shouldn't raise any cries of 'runaway land use change' and yet we continue to have to argue against the discriminatory treatment of plantations in both state and federal policy.

On the other side of the coin, it is extremely disappointing that the very modest area of sustainably managed, certified, native forestry continues to shrink. Western Australia has recently announced it will cease the industry there in 2024 – a decision which shocked and appalled many. WA joins Victoria which has also said it will not seek timber from its native estate from 2030. Neither state government has adequately explained where it will find hardwood for floors and kitchens when they don't source it locally.

I thank each and every Member and Associate Member of AFPA. We have achieved a great deal in ten years, and I am sure we will continue to go from strength to strength.

Thank you to all AFPA Directors for all they have done to progress the industry in the last year and also the AFPA team, led by CEO Ross Hampton. The AFPA team is very dedicated, highly talented and highly effective at representing the interests of our 21st century Industry.

Greg McCormack
Chair



Ross Hampton
Chief Executive Officer

***“We are all very proud
to work to help secure a
more prosperous future”***

It has been another very full year for the National Association.

Membership has continued to grow as you will see from the list in this report. The importance of this of course is not just that it provides the resources to staff a high-powered organisation, but that it ensures your voice is heard ever more loudly in political and policy scenes. Because the full value chain of forest industries has been so determined to come together, our industries now have one of the most listened to voices in the rural sector advocating for your needs in Canberra. The unified model in which states are offered the opportunity to operate independently (with a few collaboration principles) and have their back-office functions such as IT, audit, payroll, websites and so on attended to by AFPA has been successful. Forest industry businesses in South Australia, Tasmania, Victoria and NSW (alongside Timber NSW) have all opted for this model which is delivering more co-ordinated and more effective advocacy at lower cost to our industry participants.

As the Chair has observed, the COVID pandemic has forced the cancellation of many key industry events, including the planned 10th anniversary all industry Gala Dinner in Canberra's Parliament House. It is our fervent hope that we may still be able to hold this watershed event to showcase our industries in Federal Parliament, and celebrate the decade of unified advocacy, early in 2022.

After ten years AFPA also went through a detailed design update process, resulting in a new logo and new standardised presentation materials. Next year will also be a federal election year, which of course means your Association is gearing up to maximise our impact during that time. Our policy priorities are simple at heart for

which we will be seeking bipartisan support: secure federal backing for ongoing modest, sustainable native forestry. Secure policies which grow the plantation estate. Secure funding for more research and development to unlock new opportunities and job creating industries. Through it all we are telling the positive stories of the enormous contribution our industries are making to the vital issue of climate policy, and arguing for the frameworks which will allow us to do even more.

AFPA members are well served by an experienced team of dedicated individuals who care deeply for the future of our sustainable, forest industries. We are all very proud to work to help secure a more prosperous future for our most climate friendly, environmentally positive, job creating, regions supporting industries. I thank the Chair of the Board Greg McCormack and the full Board of Directors and Observers who contribute so much to ensuring AFPA has the big settings right.

Ross Hampton
Chief Executive Officer



AFPA BOARD

2020/2021

Greg McCormack (Chairman) - Chairman, Midway Limited

Jean-Yves Nouaze (Deputy Chairman) - Executive General Manager, Visy Pulp & Paper

Ian Telfer (Treasurer) - Chief Executive Officer, WA Plantation Resources

Steven Dadd - National General Manager, Boral Building Products, Boral Timber

Jessica Douglas - Director, External Affairs, OneFortyOne

Craig Dunn - General Manager, Public Relations & Sustainability, Opal Group

Stacey Gardiner - General Manager, Australian Forest Contractors Association

Diana Gibbs - Principal, Diana Gibbs and Partners

Jon Kleinschmidt - Chief Executive Officer, Hyne Timber

James Malone - Chief Executive Officer, Wesbeam

Mark Rogers - Managing Director, New Forests

Steve Whiteley - Chief Executive Officer, Sustainable Timber Tasmania

OBSERVERS

Carlie Porteous - Manager, Fibre & Forestry Compliance, Visy Pulp & Paper



Zoom meeting due to COVID-19 restrictions



ABOUT AFPA

The Australian Forest Products Association (AFPA) represents the full value chain of forest industries, from the growers and managers of Australia's plantations and native forests, to timber processors and manufacturers of forest related products. Whether it's member companies or organisations, or the tens of thousands of Australians who work across the value chain, AFPA fights for the interests of those involved in forest industries.

AFPA MEMBERS' FORUM

The AFPA Members' Forum is the consultative body made up of all AFPA members. The Forum meets quarterly to hear from politicians, experts, senior public servants and to discuss industry policy positions.

AFPA CHAMBERS

All AFPA members are provided the opportunity to participate in more specific discussions through their membership of one of the four sub-groups called Chambers. Each Chamber meets quarterly and permanent Subcommittees or Working Groups report back to each respective Chamber to ensure more detailed work proceeds between meetings.

AFPA OPERATIONS

AFPA members own Forest Industries House in Deakin ACT, just a few kilometres from Australia's Parliament House. Since its formation in 2010, AFPA has proven it is one of the most effective industry advocacy organisations, zealously championing issues affecting the full forest industries value chain and delivering outcomes for members. AFPA is staffed by a team of professionals dedicated to advancing the interests of all members.

OBJECTS OF THE ASSOCIATION

- Be a vehicle for effective and efficient communication between various sectors within the industry
- To shape and drive industry and government policy development for the benefit of industry and secure the best outcomes for the industry in important policy development through effective lobbying and other targeted representation
- To raise the profile of the industry with community opinion leaders, for the purpose of making the industry relevant, profitable and sustainable. Encouraging and facilitating education on issues relevant to the sustainable growth of the industry and developing and maintaining cohesive and positive working relationships with other bodies within the industry

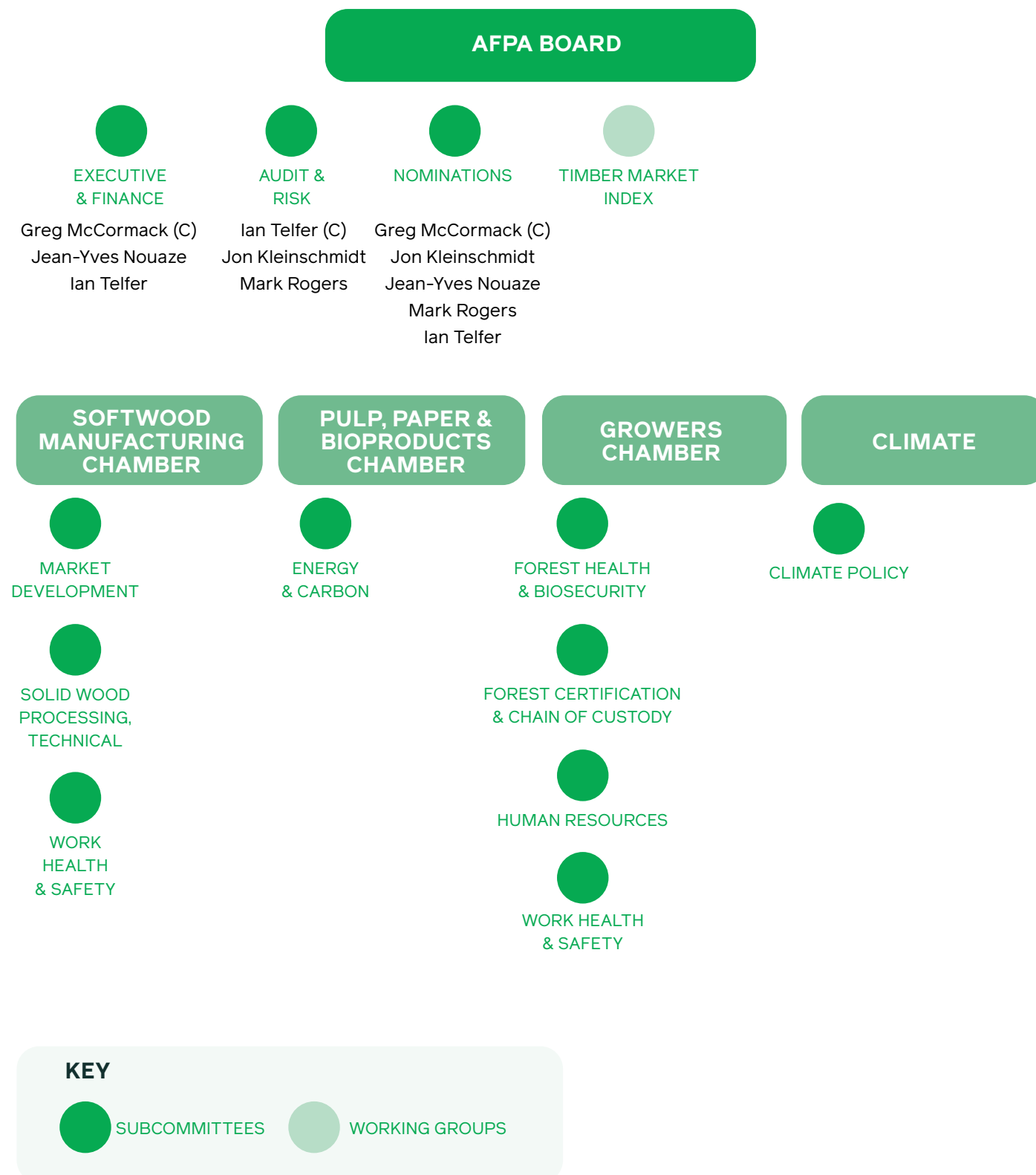
AFPA-SUPPORTED STATE ASSOCIATIONS

AFPA Members in four states have asked AFPA to support a new model of advocacy arrangements in an endeavour to maximise outcomes and minimise costs.

The states now running semi-autonomous operations are Victoria, South Australia, Tasmania and NSW (alongside Timber NSW). In these jurisdictions the advocacy body operates independently under a delegation from the AFPA Board.

AFPA provides back-office support and a coordination role to promote synergies and shared advocacy priorities across the jurisdictions. Each of the four states raises its own funding and manages its own budget, including employment of a Chief Executive Officer who executes a state-based strategic plan. The four states provide reports on their progress under the new model in this annual report.

SUBCOMMITTEES & WORKING GROUPS



SOFTWOOD MANUFACTURING CHAMBER

Solid Wood Processing Technical Subcommittee

The SWPTC advises the SMC (and Hardwood Processing Chamber as required) on matters relating to timber product technical issues and R&D specifically affecting the solid wood manufacturing sector.

An active network of individuals with wood product related technical capacity, the SWPTC progresses technical issues related to solid wood processing and use, provides technical content to other industry forums, and builds relationships with other stakeholders and organisations. Key activities include:

- Structural performance and grading system (MGP project)
- Timber durability and treatment
- Timber product standards and Standards Australia Committees

Market Development Subcommittee

The MKDS focuses on activities to build the brand of timber products for the whole industry and grow community understanding of the value and importance of timber and its sustainability attributes.

The object of the MKDS is to provide a forum for consultation and dissemination of information on marketing matters which are likely to affect the sector. Key activities include:

- Timber Framing Collective marketing campaign
- Managing industry reputation through timber shortage issues
- Collaborating across industry sectors

Workplace Health & Safety Subcommittee

The WHSSC advises FWPA and the SMC on matters relating to workplace health, safety and wellbeing specifically affecting the timber manufacturing sector.

The WHSSC provides a forum of industry WHS leaders to drive the model of continuous improvement in WHS across industry through consultation, collaboration and information sharing on matters which are likely to affect the health, safety and welfare of employees, contractors and visitors in the timber manufacturing sector. Key activities include:

- Sharing learnings on incidents, reporting, investigations and post incident improvements
- Continual monitoring of safety statistics
- Providing submissions to reviews including SWA WEL review of wood dust

PULP, PAPER & BIOPRODUCTS CHAMBER

Energy & Carbon Subcommittee

The Energy & Carbon Subcommittee works on energy supply and security, biomass-based renewable energy development, and emissions policy matters relating to paper, packaging and bioproducts industries.

Its current focus is analysing the Emissions-Intensive Trade-Exposed (EITE) status of activities in anticipation of likely developments in carbon pricing and trade, and enforceable emission limits on large energy-intensive sectors. The analysis will strengthen our advocacy to maintain industry's competitive position in the face of increasing pressure from imports. Key activities include:

- Undertaking detailed analysis of EITE activities to better position and protect industry's sovereign manufacturing capability
- Progressing development of an Energy and Carbon Statement to guide policy on the transition to a low-carbon economy, and opportunities to promote industry-driven climate solutions
- Reviewing emerging international Carbon Border Adjustment Mechanisms to inform industry of developments and implications

GROWERS CHAMBER

Human Resources Subcommittee

The Subcommittee advises the Growers Chamber on a range of human resources topics across forest industries from marketing, recruitment, staff wellbeing and equity. The group helped develop the Forest Industry Diversity Charter and has been focusing on two target areas of Attraction and Marketing and Diversity and Inclusion. Key activities include:

- Salary benchmarking through Mercer
- Developing an additional diversity survey
- Developing a new recruitment campaign to show the positives of working in the forestry industries

Work Health & Safety Subcommittee

The Subcommittee advises the Growers Chamber on initiatives to improve the health, safety and wellbeing outcomes in the forest growing sector. The Growers Chamber has recently employed a Forest Industry Safety Manager, Amanda Bell, who will provide Secretariat services and develop a three-year strategy for the group. Key activities include:

- Undertake an annual work plan
- Continual monitoring of safety statistics
- Progress towards complete compliance with the Safe and Skilled program

Forest Certification & Chain of Custody Subcommittee

The Subcommittee advises the Growers Chamber on Forest Management certification and Chain of Custody certification across forest industries. The Subcommittee is focusing on the two main certification schemes in Australia, Responsible Wood and Forest Stewardship Council. Key activities include:

- Undertaking a comparison review between the two forestry certification standards
- Review potential measures to undertake biometric monitoring
- Development of methods to ensure correct chemical procedures

Forest Health & Biosecurity Subcommittee

The Subcommittee advises the Growers Chamber on key forest health and biosecurity issues that could potentially impact plantations. It is currently working on a partnership Memorandum of Understanding between the Commonwealth, States and Territories and AFPA to establish a National Forest Pest Surveillance Program. Key activities include:

- Continued work on emergency plant pest responses
- Work with the National Surveillance Coordinator to progress industry goals
- Management of the Giant Pine Scale tree removal program

CLIMATE

AFPA Climate Policy Subcommittee

The Climate Policy Subcommittee reports directly to the Board and works across all four AFPA Chambers. Its overarching objectives are to provide better coordination and delivery in identifying climate policy issues, consultation, development of policies and advocacy priorities. Key activities will include:

- Developing new carbon market opportunities for forest industries
- Coordinating research and advocacy activities to promote the climate change mitigation contribution and potential of forestry and forest products
- Developing an industry-wide net zero position



KEY MOMENTS



ESTABLISHMENT OF AFPA'S STATE ASSOCIATIONS

The 2020-21 year will be remembered for the inception of AFPA's new state associations in Tasmania, South Australia, Victoria and NSW (alongside Timber NSW). During the year the associations were created, and chief executive officers employed to operate each entity. Additional communications staff were also employed in the Tasmanian and Victorian associations.



PARLIAMENTARY FRIENDS OF FOREST INDUSTRIES – NIFPI POLICY LAUNCH

In June 2021, alongside the University of Tasmania, AFPA launched its centrepiece Federal Election policy request – a new \$200 million National Institute for Forest Products Innovation (NIFPI) to be based at UTAS in Launceston. Dozens of Federal MPs and Senators attended the policy launch event at the Mural Hall in Parliament House, Canberra where UTAS Vice-Chancellor Rufus Black and AFPA Chair Greg McCormack pushed the case for the new Institute.



KEEPING FOREST INDUSTRIES RUNNING DURING COVID LOCKDOWNS

During 2020-21 AFPA and its state associations continued to advocate for forest industries to remain classed as 'essential' industries during COVID-induced lockdowns. AFPA was successful in guiding the NSW, Victorian and SA Governments to allow forest industries to operate under careful COVID safety guidelines.



RESUMPTION OF PHYSICAL QUARTERLY MEETINGS - MARCH 2021

After a long and COVID induced absence, in March 2021, AFPA managed to host in-person quarterly events and chamber meetings in Canberra for the first time since November 2019. Federal Trade Minister Dan Tehan was guest speaker at the March Members Dinner while Assistant Minister for Forestry Jonno Duniam addressed the AFPA Members Forum. Quarterly events were also hosted in Canberra in June 2021, where Shadow Agriculture Minister Julie Collins addressed the AFPA Members Dinner.



CLIMATE POLICY MANAGER RECRUITMENT

AFPA recruited a dedicated Climate Policy Manager during 2020-21. Natasa Sikman joined the team in July 2021 after an extensive recruitment process. Natasa will enhance the standing of forest industries in the climate policy space and work to make sure AFPA members maximise opportunities from government climate and carbon policies.



RAISING AWARENESS ABOUT TIMBER SUPPLY AND NEED FOR SOVEREIGN CAPABILITY

During 2020-21 demand for timber framing skyrocketed off the back of the COVID induced building boom, fed by grant schemes like HomeBuilder. The market conditions placed huge pressure on timber supply and the softwood sawmillers who feed the Australian market. Many operations added overtime and weekend shifts, just to keep up. AFPA has used the situation to explain to policy and decision makers what the future will be like in 10 or 20 years without significant new supply plantings and major progress on the Federal Government's 'Billion Trees for Jobs and Growth Plan'.



SECURING COMMONWEALTH FUNDING FOR THE TWO REMAINING REGIONAL FORESTRY HUBS

The 2021-22 Federal Budget delivered funding for the final pieces in the Regional Forest Industry Hub puzzle, with funding allocated for the remaining Hubs in the Northern Territory and South-East NSW. This funding builds on the successful Hub model that AFPA initiated and will allow these key zones to realise their potential with forest industries.



FIGHT TO MAINTAIN NATIVE FORESTRY IN VICTORIA

During 2020-21 AFPA sought solutions for the future of Victoria's sustainable native forestry industry following an unfavourable Federal Court ruling which created uncertainty around the legality of RFAs. AFPA garnered support from Nationals Senator Bridget McKenzie who proposed legislation to mitigate the impact of that Federal Court ruling. As part of a concerted campaign, AFPA organised a rally outside Parliament House in Canberra to promote the importance of native forestry in Victoria. In May 2021, VicForests' appeal to the original ruling was upheld in a major win for the industry.

HARDWOOD PROCESSING CHAMBER



Tony Price
Chamber Chair

Managing Director- Midway

The Hardwood Processing Chamber includes hardwood sawmillers, hardwood woodchip processors, and State forest industry associations representing their respective hardwood members.

The hardwood sector is a major employer in regional Australia, underpinning tens of thousands of jobs across the full value chain and is an integral link in the broader forest products industry. Australia processes more than 12 million cubic metres of hardwood logs annually, using timber from the sustainably managed native forest estate as well as hardwood plantations.

Australians continue to love our hardwood timber products for their floorboards, decking and furniture. Our hardwood sawmills have had a busy year trying to keep up with record demand as Australians embarked on a pandemic-driven renovation frenzy.

However, there remains a stark disconnect between these much-loved products and where they come from. Despite a lot of work by AFPA to raise the social purpose of the sector, there remains a very low level of understanding in the community that we need to sustainably harvest our multi-use public forests to continue to make these products, or else we will have to import them from countries with less sustainable forest management practices.

Australia has 132 million hectares of native or natural forest, of which less than 0.06% is harvested each year and always regenerated and regrown, ensuring an industry so sustainable it can continue indefinitely. This is the equivalent of just six trees in every 10,000 across the native forest estate – it doesn't get any more sustainable than that.



Victor Violante
Chamber Manager

Deputy Chief Executive Officer

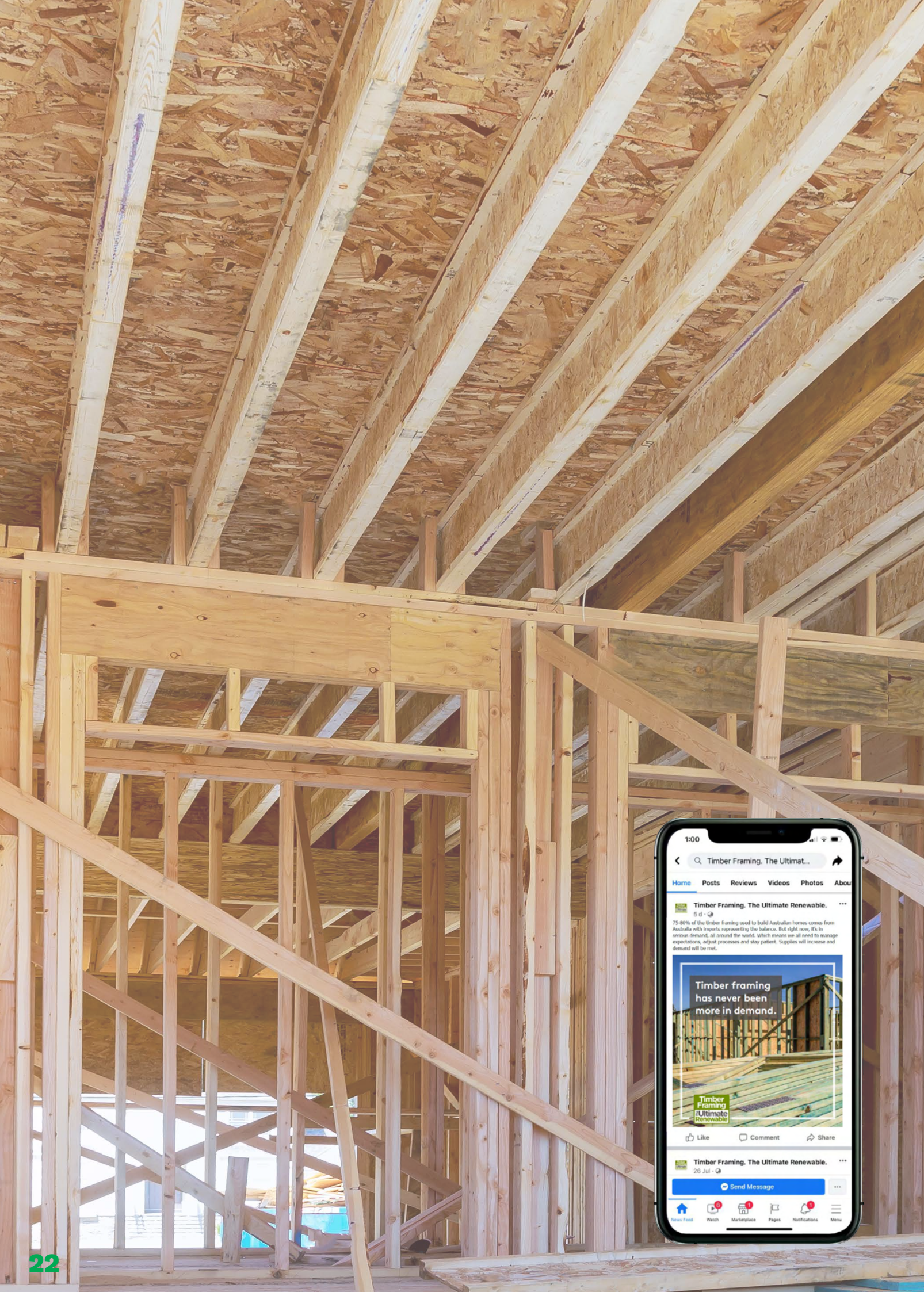
Yet 2020-21 was another challenging year for the native hardwood industry nationally, facing relentless attacks from activist groups determined to close the industry down through a range of tactics.

The Victorian Labor Government remains resolute in ending native forestry in 2030, and with it Victoria's iconic hardwood timber industry. The Western Australian Government has also announced it will end native forestry from 2024.

On top of this, 2020-21 saw several legal challenges by activist groups against forestry operations in Victoria, Tasmania and NSW. While most of these have failed, they create enormous uncertainty and disruption to lawful operations.

There has also been a concerning escalation in illegal and dangerous forest protests by extremist groups that have also caused considerable disruption. AFPA has been working with the Federal Government to put an end to the lawfare and to illegal protests, and this work will continue in 2021-22.

In the coming year, the Chamber will focus on raising the public understanding of the sustainability of native timber industries, the climate change benefits that comes from managing our forests sustainably for timber and wood products, and the vital role the sector plays in so many regional communities around Australia.



SOFTWOOD MANUFACTURING CHAMBER



Patrick Warrant
Chamber Chair
Managing Director- Wespine



Richard Hyett
Chamber Manager
Senior Policy Manager

The Softwood Manufacturing Chamber (SMC) of AFPA includes softwood sawmillers and processors, engineered wood product manufacturers, and softwood timber product exporters. SMC members meet to discuss broad policy issues that impact the Australian softwood manufacturing sector. From our renewable forest plantations, SMC member companies provide essential jobs in the regions and deliver the innovative products for housing, construction, packaging, fibre and energy.

Three SMC Subcommittees have been established to advance the collective interests of the industry. They operate under the AFPA formal structure with AFPA providing policy and administrative support. These Subcommittees have Terms of Reference agreed by the SMC, detailed policy agendas and structured reporting mechanisms through the Chamber.

The three Subcommittees are:

1. Market development Subcommittee (MKDS) Members of MKDS are nominated by the SMC and are company experts in sales and marketing
2. Solid Wood Processing Technical Committee (SWPTC) Members of SWPTC are nominated by the SMC and are company processing technical experts
3. Workplace Health & Safety interest group (WHSIG) Members of WHSIG are nominated by the SMC and are experts in industry WHS management

The SMC met four times in a hybrid face to face and virtual meeting arrangement sharing learnings and progressing initiatives in key policy areas, including:

- Industry response to COVID 19, the construction boom and structural timber shortages

- Policies to enhance sovereign capability in timber supplies
- Supporting Forest Industry Regional Hubs and plantation investment
- Coordinating industry messaging to assist the community and Government to mitigate climate change, increase emissions reduction, and develop renewable energy policies
- Increasing recognition of carbon stored in wood products and new buildings
- Building transparency in the industry through the development of the Timber Market Index
- Industry contributions to timber product and building standards and safety codes
- Improvements to reliability of structural performance and treatment frameworks for timber products
- Sharing knowledge and learnings in workplace health and safety to drive continuous industry improvement
- Industry messaging responding to the housing construction timber shortage and building the timber framing brand through the newly established "Timber Framing Collective" and the established The Ultimate RenewableTM



**TIMBER FRAMING
COLLECTIVE**

PUTTING TIMBER IN THE FRAME

GROWERS CHAMBER



Andrew Jacobs
Chamber Chair

Chief Technical Officer - Forico

The Growers Chamber covers all the major plantation owners and Government Business Enterprises managing native forests, as well as plantation management services companies and companies which also provide environmental services such as carbon sequestration.

Combined, the Growers Chamber members own or manage more than 80% of the nation's plantation trees, and a similar proportion of the multiple-use public forests. In 2018-19 the plantation estate, split almost evenly between softwood and hardwood covered 1.9 million hectares across Australia.

The Growers Chamber has four Subcommittees which address areas of specific interest to the Chamber and consider current issues and develop policy. They operate under AFPA's formal structures with AFPA providing secretarial services, and have Terms of Reference, detailed agendas and agreed minutes.

The four Subcommittees are:

1. Human Resources Subcommittee advises the Growers Chamber on a range of human resources topics across forest industries from marketing, recruitment, staff wellbeing and equity
2. Work Health & Safety Subcommittee advises the Growers Chamber on matters relating to work health and safety across the forestry industry
3. Forest Certification & Chain of Custody Subcommittee advises the Growers Chamber on Forest Management certification and Chain of Custody certification across forest industries
4. Forest Health & Biosecurity Subcommittee advises the Growers Chamber on forest health and biosecurity across forestry industries



Natalie Heazlewood
Chamber Manager

Senior Policy Manager

The Growers Chamber have employed Amanda Bell as the Forest Industry Safety Manager who is responsible for shaping and delivering work, health and safety strategies and work plans in support of the forest growing sectors objective of achieving better health, safety and wellbeing outcomes within the industry.

In the last year the Growers Chamber met twice in Canberra and, due to the COVID-19 outbreak, twice via video conference. The Growers Chamber welcomed Andrew Jacobs as the new Chamber Chair and Jessica Douglas as the new Growers Chamber Director on the AFPA Board.

Work included:

- The ongoing impacts of COVID-19 on businesses and the log export ban to China
- An initial proposal to increase levies across research and development, operations and biosecurity was agreed to with a formal process now underway
- A proposal to increase levies across research and development, operations and biosecurity was finalised for submission to the Assistant Minister for Forestry
- The creation of a carbon working group which helped develop new plantation methodologies for the Clean Energy Regulator
- The National Forestry Biosecurity Coordinator would be funded by the Chamber for an additional financial year until June 2022



PULP, PAPER & BIOPRODUCTS CHAMBER



Carlie Porteous
Chamber Chair

Fibre and Forestry Compliance Manager- Visy

The ongoing pandemic has continued to highlight the essential nature of Australia's pulp, paper and packaging industries. Indeed, the explicit acknowledgement of pulp, paper and bioproducts within forest products value chains repeatedly helped AFPA secure essential industry status for the entire forest sector. This meant businesses suffered minimal disruption and could maintain production in the face of extended restrictions necessary for the public health response.

The pulp, paper and bioproducts industries transform virgin wood and reclaimed fibre into a range of business and consumer products including writing and communication papers; boxes, cartons and bags; tissues, paper towel and hygiene products; and plastic replacement food service cups, containers, trays and wrap. The sector features additional opportunities related to the emerging bioproducts industries, such as bioplastics, bioenergy, biofuels and biochemicals.

The phase out of non-renewable and problematic single-use plastics is accelerating across Australia. Governments are progressively implementing product and waste bans, and businesses are searching for new ways to improve environmental performance. Companies in this sector are moving quickly to capitalise on demand for sustainably sourced and recyclable products.

The Pulp, Paper & Bioproducts Chamber met four times during the year. Initiatives progressed through the year include:

- 2021 Sustainability Report, the third sustainability report produced for the sector since 2016 as an ongoing record of sustainability performance



Tim Lester
Chamber Manager

Senior Policy Manager

- Emissions-Intensive Trade-Exposed (EITE) analysis, to assess prospects under different carbon pricing scenarios

Identified strategic priorities for the Chamber are:

1. Increasing security of fibre supply (growing the plantation estate)
2. Accelerating and promoting transition to a low carbon environment including uptake of renewable bioenergies
3. Positioning the pulp, paper and bioproducts sector as critical manufacturing industries for the Australian economy, providing essential products and valuable manufacturing capacity
4. Assessing and responding to trade policy developments such as Free Trade Agreements and Carbon Border Adjustment Mechanisms.
5. Growing the membership of the Chamber

The Chamber has one sub committee to advise on the sector's energy issues. AFPA's sub committees operate under formal structures with agreed terms of reference. AFPA provides the secretariat. Members of the Energy and Carbon Subcommittee are company experts nominated by PPB Chamber members.



CLIMATE POLICY



Natasa Sikman
Climate Policy Manager

AFPA and its Members have long known that climate policies are crucial for the longer-term sustainability of Forest Industries. The Climate Policy Manager role was created in recognition that climate policy is a rapidly moving policy space presenting tremendous opportunities and challenges which have significant implications for our members, regional communities who rely on them and the broader Australian economy.

Over the past year AFPA has been successful in focusing the Clean Energy Regulator (CER) to review the existing Emissions Reduction Fund plantation forestry method to obtain more opportunities for the plantation forestry industry to deliver additional carbon abatement. Another key methodology we are pursuing with the CER is in the built environment allowing for a greater transfer of carbon captured by our forests to be stored in the built environment.

We have seen the Australian carbon credit price surge up to \$26 AUD on the spot price secondary market also known as the voluntary carbon credit market. However, international prices remain significantly higher with the European Union price reaching above €50 equating to \$90 AUD. Australian businesses are already engaging in secondary markets to maximise their carbon credit returns and AFPA is working on ensuring Forest Industries are well positioned to capitalise on these opportunities.

The broad cross section of the AFPA membership includes energy intensive industries which are trade exposed and need a level carbon price playing field to remain competitive. AFPA has worked tirelessly to ensure that decision makers are aware of the negative impacts a mandated carbon price can have on our industries in increasing costs particularly when competing against countries without a mandated carbon price or those seeking to implement a border adjustment carbon mechanism.

As the newly appointed dedicated Climate Policy Manager, I am excited to be working across all four AFPA Chambers (Growers, Hardwood Processing, Softwood Manufacturing, and Pulp, Paper and Bioproducts) and I am looking forward to further engaging with Members through the newly formed Climate Policy Subcommittee reporting directly to the Board.

The Subcommittee will provide better coordination and delivery in identifying climate policy issues, consultation, development of policies and advocacy priorities.

This year the 26th United Nations Climate Change Conference (commonly known as COP26) will bring together from around the world signatories to the Paris Agreement goals. COP26 is seeking stronger action from all signatories in both capturing and reducing carbon emissions. In the lead up to COP26 the Intergovernmental Panel on Climate Change (IPCC) released its report on the Physical Science of Climate Change, it made clear that the next decade of action will be critical if global temperatures are to be kept below 1.5 degrees by the mid-century.

Forest Industries are well placed to play a pivotal role in assisting the world to decarbonise more quickly, from capturing more carbon, to increasing carbon stores in the built environment and to providing fibre-based products and bioenergy thereby avoiding and substituting high emitting materials and energy sources.

As companies around the world look for credible carbon offsets with strong integrity attached to them Australia's Forest Industries must become the natural go to solution. With the appropriate focus from decision makers and the right policy settings we can achieve a win/win/win outcome.



Photo: Oji



AFPA NSW



Stephen Dadd
Chair

National General Manager, Boral Building Products

AFPA NSW is the newest state organisation to be formally established as a Committee of the AFPA Board, commencing operation in June 2021. It has a mandate to represent the entire value chain in NSW from seeds, to trees, to the timber, fibre and wood-based products loved and used every day.

AFPA NSW works alongside and in co-operation with Timber NSW.

The long supply chain in NSW includes sustainable and renewable plantations, multiple use regrowth forests, timber processing, and pulp, paper and packaging manufacturing. These sectors are all represented in the current membership of AFPA NSW.

Establishment:

Early effort has focused on promoting the organisation as a strong and professional peak body, while developing productive relationships with key decision makers and stakeholders. This has included NSW parliamentarians and Departmental officers.

Building the organisation also required developing sound governance foundations including preparation of key documents and Governing Council elections.

Key priorities during 2020-21:

- Assisting member businesses through Sydney lockdown rules
- Producing regular updates for members and the broader industry
- Submission to the NSW Government Review of the Plantations and Reafforestation Act
- Ongoing discussions with senior executives of NSW Government and agencies regarding long term industry development, social purpose and other specific issues



Sue Grau
Chief Executive Officer

Corporation, regarding industry development, social purpose and other specific issues

- Initial planning for an all-industry Symposium

In addition to increasing visibility and becoming a recognised voice to the NSW Government, members have identified the following broad initial strategic priorities for AFPA NSW:

- Continue to build visibility, profile and membership of the organisation, with an emphasis on uniting the industry and working co-operatively with other like-minded bodies
- Growing the plantation estate
- Promoting the social purpose and environmental benefits of plantation and regrowth native forestry, especially in the realm of climate policy
- Maximising NSW Government focus on the circular economy, waste strategy and carbon emissions
- Continuing to contribute to NSW Government policy, strategy and review of any matters touching the NSW forest industries value chain

Governing Council



Jacob Lazarus
Deputy Chair
General Manager,
Southern Cross Forests



Shane Vicary
Council Member
CEO, AKD Softwoods



Wolf Lorenz
Council Member
General Manager, Oji
Fibre Solutions



Photo: OneFortyOne

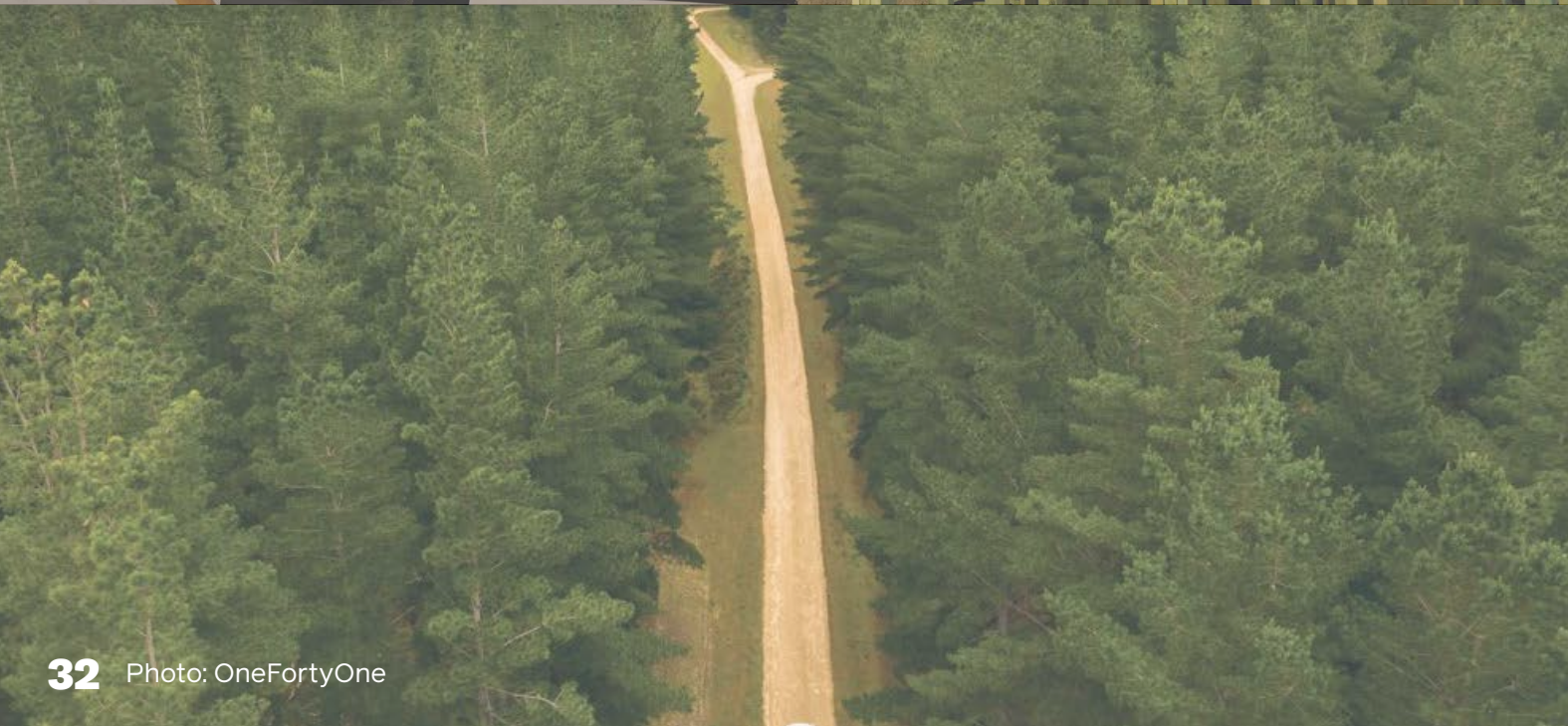
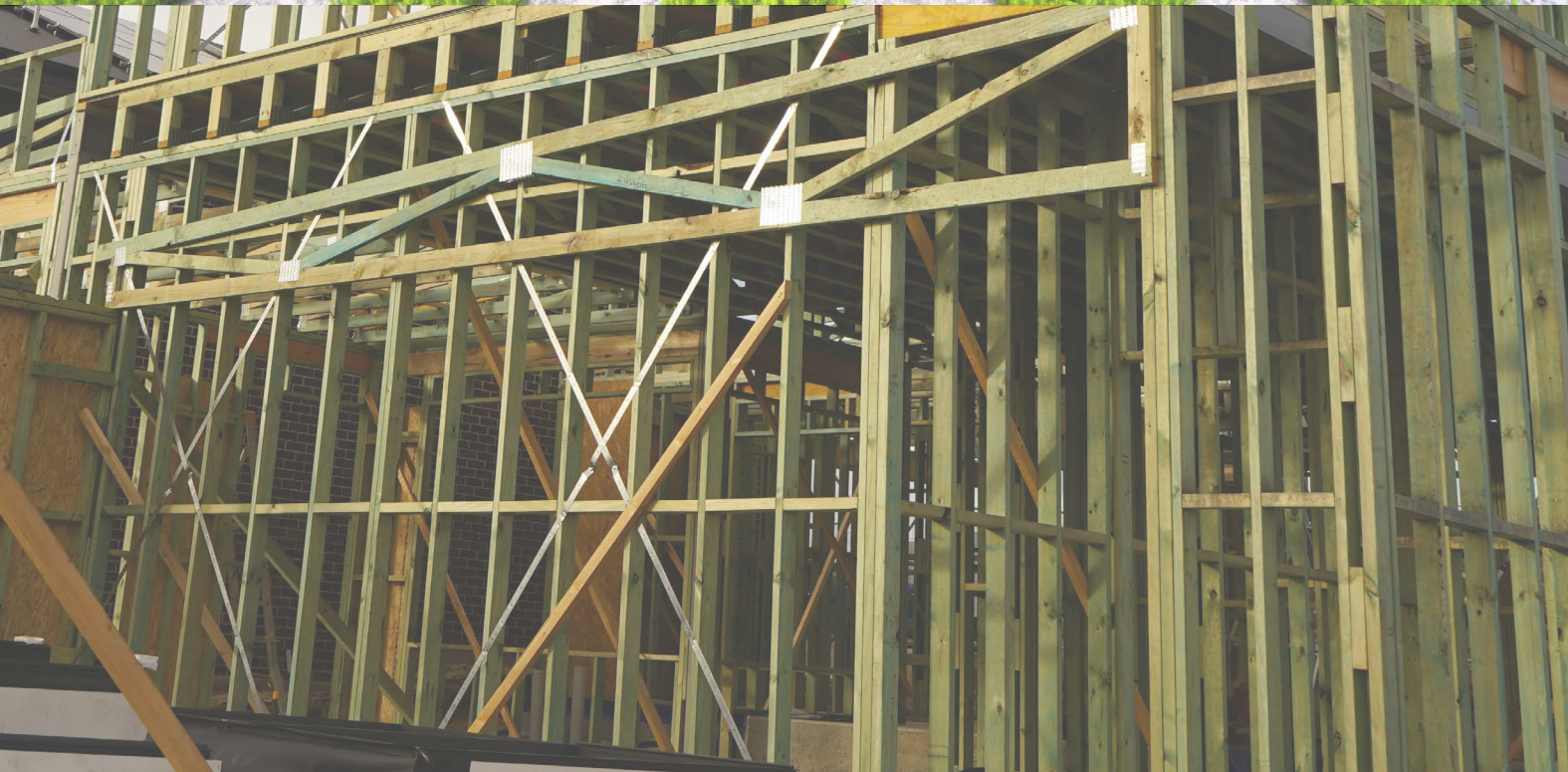


Photo: OneFortyOne

SAFPA

SOUTH AUSTRALIAN FOREST PRODUCTS ASSOCIATION



Keith Lamb
Chair

Managing Director- Kangaroo Island Plantation Timbers



Nathan Paine
Chief Executive Officer

The South Australian Forest Products Association is the peak industry body representing the entirety of the forestry products value chain in South Australia including members who breed, grow, manage and harvest our sustainable plantations and multiple use natural forests to the primary and secondary processing of timber, the manufacture of pulp and paper, and the value-added timber and pulp and paper products supply chains.

Currently SAFPA has 19 members across the softwood and hardwood sectors.

SAFPA was established in 2020 as a Committee of AFPA and Nathan Paine was appointed inaugural CEO in October 2020. With the imminent South Australian election to be held on 19 March 2022, SAFPA is in the process of bringing onboard a communications position to help shape the agenda and promote our industry.

Key priorities during 2020-21:

- Growing SAFPA and the recognition of the critical importance of our industry.
- Developing our solutions focused policy platform to underpin our political engagement
- Establishing key relationships between SAFPA, its members, other industry stakeholders and key decision makers including the key Ministers, Shadow Ministers and Departmental influencers
- Responding to critical issues such as resource recovery on Kangaroo Island, timber shortages and climate change policies
- Development and implementation of the association's inaugural strategic and business plans to communicate to members, stakeholders and the community SAFPA's direction and purpose

SAFPA publishes a fortnightly member newsletter and is establishing a social media presence.

As the political wing of the forestry industry, we are re-engaging the Parliamentary Friends of Forestry to embed a deeper relationship between the industry and government with a clear target of improving the industry's social licence to influence government and opposition policy in lead up to the 2022 State Election.

Governing Council



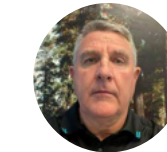
Mike Lawson
Deputy Chair
Chief Operating Officer, SFM
Environmental Solutions



John Forster
Treasurer
General Manager,
SE Pine



Gordon Mansfield
Council Member
Manager, Operations New Forests
Asset Management Pty Limited



Ian Robinson
Council Member
General Manager, SA Pine



Tammy Auld
Council Member
Customer and Regional Manager,
Timberlands Pacific



David Oliver
Council Member
EGM Sales, Marketing & Corporate
Affairs, Timberlink Australia



Cameron MacDonald
Council Member
Executive General Manager,
Australia, OneFortyOne



Odette Lubbe
Council Member
Acting General Manager, GTFP



Ian McDonnell
Council Member
Retired Director, NF
McDonnell and Sons



Adrian Flowers
Council Member
General Manager, Tabeel Trading



Phil Mason
Council Member
Director Operations ANZFF, New Forests



Photo: Britton Timbers Australia



TFPA

TASMANIAN FOREST PRODUCTS ASSOCIATION



Bryan Hayes
Chair
CEO, Forico



Nick Steel
Chief Executive Officer

The TFPA is the peak body for forestry in Tasmania that undertakes policy development, lobbying and advocacy for members interests. TFPA represents all elements of the value chain including harvesting, plantations and forest management and processing.

The TFPA was established in mid-2020 as the first State Committee of AFPA, and expanding on past industry representation to include the plantation sector. Nick Steel the inaugural CEO started in late August 2020, and in May 2021 was joined by Stuart Harris as Media and Public Relations Manager.

Key priorities during 2021 – 21:

- Establishment of the organisation, including key governance documents
- Finalising the AFPA and State Committee Delegation and Terms of Reference document and Strategic Plan 2021-2023
- Obtaining government commitments from our Election Policy
- Development of our positive 'This is Forestry' PR Campaign, a one year campaign to deliver an open and honest dialogue with the community, dispel misinformation and introduce a new, modern, forest industry
- Develop strategic key policy and advocacy priorities – RFA Tasmania, resource certainty; BBFs increasing campaign against native forestry; and port infrastructure
- Setting up alliances with other sectors including agriculture, mining, industry and commerce, tourism, aquaculture and building and construction

In our first year of operations, we have developed a good relationship with both sides of government and both houses of Parliament. This has been demonstrated with most MPs supporting

the establishment of the Parliamentary Friends of Forestry. While we have had good wins from the State Election and proceeding State Budget, we now must turn our attention to our annual advocacy priorities – climate change; infrastructure management; fire management; resource supply and the ongoing regulatory creep.

Governing Council



Shawn Britton
Deputy Chair
Managing Director, Britton Timbers



Arnold Willems
Treasurer
Commercial Manager, BOYER



Andrew Morgan
Council Member
Managing Director, Norske Skog



Andrew Walker
Council Member
CEO, Neville Smith Forest Products



Owen Hoffman
Council Member
General Manager, Reliance



Steven Brown
Council Member
CEO, Timberlands Pacific



Andrew Wye
Council Member
State Manager, Wood Based Products

Staff



Stuart Harris
Media and Public Relations
Manager, TFPA



Photo: Green Triangle Forest Products



Photo: Ash



Photo: Australian Bluegum Plantations

VFPA

VICTORIAN FOREST PRODUCTS ASSOCIATION



Tony Price
Chamber Chair

Managing Director - Midway



Deborah Kerr
Chief Executive Officer

VFPA is the peak industry body representing the forestry products value chain in Victoria. Members are involved in growing, managing and harvesting our sustainable plantations and multiple use regrowth natural forests through to the processing of timber and the manufacture of pulp and paper and bioproducts.

Currently VFPA has 23 full members and three associate members across the full forest industries value chain.

The VFPA was established in 2020 as a Committee of AFPA.

Formal operations commenced in February 2021 when Deb Kerr was appointed inaugural CEO.

In August, Deb was joined by Ulrike Andresen-Nikolai as Public and Media Relations Manager to share the stories of our industry.

Key priorities during 2020-21:

- The establishment of the organisation, including governance and procedures
- Establishing key relationships between VFPA, its members, other industry stakeholders and key decision makers including the key Ministers, Shadow Ministers and Department personnel
- Responding to a number of government consultations, including the Code of Practice for Timber Production, Climate Adaptation Plans and more recently, the Major Event Review. Major policy issues include resource security and resolving perverse interception rules that discriminate against plantation tree crops
- Leading the development of the Save our Forest Industries Campaign
- Starting the development of a Strategic Plan to guide the organisation over the coming years

- Revitalisation of the Victorian Parliament 'Friends of Forestry'

The VFPA Members are united in the view that VFPA's purpose is to be the voice of a united state industry and will be influential with government and decision makers.

VFPA publishes a weekly member newsletter and is establishing a social media presence

Governing Council



Rob Hescok
Deputy Chair
Chief Operating Officer, HVP



Owen Trumper
Deputy Chair
General Manager, Fibre Supply, AKD
Until 8 April 2021



Darren Shelden
Treasurer
Port & Logistics Manager, ABP



Sarah Harvie
Council Member
External Communications Manager, Opal



Simon Gatt
Council Member
Resource Manager, AKD



Phil Mason
Council Member
Director Operations ANZFF, New Forests



Vince Hurley
Council Member
Managing Director, ASH



Paul Heubner
Council Member
CEO, Pentarch Forestry and Allied
Natural Wood Exports



Mike Lawson
Council Member
Chief Operating Officer, SFM
Environmental Solutions

Staff



Ulrike Andresen-Nikolai
Public & Media Relations
Manager, VFPA



AFPA STAFF

At 30 June 2021 (in alphabetical order)

Campbell Cooney	Senior Communications Manager
Zoe Ford	Administration Assistant (Communications Officer August 2021)
Sandi Grant	Financial Manager
Ross Hampton	Chief Executive Officer
Natalie Heazlewood	Senior Policy Manager
Richard Hyett	Senior Policy Manager
Tim Lester	Senior Policy Manager
Judith Parker	Company Secretary & EA
Fairlie Pearce	Digital & Design Officer
Joe Prevedello	Communications Director
Victor Violante	Senior Policy Manager

AFPA SUPPORTED STATE ASSOCIATIONS (SUB-COMMITTEES)

At 30 June 2021 (In alphabetical order)

Sue Grau	New South Wales Chief Executive Officer
Stuart Harris	Tasmania Media and Public Relations Manager
Deborah Kerr	Victoria Chief Executive Officer
Nathan Paine	South Australia Chief Executive Officer
Nick Steel	Tasmania Chief Executive Officer

AUSTRALIAN FOREST PRODUCTS ASSOCIATION LIMITED

ABN: 40008 621 510

FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

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Directors' Report

Australian Forest Products Association For the year ended 30 June 2021

Directors' Report

The directors present their report on Australian Forest Products Association Limited for the financial year ended 30 June 2021.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Name	Appointed / Resigned
Gregory Henry McCormack	Appointed; 1 November 1991
Jonathon Kleinschmidt	Appointed; 7 September 2016
Ian Telfer	Appointed; 24 November 2016
James Malone	Appointed; 24 November 2016
Jean-Yves Nouaze	Appointed; 17 October 2017
Mark Rogers	Appointed; 16 January 2018
Stephen Whiteley	Appointed; 13 September 2018
Diana Gibbs	Appointed; 2 May 2019
Craig Dunn	Appointed; 5 May 2019
Stacey Gardiner	Appointed; 29 November 2019
Islay Robertson	Resigned; 18 September 2020
Jessica Douglas	Appointed; 21 October 2020
Paul Michael	Resigned; 11 November 2020
Stephen Dadd	Appointed; 11 November 2020

Meetings of Directors

During the financial year, 6 meetings of directors were held. Attendances by each director during the year were as follows:

Committee Members Name	Number eligible Directors meetings to attend	Number of Directors meetings attended
Gregory Henry McCormack	6	6
Jonathon Kleinschmidt	6	6
Ian Telfer	6	5
James Malone	6	4
Jean-Yves Nouaze	6	6
Mark Rogers	6	6
Stephen Whiteley	6	6
Diana Gibbs	6	6
Craig Dunn	6	6
Stacey Gardiner	6	6
Islay Robertson	1	1
Jessica Douglas	5	5
Paul Michael	3	3
Stephen Dadd	3	3

Principal Activities

The principal activities of Australian Forest Products Association Limited during the financial year were:

- gathering and disseminating information on commercial, environment and political issues relating to the forest industries and their development;
- liaison with politicians and their advisors;
- liaison with various government departments on matters affecting the industries;
- development of ties with other forest based associations;
- speeches to industry gatherings;
- liaison with associated groups both within the forest industries and the wider economy; and
- liaison with media and preparation of articles for journals and newspapers

No significant changes in the nature of the Company's activities occurred during the financial year.



Objectives of the Company

The Company's short term objectives are to:

- be a vehicle for effective and efficient communication between various sectors within the forest industry;
- shape and drive forest industry and government policy development for the benefit of the forest industry;
- secure the best outcomes for the forest industry with important policy development through effective lobbying and other targeted representations;
- raise the profile of the forest industry with community opinion leaders, for the purpose of making the forest industry relevant, profitable and sustainable;
- develop and champion environmental, social, ethical and other standards for adoption with the forest industry;
- encourage and facilitate education on issues relevant to the sustainable growth of the forest industry; and
- develop and maintain cohesive and positive working relationships with other bodies with the forest industry.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- consulting with industry and industry representatives to identify emerging political, commercial and environmental issues;
- liaison with politicians and their advisers to convey the identified concerns of industry; and
- prepare the submissions to governments on proposals which might affect the industry; and
- public comment and presentations regarding aspects effecting or having the potential to affect the viability of the industry using electronic and print media.

Performance Measures

The following measures are used with the Company to monitor performance:

- consultation with industry and industry representatives to identify emerging political, commercial and environmental issues;
- liaison with politicians and their advisers to convey the identified concerns of industry; and
- public comment and presentations regarding aspects effecting or having the potential to affect the viability of the industry using electronic and print media.

Members guarantee

Australian Forest Products Association Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$20.00. At 30 June 2021 the were 85 members (2020; 70)

At 30 June 2021 the Collective liability of members was \$1,700 (2020; \$1,400)

Operating results

The surplus of the Company amounted to \$ 516,056 (2020: \$187,967)



The Auditor's Independence Declaration

Australian Forest Products Association
For the year ended 30 June 2021

The Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2021 has been received and can be found in the Auditor's Report at the end of the Financial Report.

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

Director: Gregory Henry McCormack

Director: Ian Telfer

Statement of Profit and Loss and Other Comprehensive Income

Australian Forest Products Association
For the year ended 30 June 2021

	NOTES	2021	2020
Income			
Revenue and Other Income	4	3,822,427	2,758,587
Total Income		3,822,427	2,758,587
Total Income		3,822,427	2,758,587
Expenses			
Other Expenses		746,051	680,681
Property Costs		37,821	18,605
Depreciation		54,540	52,089
Election Package Expenses		45,914	17,450
Employee Benefit Expense		1,576,153	1,611,415
State Expenses		845,893	190,381
Total Expenses		3,306,371	2,570,621
Profit/(Loss) before Taxation		516,056	187,966
Net Profit After Tax		516,056	187,966
Net Profit After Dividends Paid		516,056	187,966

Statement of Financial Position

Australian Forest Products Association
As at 30 June 2021

	NOTES	30 JUN 2021	30 JUN 2020
Assets			
Current Assets			
Cash & cash equivalents	6	3,085,650	1,882,366
Trade and other Receivables	7	795,291	343,545
Prepayments	8	42,986	60,974
Total Current Assets		3,923,926	2,286,886
Non-Current Assets			
Property, plant & equipment	5	1,667,230	1,695,600
Total Non-Current Assets		1,667,230	1,695,600
Total Assets		5,591,156	3,982,486
Liabilities			
Current Liabilities			
Trade and Other Payables	9	336,416	243,773
Employee Entitlements	10	153,037	196,644
Other Liabilities		70,455	45,455
Total Current Liabilities		559,908	485,871
Non-Current Liabilities			
Employee Entitlements		17,090	15,040
Other Non-Current Liabilities	11	1,760,936	744,410
Total Non-Current Liabilities		1,778,026	759,449
Total Liabilities		2,337,935	1,245,320
Net Assets		3,253,221	2,737,166
Equity			
Retained earnings		2,045,282	1,529,227
Reserves		1,207,939	1,207,939
Total Equity		3,253,221	2,737,166

Statement of Changes in Equity

Australian Forest Products Association
For the year ended 30 June 2021

	2021	2020
Equity		
Opening Balance	2,737,166	1,341,260
Increases		
Profit for the Period	516,056	187,966
Other Increases	-	1,207,939
Total Increases	516,056	1,395,905
Total Equity	3,253,221	2,737,166

Statement of Cash Flows

Australian Forest Products Association
For the year ended 30 June 2021

	2021	2020
Operating Activities		
Payments to suppliers and employees	(2,025,065)	(1,702,287)
Finance costs	-	-
GST	(256,875)	42,273
Cash receipts from other operating activities	4,156,543	2,682,048
Cash payments from other operating activities	(1,296,817)	(866,814)
Net Cash Flows from Operating Activities	577,786	155,220
Investing Activities		
Proceeds from sale of property, plant and equipment	26,313	330,533
Payment for property, plant and equipment	(52,483)	(2,026,134)
Other cash items from investing activities	26,160	(69,601)
Net Cash Flows from Investing Activities	(10)	(1,765,201)
Financing Activities		
Other cash items from financing activities	631,081	3,483,093
Net Cash Flows from Financing Activities	631,081	3,483,093
Net Cash Flows	1,208,856	1,873,111
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	1,873,111	-
Net change in cash for period	1,208,856	1,873,111
Cash and cash equivalents at end of period	3,081,967	1,873,111

Notes to the Financial Statements

Australian Forest Products Association For the year ended 30 June 2021

The financial statements are for Australian Forest Products Association Limited as an individual entity, incorporated and domiciled in Australia. Australian Forest Products Association Limited is a not-for-profit company limited by guarantee.

1. Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

2. Change in Accounting Policy

Definition of Material - Amendments of AASB 2018-7

The amendments refine the definition of material AASB 101 to clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. the amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.

There is no material impact on these financial statements from applying the amended AASB 2018-7.

3. Summary of Significant Accounting Policies

1. Accounts Payable and Other Payables

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

2. Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

3. Income Tax

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

4. Critical Accounting Estimates and Judgements

Employee Benefits

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. The Company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

Provision for Impairment of Receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Building Valuation

An independent valuation of property (land and buildings) carried at fair value was obtained in 2018. The valuation is an estimation which would only be realised if the property is sold.

5. Revenue and Other Income

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods and services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. recognise revenue as and when control of the performance obligations is transferred

Generally timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific Revenue Streams

The revenue recognition policies for the principal revenue streams of the Company are:

Interest Revenue

Interest is recognised using the effective interest method.

Rental Income

Rental income is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return of the net investment.



Membership Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

6. Goods and Services Tax (GST)

Revenue, 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 GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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

7. Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Land and Buildings

Land and buildings are measured using the revaluation model.

Plant and Equipment

Plant and equipment are measured using the cost model.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of buildings is depreciated on a straight line basis and all other plant and equipment, except for leasehold land, is depreciated on a reducing balance method from the date that management determined that the asset is available for use.

The economic life used for each class of depreciable asset are shown below:

Fixed asset class	Economic life
Buildings	40 years
Plant and Equipment	5 to 10 years



At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate. When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit and loss.

8. Financial Instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value depending on the classification of financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- Amortised cost
- Fair value through profit or loss - FVTPL
- Fair value through other comprehensive income – equity instrument

Financial assets are not reclassified subsequent to the initial recognition, unless the Company changes its business model for managing financial assets.

Amortised Cost

Assets measured at amortised cost are financial assets where:

- The business model is to hold assets to collect contractual cash flows; and
- The contractual terms give rise on specified dates to cashflows are solely payments of principal and interest on the principal amount outstanding.

The Company’s financial assets measure the amortised cost comprised trade and other receivables and cash and cash equivalents in a statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method for less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair Value through Other Comprehensive Income

Equity instruments

The Company has no strategic investments in listed and unlisted entities of which they do not have significant influence nor control.



Financial Assets through Profit and Loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

The Company does not hold any assets that fall into this category.

Impairment of Financial Assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets;

- Financial assets measured at amortised cost

When determining and whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen significant increase credit risk.

The Company uses the presumption that a financial asset is in default when:

- The other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- The financial assets are more than 90 days past due.

Credit losses are measured as the present value of the difference between cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade Receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability off the non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the profit or loss.

Other Financial Assets Measured at Amortised Cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model into AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial Liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise of trade and other payables.



9. Impairment of non-financial assets

At the end of each reporting period, the Company determines whether there is any evidence of a impairment indicator for non-financial assets.

Where this indicator exists and regardless of goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. The value in use is the present value of the future cash flows expected to be derived from an asset or cash generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognized in the profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

10. Cash and Cash Equivalents

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

Bank overdrafts are shown within short term borrowings in current liabilities on the statement of financial position.

11. Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the estimated future cash outflows to be made for those benefits. In determining the liability consideration is given to the employee wage increases and the probability that an employee may not satisfy the vesting requirements.

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

Employee benefits are presented as current liabilities in a statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for the measurement purposes under AASB 119.



12. Adoption of New and Revised Accounting Standards

The Company has adopted all standards which became effective for the first time at 30 June 2021, the adoption of the standards has not caused any material adjustments to the report financial position, performance, or cash flow of the Company. Refer to Note 2 for details and changes due to standards adopted.

Standard name	Effective date for entity	Requirements	Impact
AASB 2020-1 Amendments to Australian accounting standards - classifications of liabilities as current or non-current	1 July 2022	The standards amends AASB 101 to clarify requirements for the presentation of liabilities in a statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as a non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified	Little impact expected, but entity should consider appropriate classification of liabilities as current or non-current



4. Revenue and Other Income

	2021 FY	2020 FY
	\$	\$
Interest Received	7,441	8,543
Membership Subscriptions	2,390,112	2,285,467
Other Income	314,410	124,815
Project Income	-	40,000
Rental Income	102,253	103,547
State Membership Income	1,008,211	196,215
Total Income	3,822,427	2,758,587



5. Property, Plant and Equipment

	2021 FY	2020 FY
	\$	\$
Land and Buildings		
At Fair Value	1,755,000	1,755,000
Accumulated Depreciation	(131,625)	(87,750)
Total Land and Buildings	1,623,375	1,667,250
Furniture & Fixtures		
At Cost	36,203	36,203
Accumulated Depreciation	(34,441)	(33,754)
Total Furniture & Fixtures	1,762	2,449
Office Equipment		
At Cost	141,230	139,995
Accumulated Depreciation	(104,449)	(120,207)
Total Office Equipment	36,780	19,788
Plant (Air-Conditioning)		
At Cost	61,181	61,182
Accumulated Depreciation	(55,868)	(55,069)
Total Plant (Air-Conditioning)	5,313	6,113
Total Property, Plant and Equipment	1,667,230	1,695,600



1. Movements in Carrying Amounts of Property, Plant and Equipment

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current year:

	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Office Equipment	TOTAL
Year ended 30 June 2021					
Balance at the beginning of year	1,667,250	6,113	2,449	19,788	1,695,600
Additions	-	-	-	26,169	26,169
Depreciation expense	(43,875)	(800)	(688)	(9,178)	(54,540)
Balance at the end of the year	1,623,375	5,313	1,761	36,780	1,667,230

	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Office Equipment	TOTAL
Year ended 30 June 2020					
Balance at the beginning of year	1,711,125	6,913	1,557	20,769	1,740,364
Additions	-	-	1,500	5,825	7,325
Depreciation expense	(43,875)	(800)	(608)	(6,806)	(52,089)
Balance at the end of the year	1,667,250	6,113	2,449	19,788	1,695,600

2. Land and Building Valuation

The Company's land and buildings were revalued at 30 June 2018 by Egan National Valuers. Valuations were made on the basis of fair value for value in use. There is a crown lease purpose clause restriction that "not less than fifty percentage of the gross floor area of the building will be used and occupied only by the Association as the National Secretariat of the Association". Because of this restriction the valuer has assessed a lease impairment at \$515,000 that would need to be deducted from the \$1,755,000 value if the current usage was varied.



6. Cash and Cash Equivalents

	2021 FY	2020 FY
	\$	\$
Cash at Bank	1,431,767	534,634
Short-term bank deposits	1,653,883	1,347,733
	3,085,650	1,882,367

Reconciliation of Cash

Cash and Cash equivalents reported in the statement of cashflows are reconciled to the equivalent items in the statement of financial position as follows:

	2021 FY	2020 FY
	\$	\$
Cash and Cash Equivalents	3,085,650	1,882,367



7. Trade and Other Receivables

	2021 FY	2020 FY
	\$	\$
Trade Receivables	794,835	334,919
Expected Credit Loss	-	(5,225)
	794,835	329,694

The following table details the Company's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Company.

The balances of receivables that remain with initial trade terms (as detailed in the table) are considered to be of high credit quality.

			Past Due but not impaired (days overdue)			
	Gross Amount	Past due and Impaired	<30	31-60	61-90	>90
2021	\$	\$	\$	\$	\$	\$
Trade and term receivables and other debtors	794,835	-	690,262	73,569	9,768	21,236
Total	794,835	-	690,262	73,569	9,768	21,236

			Past Due but not impaired (days overdue)			
	Gross Amount	Past due and Impaired	<30	31-60	61-90	>90
2020	\$	\$	\$	\$	\$	\$
Trade and term receivables and other debtors	334,919	(5,225)	261,785	179	64,430	8,525
Total	334,919	(5,225)	261,758	179	64,430	8,525

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables in the financial statements.



8. Prepayments

	2021 FY	2020 FY
	\$	\$
Prepayments	42,986	60,974
Accrued Income	455	13,851
Total	43,441	74,825

9. Trade and Other Payables

	2021 FY	2020 FY
	\$	\$
Trade Payables	41,287	51,575
Other Payables	154,896	104,489
GST Payable	126,253	69,762
Accrued Expenses	13,980	17,946
Total	336,416	243,772

All amounts are short term and carrying values are considered to be a reasonable approximation of fair value.



10. Employee Benefits

	2021 FY	2020 FY
Current Liabilities	\$	\$
Long Service Leave	59,483	78,429
Provision for Annual Leave	93,555	118,214
Balance at 30 June 2021	153,037	196,643

	2021 FY	2020 FY
Non-Current Liabilities	\$	\$
Long Service Leave	17,090	15,040
Balance at 30 June 2021	17,090	15,040

11. Other Liabilities

	2021 FY	2020 FY
	\$	\$
FSC Principal 2 Workers Right	2,333	2,333
Giant Pine Scale Project	481,633	502,747
Regional forestry hub	1,000	-
EITE project - industry edge	11,600	-
Timber framing MKDS campaign 3	309,040	-
MGP project	402,751	134,250
Timber framing camp 2	1,336	86,650
Timber framing message camp 1	8,935	14,333
Mercer - Survey	29,000	-
VIC crisis research	4,097	4,097
WHS subcommittee administrative support	31,841	-
FIAT Reserve	477,370	-
Total	1,760,936	744,410



12. Tenant Leasing Commitments

	2021 FY	2020 FY
Minimum lease payments receivable under non-cancellable operating leases:	\$	\$
Not later than one year	102,693.00	93,195.00
Between one and five years	125,727.00	35,572.00
	228,420.00	128,767.00

The Company has entered into commercial property leases of its surplus office space. Lease payments are increased on an annually basis to reflect market rentals.



13. Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

- Liquidity risk
- Credit risk
- Market risk - interest rate risk

1. Financial Instruments Used

The principal categories of financial instrument used by the company are:

- Trade receivables
- Cash at bank
- Trade and other payables

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

		2021 FY	2020 FY
Financial Assets	Note	\$	\$
Held at amortised cost			
Cash and cash equivalents	6	3,085,650	1,882,366
Trade and other receivables	7	794,835	329,694
Total Financial Assets		3,880,485	2,212,060
Financial Liabilities			
Financial liabilities at fair value			
Trade payables	9	336,416	243,772
Total Financial Liabilities		336,416	243,772
TOTAL		3,544,069	1,968,288

The company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

Risk management is carried out by the Company's executive committee under the delegated power from the Board of Directors. The Finance Manager has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Company, these policies and procedures are then approved by the executive committee and tabled at the board meeting following their approval.



Reports are presented at each Board meeting regarding the implementation of these policies and any risk exposure which the executive committee believes the Board should be aware of.

Specific information regarding the mitigation of each financial risk to which the Company is exposed is provided below.

2. Specific Financial Risk Exposures and Management

The main risks Australian Forest Products Association Limited is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

Interest Rate Risk

The Company’s exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	2021 FY	2020 FY
Financial Assets	\$	\$
Cash and cash equivalents	3,085,650	1,882,366
Total	3,085,650	1,882,366

3. Liquidity Risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- maintaining a reputable credit profile; and
- comparing that maturity profile of financial liabilities with the realisation profile of financial assets.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

The table below reflects the undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management’s expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.



Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		Total	
	2021 FY	2020 FY	2021 FY	2020 FY
Financial Liabilities due for Payment	\$	\$	\$	\$
Trade and other payables (excluding estimated annual leave)	336,416	243,772	336,416	243,772
Total Expected Outflows	336,416	243,772	337,382	243,772
Financial Assets - Cash Flows Realisable				
Cash and cash equivalents	3,085,650	1,882,366	3,085,650	1,882,366
Trade and other receivables	794,835	329,694	794,835	329,694
Total Anticipated Inflows	3,880,485	2,212,060	3,880,485	2,212,060
Net (Outflow)/Inflow Expected on Financial Statements	3,544,069	1,968,288	3,544,069	1,968,288

4. Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The Company has adopted a policy of only dealing with credit worthy counter parties as a means of mitigating the risk of financial loss from defaults. The utilization of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayments basis until credit worthiness can be re-established.



14. Members Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 20 each towards meeting any outstanding obligations of the Company. At 30 June 2021 the number of members was 85 (2020, 70).

15. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2021 (30 June 2020, None).

16. Cash Flow Information

1.Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

		2021 FY	2020 FY
	Note	\$	\$
Surplus/(deficit) for the year		516,056	187,967
Non-cash flows in profit			
- Depreciation	5.1	54,540	52,089
Changes in assets and liabilities			
- (Increase)/decrease in trade and other receivables		(465,141)	(137,959)
- (Increase)/decrease in prepayments		31,384	(16,311)
- Increase/(decrease) in income in advance		564,156	155,545
- Increase/(decrease) in trade and other payables		36,154	4,268
- Increase/(decrease) in GST creditor		56,490	16,302
- Increase/(decrease) in employee benefits		(41,556)	7,309
Cashflow from Operations		752,083	269,210



17. Events Occurring After the Reporting Date

The financial report was authorised for issue on 31 August 2021 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

18. Company Details

The registered office of and principal place of business of the Company is:

Australian Forest Products Association Limited

24 Napier Close

Deakin ACT

Directors Declaration

Australian Forest Products Association For the year ended 30 June 2021

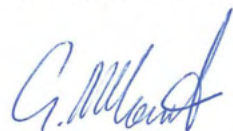
The directors of the Company declare that:

The Financial Statements and notes, as set out on pages 7 to 30, are in accordance with the Corporations Act 2001 and:

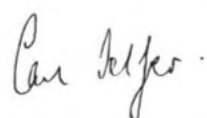
- Comply with Australian Accounting Standards; and
- give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the entity.

In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Director: Gregory Henry McCormack



Director: Ian Telfer

Auditor's Report

Australian Forest Products Association Ltd ABN 40 008 621 510

For the year ended 30 June 2021

Opinion

I have audited the financial report of Australian Forest Products Association Ltd (ABN 40 008 621 510), which comprises the statement of financial position as at 30 June 2021, the statement of profit and loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

The net position of the organisation is a Net Profit of \$516,056 with a Revenue Turnover of \$3,822,427 and Net Assets of \$3,253,221.

In our opinion, the accompanying financial report of Australian Forest Products Association Ltd (ABN 40 008 621 510) is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the year then ended; and
- complying with Australian Accounting Standards to the extent described in Note 1, and the Corporations Regulations 2001.

Basis for opinion

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

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

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

Emphasis of matter – basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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/Home.aspx>. This description forms part of our auditor's report.



Jennie Hawkshaw CPA, B-Com Accg, Adv Dip (FS) FP, JP
Registered Company Auditor
Registered Tax Agent
SMSF Auditor
Auditor Number: 403474

Liability limited by a scheme approved under Professional Standards Legislation.

Suite 4, 28 Barralong Road, ERINA NSW 2250 | PO BOX 3268, ERINA NSW 2250
Phone: 02 43 656 633 | Fax: 02 43 656 622 | ABN: 72 812 213 452
Web: www.seeaccounting.com.au | Email: info@seeaccounting.com.au



Auditor Independence Declaration

To the Members of Australian Forest Products Association Ltd

The Director's received the following declaration from the auditor of the company:

In relation to our audit of the financial report of Australian Forest Products Association Ltd (ABN 40 008 621 510) for the financial year ended 30th June 2021, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

See Accounting Group

Certified Practising Accountants



Jennie Hawkshaw CPA, B-Com Accg, Adv Dip (FS) FP, JP
Registered Company Auditor
Registered Tax Agent
SMSF Auditor
Auditor Number: 403474

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