



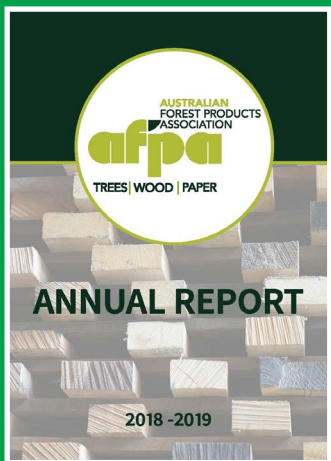
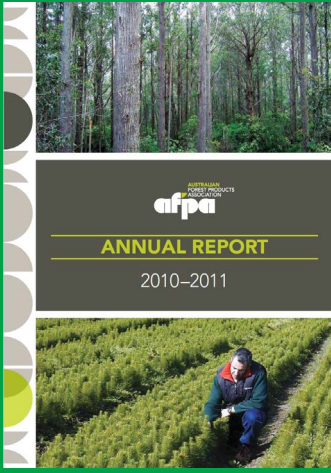
Australian  
Forest  
Products  
Association

# ANNUAL REPORT

2022-2023







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# MEMBERS

Memberships at June 30 2023

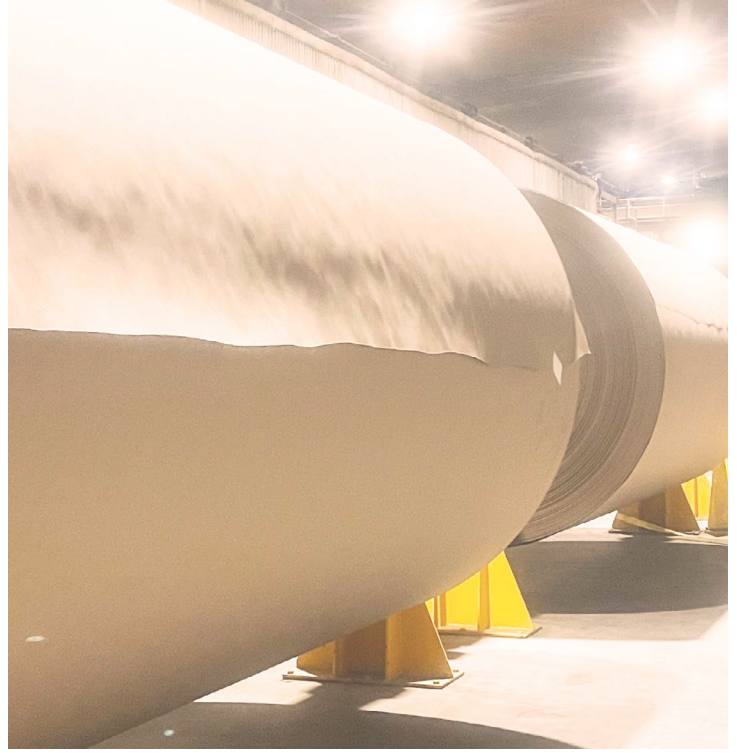
## FULL MEMBERS

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  
Britton Timbers  
Capital Battens  
Forest Products Commission WA  
Forestry Corporation of NSW  
Forico  
Green Triangle Forest Products  
HQPlantations  
HVP Plantations  
Hyne & Son  
KILAND  
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  
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  
Western Junction Sawmill  
Wespine Industries

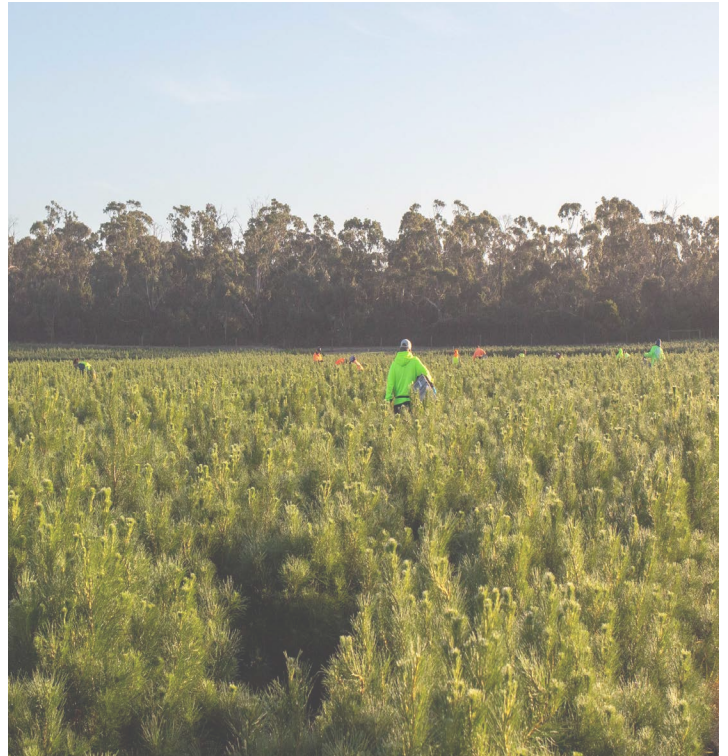
## ASSOCIATE MEMBERS

AE Gibson and Sons  
AG Brown Sawmill  
Appita  
Arbuthnot Sawmill  
Arxadia Wood Protection  
Austimber Harvesting & Haulage  
Australian Carbon Farming  
Australian Forest Contractors Association  
CHEP  
CLTP Tasmania  
CO2 Group  
Engineered Wood Products Assoc. of Australasia  
Fennell Forestry  
Forestry Australia  
ForestrySA  
Forest Industry Association NT (FIANT)  
Forest Industries Federation WA  
Global Forest Partners Group  
Harvestco Group of Companies  
Koppers Australia  
K & S Pallets  
Landari  
Lignor  
Longwarry Sawmills  
Margules Groome Consulting  
Montana Timber Holdings  
Morgan Sawmill Jamestown  
Nutrien  
Nuveen Natural Capital Westchester Group  
Porta Mouldings  
Powelltown Sawmills  
Pyrennes Timber  
Radial Timber  
Reid Bros Timber  
SA Pine  
SFM Asset Management  
Softwoods Working Group  
South East Pine Sales  
Sumitomo Forestry Australia  
Tabeel Trading  
Timber NSW  
Timber Queensland  
Van Schaik's Bio Gro  
Wood Based Products











# ACKNOWLEDGEMENT OF COUNTRY



The Australian Forest Products Association acknowledges and pays respect to the past, present and future Traditional Custodians and Elders of this nation and recognises the continuation of cultural, spiritual and connection to lands, waters, and communities.

## *“The role our Association is performing for the forest products sector and our members, is paramount”*

I was privileged to take on the role of AFPA Chair following the retirement of Greg McCormack after more than a decade of service to AFPA. This is a testament to the commitment Greg had to the sector and I thank him for his dedication and hard work during his tenure.

The year that followed was strongly focused on climate policy as the newly elected Labor Government increased Australia's climate ambition to reduce economy-wide emissions by 43% on 2005 emission levels by 2030. Another focus for AFPA was to pursue the full implementation of the \$300 million of election commitments vital for the growth of the sector, as global demand for timber, paper and packaging products continues to grow.

The AFPA team hit the ground running with preparations for our joint delegation with the National Farmers' Federation (NFF) to COP27 in Egypt during November. I congratulate the AFPA staff for playing the leading role in organising six events on the ground with a multitude of international and Australian engagement, across a range of climate and forestry issues. The COP27 delegation raised the profile of the importance of Australia's forestry and forest products sector in the eyes of the Albanese Government and important international bodies

such as the United Nations' FAO (Food and Agriculture Organization) and the World Farmers' Organisation (WFO). AFPA's activities at COP27 highlighted the importance of a strong national sector voice representing the interests of our members across the entire supply chain.

AFPA conducted several successful bipartisan Parliamentary Friends of Forestry, Timber and Paper Products events. A testament to AFPA's continued influence was the attendance of Prime Minister Anthony Albanese at our Gala Dinner. Highlighting his continued support to the forestry and forest products sector.

AFPA experienced significant changes in personnel over the past 12 months with CEO Ross Hampton announcing his resignation after more than a decade in the role. The Board moved quickly to install our most recent AFPA Board member and former Agriculture Minister Joel Fitzgibbon into the position of interim-CEO as the recruitment process to find a permanent replacement was determined with the goal of announcing the CEO position by the end of the 2023 year.

AFPA also installed Nataša Sikman as Deputy CEO to lead and implement AFPA's HR review recommendations.



The delivery of AFPA's Strategic Plan positioned AFPA in line with the Federal Government's increased commitment to climate action and sovereign capability. The Plan also reaffirms AFPA's mission to "promote and grow Australia's sustainable and renewable forest products sector" particularly as Australia moves to a low carbon, circular bioeconomy.

I have thoroughly enjoyed my time serving as AFPA's Chair, and I thank my fellow Directors for their support, and also thank our member companies for their continued engagement with AFPA's activities. The role our Association is performing for the forest products sector and our members, is paramount.

Particularly as decision makers increase their appreciation of the significant role our sector is playing in the Australian economy, while also sustainably managing Australia's forests, fighting climate change, producing desirable low carbon products and supporting many regional communities.

**Diana Gibbs**

A handwritten signature in black ink that reads "Diana Gibbs". The signature is written in a cursive, flowing style.







***“AFPA will deploy every means we have available to us to ensure the interests of all our members”***

The year to June 30 was full of both challenges and success. It was also a period of change for AFPA and its member companies.

The departure of both Ross Hampton and Victor Violante was a huge challenge for AFPA, but it was one we met with both minimal fuss and success. We have an amazing team and I thank each of them for their talent, energy, dedication and commitment.

I also thank our Chair and Directors for the support they have provided for our budget and organisational review efforts. Our recently developed strategic plan is already delivering greater policy discipline and a laser focus on our core objectives as an organisation. That is, representing, promoting and protecting the interest of our members companies.

Our advocacy efforts this year have been largely focused on the full and timely delivery of the substantial policy commitments we secured from the now government prior to the 2022 election.

Team AFPA has shown good discipline in our determination to align ourselves with two key Albanese Government policy ambitions; climate change and building sovereign capability. We will continue to press for greater recognition of the important contribution we can make to both those policy objectives. Of course, each of

these is also important to our determination to build our social licence. Our substantial participation in the COP27 processes was a first, historic and a highlight.

I have had the pleasure of visiting AFPA members across Australia this year and the experience has further strengthened my view that the forest and forest products sector is sophisticated, forward-looking and innovative.

But sadly, many of our member companies continue to fall victim to the irrational, ideological, and deliberately misleading campaigns of extreme environmental activists.

Those affected can be assured AFPA will deploy every means we have available to us to ensure the interests of all our members are understood, appreciated, and respected by our elected representatives. We boast a powerful, expert, and well-connected team of advocates and policy managers with close and deep connections within each of the major political parties and all those exercising power on Canberra's Capital Hill.

Our renewable forest products sector follows world's best environmental practice, makes a significant contribution to the Australian economy, generates lots of jobs, and will play a crucial role in both addressing climate change and developing a circular bio-economy. One of our objectives is to make sure more people understand that.



On a more personal note, it has been both a pleasure and privilege to act as AFPA's CEO. I thank the Board for the opportunity.

Membership willing, I look forward to championing our sector and working with our member companies as an independent Director on the AFPA Board.

**Hon. Joel Fitzgibbon**

A handwritten signature in blue ink, consisting of stylized, overlapping loops and lines, representing the name Joel Fitzgibbon.





# AFFPA BOARD

Board at June 30 2023

The AFFPA Board is comprised of a group of directors drawn from AFFPA's membership and chambers along with independent directors.

Each of AFFPA's four membership chambers (hardwood processing, softwood manufacturing, growers & pulp, paper & bioproducts) are represented on the Board with two nominated representatives each. The remaining places are filled by independent directors.

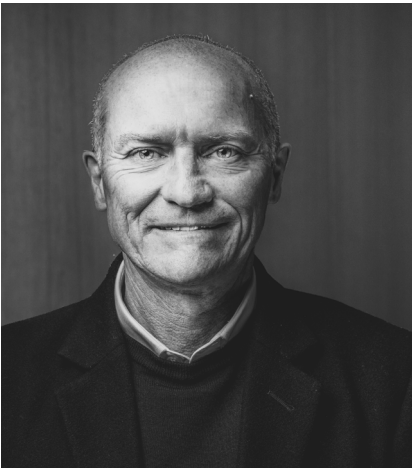
AFFPA is lucky to have a breadth of experience and expertise on its Board, which, along with the CEO, staff and broader membership, guide the Association to achieve its aims.



**Diana Gibbs**

CHAIR

Principal, Diana Gibbs and Partners



**Stephen Dadd**

Executive Director,  
The Pentarch Group



**Jessica Douglas**

Director, External  
Affairs, OneFortyOne



**James Malone**

Chief Executive  
Officer, Wesbeam



**Mark Rogers**

Managing Director,  
New Forests





## Jean-Yves Nouaze

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DEPUTY CHAIR

Executive General  
Manager, Visy Pulp  
& Paper



## Ian Telfer

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TREASURER

Chief Executive  
Officer, WA  
Plantation  
Resources



## Craig Dunn

---

General Manager,  
Public Relations &  
Sustainability,  
Opal Group



## Hon. Joel Fitzgibbon

---

Non-Executive  
Director



## Shane Vicary

---

Chief Executive  
Officer, AKD



## Steve Whiteley

---

Chief Executive  
Officer, Sustainable  
Timber Tasmania





## MISSION

To promote and grow Australia's sustainable and renewable forest products sector

## COMMITMENT

To be the leading national voice on public policy for the Australian forest products sector, delivering positive outcomes for industry and increasing community understanding and support

## VALUES



### INTEGRITY

Demonstrating honesty, transparency and accountability in all aspects of our work



### EXCELLENCE

Striving for the highest quality outcomes through innovation and a commitment to our workforce



### RESPECT

Being mindful and maintaining our commitment by interacting with others in an open and courteous manner



### COLLABORATION

Operating in a collaborative and positive manner with members, stakeholders and the wider community



### DIVERSITY

Providing an inclusive and tolerant environment and promoting the benefits of workplace diversity



# ABOUT AFPA

The Australian Forest Products Association (AFPA) represents the full value chain of Australia's forest products sector, 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 asked AFPA to support a new model of advocacy arrangements in an endeavour to maximise outcomes and minimise costs.

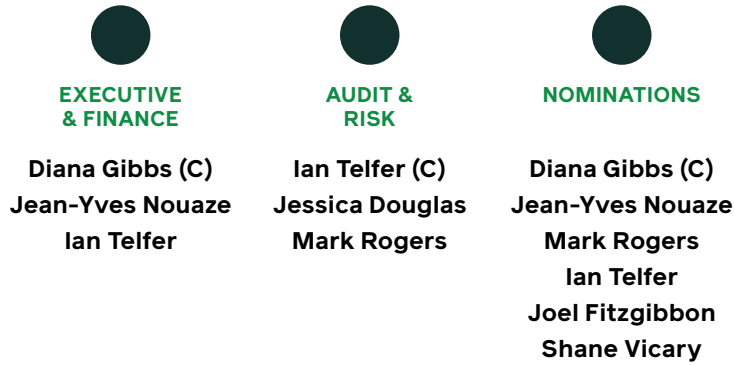
The states now running semi-autonomous operations are Victoria, South Australia, Tasmania and NSW (alongside Timber NSW). In these jurisdictions the advocacy body operates independently under a delegation from the AFPA Board.

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

## AFPA BOARD



## CLIMATE



## COMMUNICATIONS

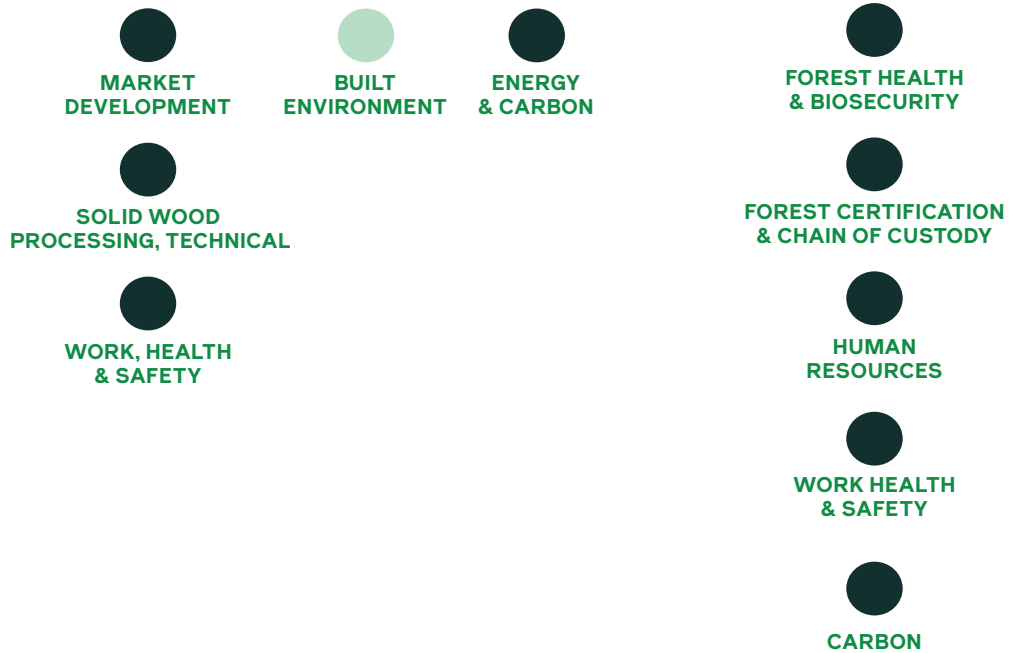


## HARDWOOD PROCESSING CHAMBER

## SOFTWOOD MANUFACTURING CHAMBER

## PULP, PAPER & BIOPRODUCTS CHAMBER

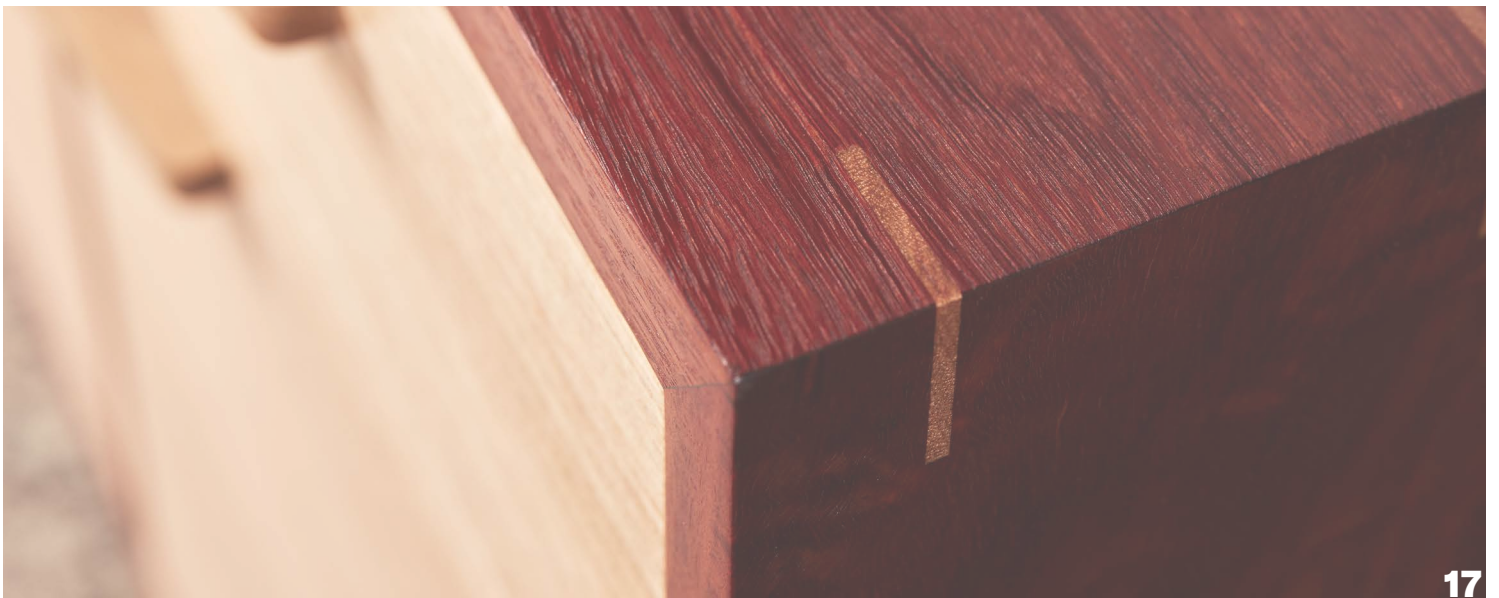
## GROWERS CHAMBER



### KEY













## 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 of the Australian Forest Contractors Association

### 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. Key activities include:

- Supporting AFPA staff representing industry with Pest reports or Emergency Plant Pest incidents (e.g., Giant Pine Scale)
- Development of a Biosecurity Incident Standard Operating Procedure (BISOP)
- Continual review and implementation of the Plantation Forests Biosecurity Plan
- Advise on operational and research capacity gaps in forest health and biosecurity
- Work with AFPA's National Biosecurity Manager to progress industry goals

## 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 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









Australian  
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The 2022 Murray Region Forestry Hub's National Forestry Day tree planting in Albury, NSW

# KEY MOMENTS

Following AFPA's frenetic activity surrounding the 2022 Federal Election, 2022-23 became a year of facilitation and implementation for the incoming Albanese Government's funding and policy commitments for the forest products sector.

After the disruption of the COVID pandemic AFPA also attempted to host its once a term Gala Dinner in the Great Hall of Australian Parliament House, only for the grand event to be cancelled just days out following the passing Queen Elizabeth II where protocol meant the Dinner could not proceed.

The team did its best to make up for the cancelled Gala Dinner by making November's Members Dinner at Canberra's Hyatt Hotel a larger than normal affair. Prime Minister Anthony Albanese addressed the Dinner, heralding his Government's support for the forestry sector, while the event also served as a fitting send off for two retiring AFPA stalwarts, Greg McCormack and Ross Hampton who retired after each serving a decade as Chair and CEO of AFPA, respectively. AFPA also conducted its annual and well attended Parliamentary Friends of Forestry, Timber and Paper Products Christmas Drinks inside Australian Parliament House.

The inaugural National Forestry Day went ahead on 30 August 2022 as a new AFPA driven concept to promote the sector to decision makers,

the broader community and to foster the existing industry pride.

A number of member organisations and other stakeholders organised different events to promote National Forestry Day – including the Murray Region Forestry Hub – which organised a commemorative tree planting with local Civic leaders at National Foresters Grove in Albury, NSW.

**Joe Prevedello**  
Communications Director



Minister Murray Watt and Joel Fitzgibbon at the 2022 AFPA Christmas Drinks





# AFPA COP27 REPORT

AFPA holds formal observer organisation status to United Nations Framework Convention on Climate Change (UNFCCC). The objective of the UNFCCC is to “stabilise greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.”

Through the framework of collective action at the Conference of the Parties (COPs) AFPA is able to directly engage in sessions of the UNFCCC, by showcasing Australia’s Forest and Forest Products Sector, holding bilateral meetings and advocating for Australia specific policy perspectives.

## Trip Purpose

AFPA sought to have a positive and material impact on Australian forestry policy through hosting six events at COP27 in Sharm El Sheikh, Egypt (6 to 18 November 2022).

The AFPA delegation included: Diana Gibbs - WChair, Ross Hampton- CEO, Hon Joel Fitzgibbon- Non-executive Board Director, Natasa Sikman - Climate Policy Manager, Sara Bray - Growers Chamber Manager and Mark Wootton - Jigsaw Farms.

AFPA in partnership with the National Farmers’ Federation (NFF) delivered a key message to both Australian and international decision makers that “farm forestry is essential to meet the challenges of climate change whilst ensuring the world’s food and fibre needs”.

To tell the story of Australia’s potential to increase Climate Smart Farming with Farm Forestry we showcased Mark Wootton an Australian farmer whose data backed approach doubled productivity and increased biodiversity outcomes on his farm – Jigsaw Farms, whilst becoming carbon neutral, due



We know that the challenge to limit global warming temperature to 1.5 degrees by the midcentury is becoming increasingly more difficult. According to the Intergovernmental Panel on Climate Change (IPCC) the world is on track to increase global temperatures by about 2.5 degrees by 2100.

AFPA with our international partner the Brazilian Tree Industries (ibá) and in collaboration with the FAO Advisory Committee on Sustainable Forest-based industries hosted a clear solution based and pragmatic panel session with key decision makers discussing different nationally determined approaches. At this event we launched the Dalberg Report: The growing role of forest products in climate change mitigation and the need for nationally determined forestry approaches to achieve net zero emissions.<sup>1</sup>

The overall message of the event was that sustainable forestry management will look different in different parts of the world, but that these diverse approaches will all contribute to growing sustainable timber and fibre supplies while also playing a significant role in keeping ‘1.5°C alive’. We thank Senator the Hon Ms Jenny McAllister, Assistant Minister for Climate Change and Energy for taking part in this important discussion and for detailing the Australian Government’s commitment to Australia’s diverse sustainable forestry management operations.

<sup>1</sup><https://ausfpa.com.au/wp-content/uploads/2022/11/17.11.22-Dalberg-Report-compressed-1.pdf>



AFFPA engaged in a number of high profile ministerial meetings, including the Hon Chris Bowen, Minister for Climate Change and Energy.

We thank AFFPA members for their support in recognising the importance of AFFPA's delegation presence at COP27. It is through our diverse range of events that AFFPA will continue our discussions with the Australian Government as we look to future opportunities the low carbon bio economy will deliver for our sector.

Finally, AFFPA also thanks all of our presenters who contributed to our events providing meaningful and thought-provoking content.

AFFPA events - To see the full details of the AFFPA events please visit [www.ausfpa.com.au/cop27](http://www.ausfpa.com.au/cop27)

1. The role of certified timber plantations in keeping 1.5C alive
2. World Farmers Organisation Event – Towards recovery, resilience, and sustainability in agriculture – a multi-stakeholder partnership.
3. Climate Smart Farming, Forestry & Carbon Neutral Red Meat
4. Sustainable forestry in Asia Pacific: securing climate mitigation and livelihoods
5. Keeping 1.5 alive through growing the climate smart forestry based bio-economy
6. Two female leaders from opposite sides of the world discuss climate-friendly forest policy



AFFPA's delegation to COP27 with Assistant Minister for Climate Change and Energy

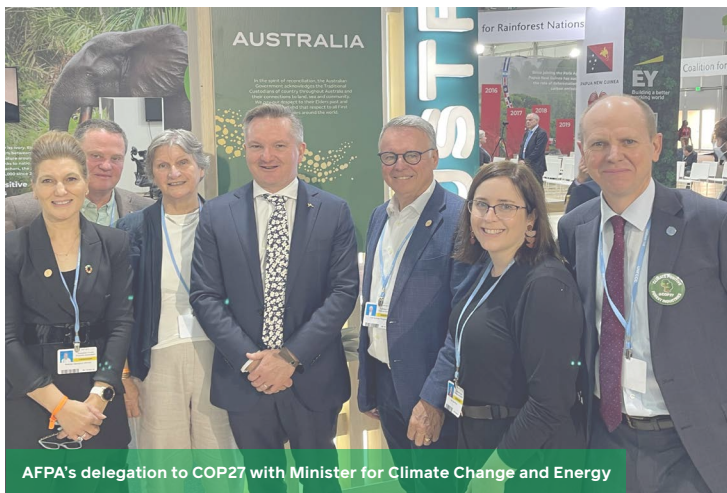


AFFPA's delegation to COP27 Minister for International Development and the Pacific

## Nataša Sikman

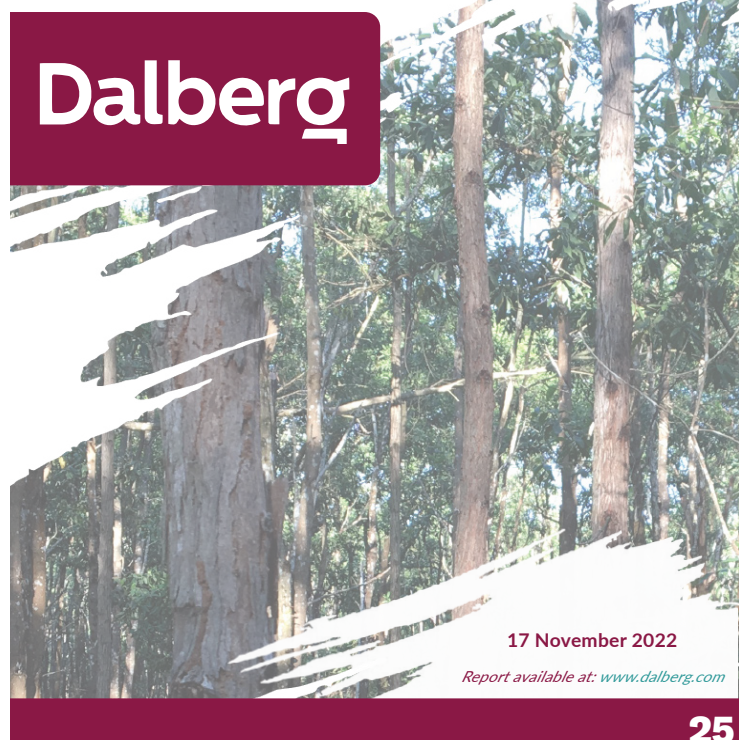


AFFPA's delegation to COP27



AFFPA's delegation to COP27 with Minister for Climate Change and Energy

**The growing role of forest products  
in climate change mitigation  
&  
the need for nationally determined  
forestry approaches to achieve net  
zero emissions**



17 November 2022

Report available at: [www.dalberg.com](http://www.dalberg.com)





# INTERNATIONAL AFFAIRS

## TOWARDS GLOBAL ADVOCACY FOR SUSTAINABLE FOREST INDUSTRIES

Through the course of the last few years it became clear that national policy touching on forestry was being more and more influenced by global developments. The breadth of issues was growing and ranged from EU led regulations defining when plantations would be defined as 'land degradation' (and therefore face punitive prohibitions under the EU 'Green Deal') through to emerging views regarding carbon abatement and new formulations touching on biodiversity and natural capital accounting.

AFPA realized that, no matter how effective its arguments in Canberra, the big settings were being put in place in locations such as Washington, Geneva, London and in the global meetings which established international agreements (which Australia often signed up to) and directions such as the Climate COPs, Biodiversity COPs, the World Economic Forum and the UN Food and Agriculture Organization.

Unlike most other major commodities, sustainable forestry did not have a specific global advocacy body. Others

sitting at that table – such as agriculture, mining and the global eNGOs – were often talking about our sector but we were not there.

In February Ross Hampton relocated to London with a goal of establishing an international sustainable forestry body. Eleven global companies managing some 10 million hectares across 28 countries have now agreed to form the International Sustainable Forestry Coalition (ISFC) with Dr David Brand, Executive Chairman of New Forests, as Convening Chair and Ross Hampton as Executive Director.

The ISFC released a Position Paper at New York Climate Week in September and will expand on its activities at COP28 in Dubai.

The ISFC is already being welcomed into the global dialogues by fellow travelers who acknowledge that our sector has the scale and balance sheets to contribute a great deal to some of the greatest environmental challenges facing the world.

The ISFC will support AFPA, and other national forest industry Associations, at COP28 and future events, as the unified voice of the sector.

### Ross Hampton



### Ross Hampton

AFPA Counsellor,  
International Affairs  
& Executive Director,  
International Sustainable  
Forestry Coalition





# Expanding the Forestry Sector Contribution to the Transition to a Sustainable Society

POSITION PAPER –  
September 2023

 **International Sustainable  
Forestry Coalition**

Supporting the role of sustainable forest  
management in the climate, nature, social  
justice and circular bioeconomy transitions



David Brand with Ross Hampton at Buckingham Palace





# HARDWOOD PROCESSING CHAMBER

It is a fact that our forests are sustainably managed to produce a wide range of benefits particularly for regional Australia. Timber production from native forests is an outcome of sustainable management. We should be proud of our foresters, timber workers and businesses who contribute in meeting the consumer need for wood products and our contribution to healthy forests.

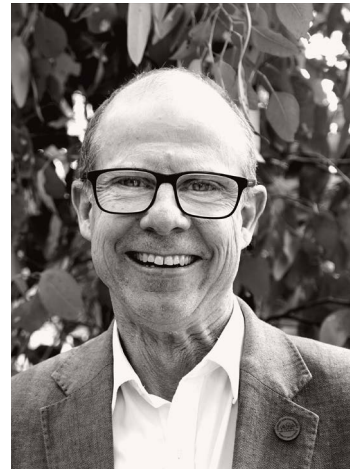
The IPCC notes that: 'global supply of timber can only meet 36% of the global demand for timber between 2020 and 2050'<sup>1</sup>. As a result the ongoing sustainable use of native forestry is critical to help meet the population needs. In Europe there is a mature approach to sustainable forestry, 85% of their forests managed and available to be harvested for timber.<sup>2</sup> Whereas in Australia, only 7% of our native forests are currently approved to be sustainably harvested.<sup>3</sup>

Despite this reality, unfortunately, and increasingly, we are farewelling Industry colleagues of long standing. Not because they choose to leave but because of nearsighted native forestry decisions by state governments driven by activists spreading misinformation to urban constituents. The disconnect between consumers and the products that

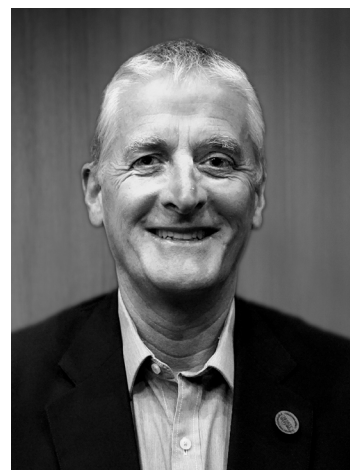
they consume is vast and growing and led by NGO's business model of pedalling disaster despite the irrevocable evidence that timber production and sustainable forest management are mutually compatible objectives. At the same time, protagonists advocating for a Net Zero future, conveniently choose to ignore the important role forestry must play in Australia's Net Zero commitments.

On 23 May the Victorian Government announced it was bringing forward the timeline for closure of that state's native forest harvesting industry to 1 January 2024. This decision was justified by the Victorian government due to extensive legal challenges effectively halting production. Unfortunately this was a self-fulfilling policy of government who refused to defend the industry against sustained spurious challenges.

Industry has been left to find, at impossibly short notice, timber supplies to meet contract commitments. The government has focused compensating workers and businesses with little resources provided for providing alternative timber resources in an already overstretched market.



**Richard Hyett**  
Chamber Manager  
(from April 2023)  
Director of Policy



**Ian Telfer**  
Chamber Chair  
Chief Executive Officer,  
WAPRES



Imports into Victoria have skyrocketed and mainly from countries with lower environmental standards than Australia. The irony that environmental groups are shutting down the industry leading to worse environment outcomes is not lost on the industry. WA have been just as hardheaded with their approach. The WA sector is confronting no supply, the loss of skilled workers and no Plan for the future. Consumer demand is met through increasing imports. There is no local alternative for sawn jarrah & karri timber.

In a world that is increasing its timber use to replace plastics, reduce emissions in the construction sector and increase bioenergy these decisions defy logic.

As my first year as Chamber Manager for the Hardwood Processing Chamber it has been great getting to know the members better and representing their interests. The challenge is in front of us. The establishment of the Forests in Perpetuity Working Group is an important step for industry as we seek to reshape the role of active management of native forestry to focus on the health of the forest.

**Richard Hyett**



<sup>1</sup>Intergovernmental Panel on Climate Change (2022), Climate Change 2022: Mitigation of Climate Change, Working Group III contribution to the Sixth Assessment Report of the Intergovernmental panel on Climate Change, page 996

[https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC\\_AR6\\_WGIII\\_FullReport.pdf](https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_FullReport.pdf)

<sup>2</sup>European Forest Institute, Forests in Europe, <https://efi.int/forestquestions/europe>.

<sup>3</sup>ABARES, State of the Forests Report (2018), page 55.





# SOFTWOOD MANUFACTURING CHAMBER

The Chamber focuses on working together to achieve industry wide priorities and objectives for the improvement of Softwood Manufacturing across Australia. To support and guide the collaborative effort, the Chamber developed and finalised a new five-year Strategic Plan which was launched in November 2022. Thanks to all the members for their considerable time and great engagement in developing this shared vision for the our sector of the forestry industry.

The Plan identifies five priority areas:

- Innovation
- Resource security
- Carbon positive – sustainability
- Government policy and investment support, market stability, access and competitiveness
- Social licence and community support of forestry

The Strategy is based on five key priorities:

1. Developing advanced timber manufacturing
2. Planting one billion trees
3. Reduce the softwood industry emissions footprint

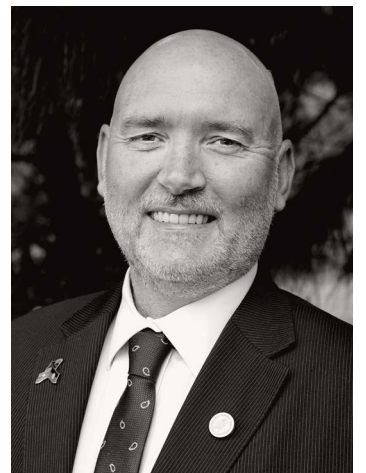
4. A Federal and State Government plan for Australia's timber security and growing a desirable safer workplace
5. Increase public recognition and community support of forestry and timber products as a sustainable carbon positive solution

Policy and advocacy activities for the softwood manufacturing sector continued to highlight the looming long-term shortfall in domestically grown timber fibre for use in housing construction.

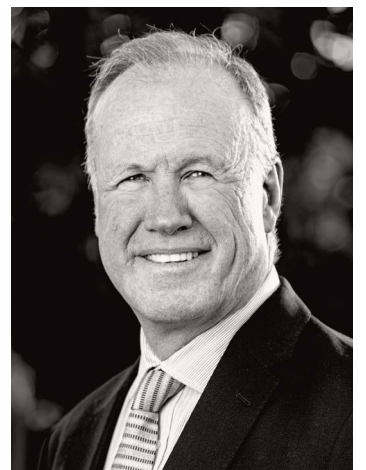
Tracking progress on election commitments made by the Albanese Government has also been a feature, including the \$110 million ***Accelerate Adoption of Wood Processing Innovation Program***. Pleasingly, AFPA member companies were well represented in the list of grant recipients.

Towards the end of the 2023 financial year, significant concerns were raised at the decline of the housing construction market demand, with flow-on effects for softwood manufacturing member companies.

AFPA is engaging with Ministers and liaising with building and construction associations to inform a government response.



**Tim Lester**  
Chamber Manager  
(from April 2023)  
Senior Policy Manager



**Patrick Warrand**  
Chamber Chair  
Managing Director  
- Wespine



The Chamber operates three subcommittees:

- The Market Development Subcommittee is driving a multi-year promotional campaign for Timber Framing – The Ultimate Renewable through a broad interest group, the Timber Framing Collective
- The Work Health & Safety Subcommittee uses the knowledge, skills and experience across the membership to improve safety performance through sharing learnings and creating guidance material for the sector

The Solid Wood Processing Technical Subcommittee addresses technical issues relating to timber product processing, highlighted by a major project to provide feedback to industry on the structural properties of their softwood

The 2022-23 year also saw further development of the Timber Market Index to improve market data transparency across industry, and formation of a Built Environment Working Group to look at emission reduction methodologies for valuing the role of carbon stored in timber used in large construction projects.

Activities in the coming financial year will further enhance the credentials of timber as a preferred and renewable building material. A new project by the University of the Sunshine Coast is investigating opportunities to repurpose preservative-treated timber and engineered wood products at end-of-life rather than disposal through landfill or combustion. Meanwhile the University of South Australia, as part of the NIFPI Green Triangle, will build on a project which gathered a huge representative sample of Australian softwood sawmill sawn timber production to identify potential amendments to the relevant Australian standards and enable implementation of more efficient testing regimes.

## Tim Lester

\* **Richard Hyett**, Chamber Manager (to April 2023)  
Director of Policy







# GROWERS CHAMBER

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 the last year the Growers Chamber met three times in person and had one meeting via video conference. Attendance at the meetings continued to grow with increasing diversity.

## Key achievements of the Growers Chamber in 2022/23:

- Collaborated with CER on change to the ERF scheme resulting in new Schedule 3 methodology being released
- Supported efforts to establish a National Forestry Research and Development entity (AFWI)
- Finalised and executed the National Biosecurity collaboration agreement
- Established the Carbon subcommittee
- Employed Paco Tovar as the national

Biosecurity Manager who is responsible for managing biosecurity issues on behalf of the forest growers

- Introduction of the new forest grower R&D levy component starting at \$0.035 per m<sup>3</sup> in FY 22/23, increasing to \$0.06 in FY23/24 and \$0.085 in FY24/25 and onwards. Introduction of the increase in biosecurity levy for plantation logs from \$0.005 per m<sup>3</sup> to \$0.05 per m<sup>3</sup> from 1 July 2022 to fund the National Forest Biosecurity Surveillance Program
- Launch of the Federal Support Plantation Establishment grant program
- Voluntary continuation of the Grower Collaboration Commitment Contribution for an additional 3 years
- Collaboration with FWPA for social licence in the community marketing research

The Growers Chamber has five subcommittees which address areas of specific interest to the Chamber and consider current issues and develop policy.

## The key achievements of the five Subcommittees for 2022/23 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



**Sara Bray**  
Chamber Manager  
Senior Policy Manager



**Andrew Jacobs**  
Chamber Chair  
Chief Strategy Officer-  
Forico



## Achievements

- Participated in the Federal Government's Forestry Worker Training Program Scoping Study consultation
- Inclusion of additional questions about indigenous employment in the members' annual voluntary Gender and Diversity Survey
- Engaged Mercer to undertake employee pay benchmarking research for participating members

2. **Work Health & Safety Subcommittee (WHSS)** advises the Growers Chamber on matters relating to work health and safety across the forestry industry

## Achievements

- Successful project through the NHVR Heavy Vehicle Safety Initiative (HVSII) funding and working with ForestWorks to deliver an updated Log Haulage Manual to complement the (soon to be released) Log Haulage Code of Practice
- Publishing additional industry developed guidelines on the AFPA WHSS webpage
- Inaugural WHSS Forest Industry Safety Conference held over 2 days in Melbourne in November 2023
- Industry webinars delivered to AFPA Members (Log Haulage Code of Practice, psychosocial regulatory changes, AFPA safe events)  
National Institute for Forest Products Innovation and Forest and Wood Products Australia funding secured for industry backed projects best practice chemical application in a forestry setting and exploring unintended consequences of multiple in-cab driver technologies

3. **Forest Certification & Chain of Custody Subcommittee** advises the Growers Chamber on Forest Management certification and Chain of Custody certification across forest industries

## Achievements

- Participated in the Forest Stewardship Council National Risk Assessment consultation
- Support for Forest Stewardship Council Forest Management Standards Development Group

4. **Forest Health & Biosecurity Subcommittee (FHaB)** advises the Growers Chamber on forest health and biosecurity across forestry industries

## Achievements

- Implemented Biosecurity Training Registers and encouraged training participation for Industry Biosecurity Liaisons and FHaB members
  - Provided guidance on implementation forest biosecurity surveillance program – of Forest Watch Australia
  - Responded to 7 pest incidents, including:
    - i. Polyphagous Shot Hole Borer incursion in WA. Successfully advocated for costs to be borne 100% by government
    - ii. Giant Pine Scale outbreak in Adelaide. Successfully advocated for the formation of a government-industry working group and development of a response plan
5. **Carbon Subcommittee** advises the Growers Chamber on opportunities for forestry growers to participate in the carbon market

## Achievements

- Committee re-establishment
- Participation in the Clean Energy Regulator streamlining form process
- Identification of priority future opportunities

**Sara Bray**







# PULP, PAPER & BIOPRODUCTS CHAMBER

The pulp, paper and bioproducts sector accounts for some \$10 billion in turnover annually for the Australian economy, directly creating around 15,000 jobs. These 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. There are also a range of additional and emerging opportunities for bioproducts industries such as bioplastics, bioenergies, biofuels and biochemicals.

The Chamber met four times during the year to discuss and progress key policy areas including emissions reduction and amendments to the Safeguard Mechanism introduced to Parliament; security of domestic fibre and energy supply; sustainability and the circular economy; and a FWPA study of the sector's carbon dioxide emissions footprint.

The intersection of energy and carbon has remained a priority for the chamber and the focus on the

Chamber's Energy and Carbon subcommittee which will also oversee the Chamber's involvement in the FWPA study.

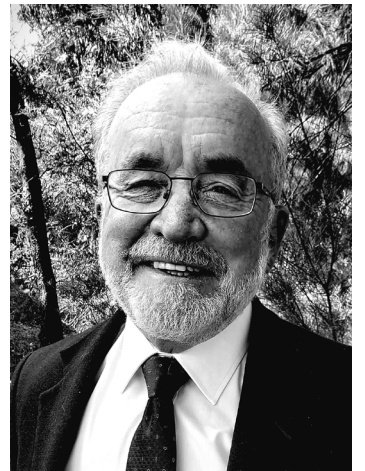
The Chamber will continue to work with the Commonwealth Government as it implements an agenda for environment and climate change, and industry development.

The Energy and Carbon subcommittee had a particular focus this year on the Government's Safeguard Mechanism for greenhouse gas emissions from energy intensive industries.

The Government has passed legislation to amend the mechanism and establish a decarbonisation trajectory for the industrial sector. Two AFPA members are captured by the Safeguard Mechanism, although there are potential flow on impacts for others.

The Federal Opposition did not support the Government's proposed legislative amendments making negotiations around the final wording of the Bill a matter for the crossbench.

AFPA worked with senior members of industry and supportive Senators to successfully negotiate a positive change to the Bill relating to the generation of Safeguard Mechanism Credits.



**Gordon Neil**  
Chamber Manager  
Policy Manager



**Kate Baker**  
Chamber Chair  
General Manager,  
Circular Economy &  
Sustainability - Visy



Safeguard facilities that lower their emissions below the scheme threshold (currently 100,000 tonnes CO<sub>2</sub>-equivalent annually) will now continue generating Credits for up to 10 years (rather than 5 years), a much more realistic time frame considering pay-off periods required for major capital investments.

The transition to a net-zero carbon economy involves substantial challenges for the economy overall and for energy intensive industries in particular. It requires both substantial emissions abatement and significantly increased carbon sequestration. Sustainable forestry practices and products address both requirements, and there continues to be strong advocacy for policies to support economically, environmentally, and socially sustainable industrial activity.

During the year the Chamber finalised and released to the AFPA website three position papers: Energy and Carbon for Pulp, Paper and Bioproducts – Policy Statement (updated August 2022); Decarbonisation of Energy via Advanced Cogeneration for Pulp, Paper, Fibre Packaging and Tissue Production (August 2022) and Woody Biomass – A Renewable Resource from Sustainable Managed Forests.

**Gordon Neil**







# CLIMATE POLICY

The newly elected Federal Parliament saw the emergence of politicians who had little or no real engagement with our sector. This resulted in a Senate disallowance against the Plantation Forestry method on 26 July 2022. AFPA actively campaigned against the disallowance motion, engaging with all Senators to oppose the motion. On 8 February it was defeated 33 to 13.

But this wasn't the only significant challenge put against the Plantation Forestry Method with calls from various quarters for a complete review of the method via that Government's Independent Review of Australian Carbon Credit Units.

The Review report was published in January with the lead author Professor Ian Chubb AC stating that **“The only pathway known to science that has the immediate capacity - immediate capacity - to remove greenhouse gases, particularly CO<sub>2</sub>, from the atmosphere at scale is photosynthesis...”** So, to start CO<sub>2</sub> removal, at scale, well before 2050, as the IPCC urges, **the land sector will have to carry much of the immediate load.**

On a positive note, the Federal Government opened its \$73 million Support Plantation Establishment grant program to grow Australia's sustainable timber supply and formed the Strategic Forest and Renewable Materials Partnership. The Partnership is co-chaired by AFPA's Chair and national secretary of the CFMEU Manufacturing Division.

The past 12 months saw climate policy focus on the role nature-based solutions will play in meeting societal decarbonisation challenges. This focus pushed policy and decision makers to turn their minds to the role natural capital will play in the transition to a low carbon circular bioeconomy.

More work is needed to connect the dots of the significant role Australia's world class sustainable and renewable forest products sector will play in shifting the current economy to the future low carbon bioeconomy. This was the clear message AFPA took to COP27 in November and continues to advocate for with Australian decision makers.

AFPA represented the climate policy interests of our members appearing at Senate and House Parliamentary inquiries and via submissions developed through the work of the Climate Policy Sub-committee (CPSC).



**Nataša Sikman**  
Climate Policy Manager  
Deputy CEO



**Sara Gipton**  
Chamber Chair  
Business Development  
Manager - PFOLSEN

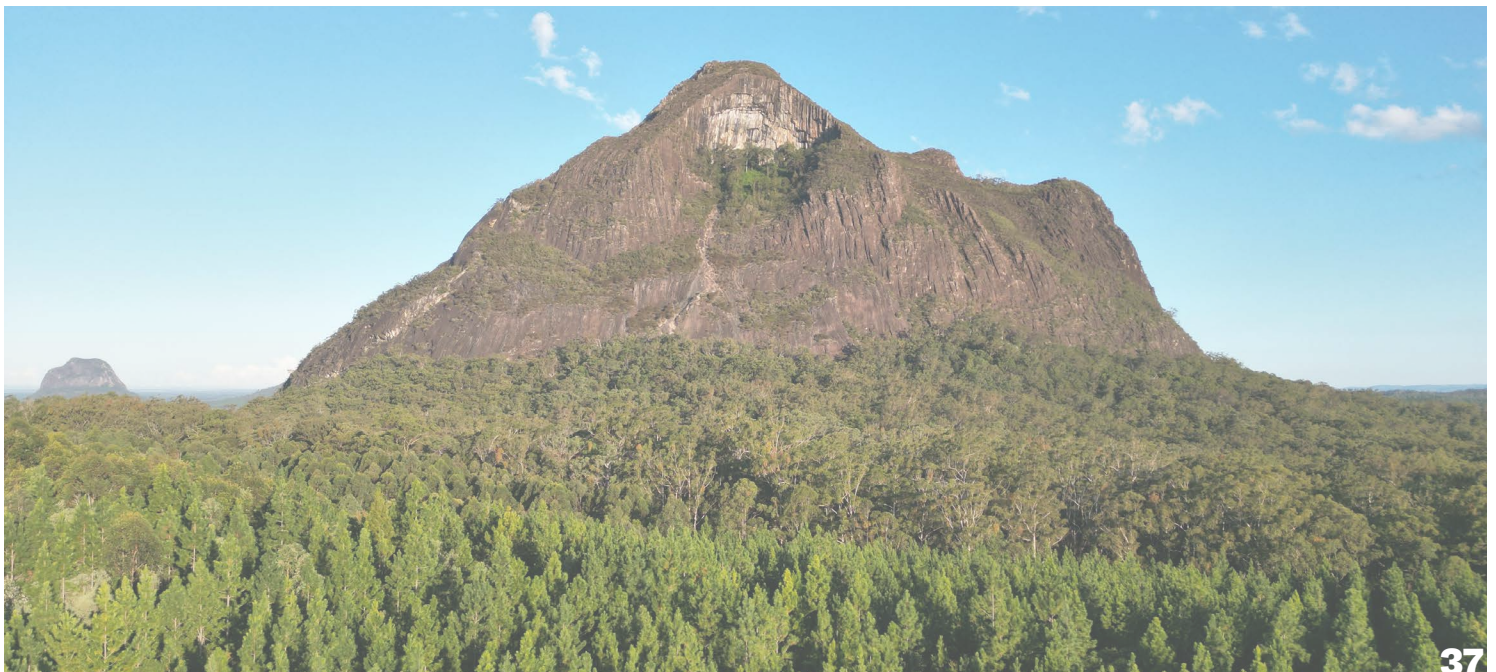


The CPSC continues its advisory subcommittee work to support the AFPA Board and to develop a holistic narrative as to how Australia's nature-based sustainable and renewable forest and forest products sector can constructively contribute to both capturing more carbon emissions and to the decarbonisation of Australia's economy.

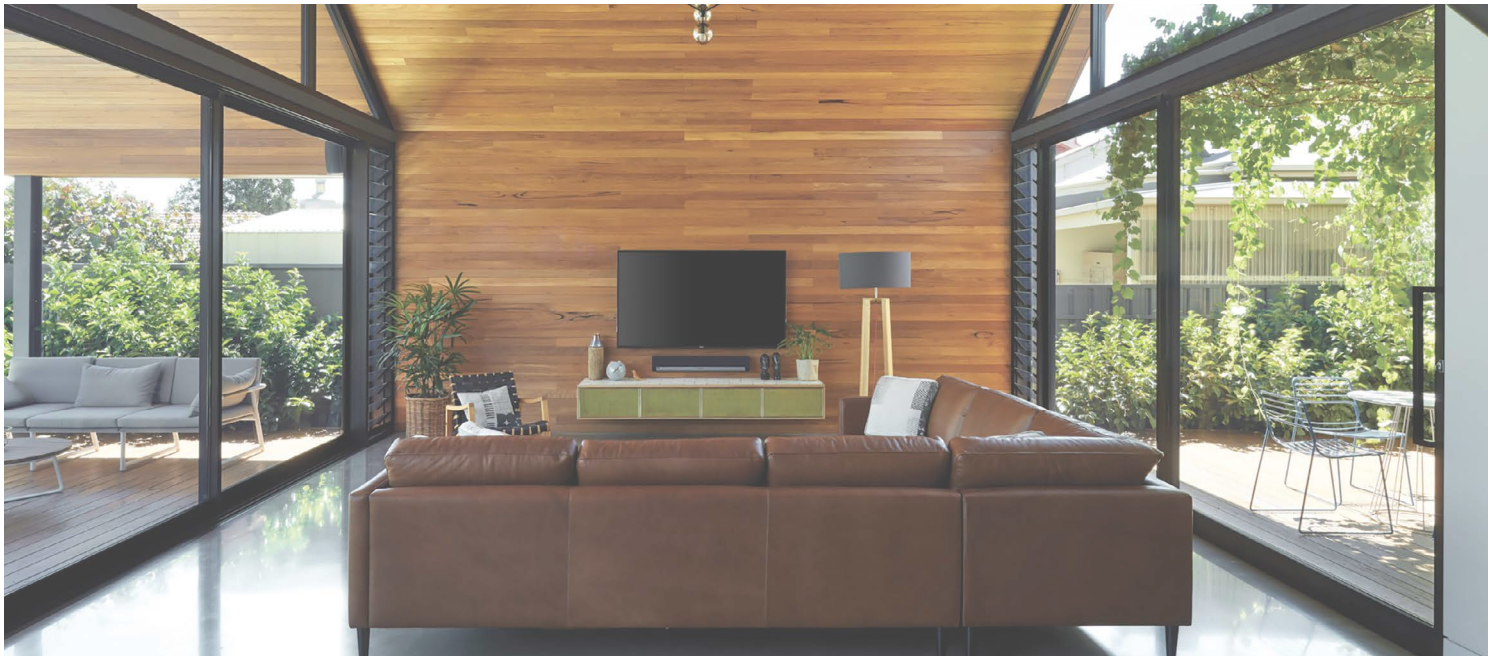
**CPSC Submissions:**

- Submission on Independent Review of Australian Carbon Credit Units September 2022
- Submission on proposed removal of 'water rule' for forest carbon credit projects November 2022
- Submission to the House Standing Committee on Agriculture Inquiry into food Security in Australia December 2022
- Submission to the Climate-related Financial Disclosure February 2023
- Submission to the Nature Repair Market Bill 2023 and Nature Repair Market (Consequential Amendments) Bill 2023 June 2023

**Nataša Sikman**







# AFPA NSW

## NEW SOUTH WALES AUSTRALIAN FOREST PRODUCTS ASSOCIATION

The Australian Forest Products Association New South Wales has marked significant achievements in the 2022-23 financial year, advocating for and achieving important milestones in the timber industry. The organisation's relentless efforts to promote the timber industry's importance to elected members, departmental agencies, and industry organisations and the media have not gone unnoticed.

The NSW election held in March 2023 was a tightly fought contest with both major parties pledging support for the timber industry. AFPA NSW hosted a number of pre-election events with political candidates and secured a number of important commitments from both sides leading into the election. It is vital that the industry continues to have a leading voice to work with politicians on policies and plans to secure and grow our industry.

One of the most notable accomplishments has been AFPA's success in securing a commitment from the incumbent NSW Government to expand the NSW plantation estate. This commitment acknowledges the pivotal role of sustainable forestry

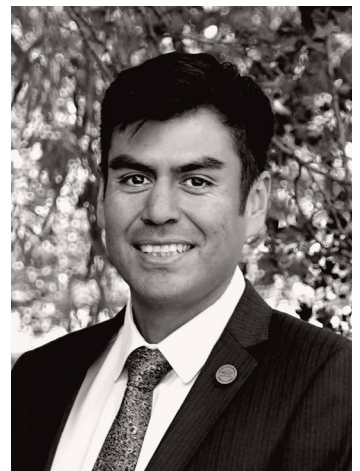
practices and meeting the growing demand for timber products.

Furthermore, the commitment to ensure no loss of productive timber operations on the NSW north coast due to the creation of the Great Koala National Park is a testament to AFPA's commitment to securing the long-term future of our industry. This highlights the organisation's ability to engage in constructive dialogue with the government and find solutions that support the industry.

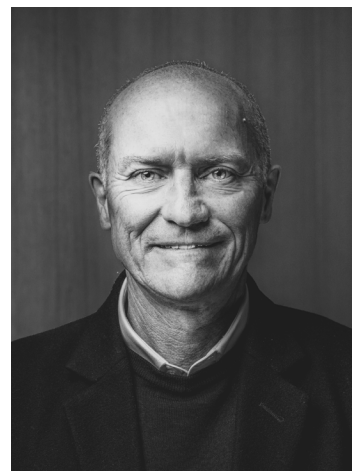
As AFPA NSW looks ahead to the next financial year, we will be recruiting a new state CEO, who is expected to carry forward this important work for the timber industry. The role of AFPA NSW remains pivotal in representing the interests of forestry and timber stakeholders across the state.

Advocacy work must continue to address challenges including the future supply of domestic timber resource, build a strong position for forests and wood products in new and emerging carbon markets, telling the positive story surrounding our native hardwood industry and ensuring that the industry remains competitive and sustainable into the future.

**Victor Violante**



**Victor Violante**  
Chief Executive Officer  
Senior Policy Manager



**Stephen Dadd**  
Chair  
Executive Director  
- The Pentarch Group



# GOVERNING COUNCIL



**Jacob Lazarus**  
Deputy Chair  
General Manager,  
Southern Cross Forests



**Shane Vicary**  
Council Member  
CEO, AKD Softwoods  
Trading



**Wolf Lorenz**  
Council Member  
General Manager,  
Oji Fibre Solutions



Stephen Dadd, Victor Violante, Tania Mihailuk MLC and Dugald Saunders MLA at the NSW Parliamentary Friends of Forestry launch at NSW State Parliament



Courtney Houssos MLC speaking at the NSW Parliamentary Friends of Forestry launch at NSW State Parliament



The AFPA NSW Politics in the Pub, Tumut, NSW





# SAFPA

## SOUTH AUSTRALIAN FOREST PRODUCTS ASSOCIATION

The South Australian Forest Products Association (SAFPA) is the peak industry body representing the entirety of the forest industries value chain in South Australia. With members spanning breeding, growing, managing and harvesting our sustainable plantations and primary and secondary processing of timber and other fibre products – our industry builds South Australia and the nation.

SAFPA operates as the political wing of the forest industries in South Australia and under the guidance of CEO Nathan Paine, Chair Tammy Auld and the Governing Council, SAFPA continues to execute a political engagement strategy that has seen the forest industries recognised across Parliament for its role in growing the economy, supporting regional jobs and helping the state achieve its Net Zero target.

While SAFPA was extraordinarily successful in securing significant commitments from the Government in the lead up to the 2022 South Australian State Election, the focus over the next 12 months will be updating the association's policy platform whilst also rolling out a political engagement strategy to ensure the industry is best placed to protect its current water allocations and secure access to more water allocations to secure more trees in the ground.

### Key outcomes during 2022-23:

- Grew SAFPA's internal resources to supercharge our internal and external communications to increase the recognition of the critical

importance of our industry to the economy, community and environment

- Rolled out new communication channels including a podcast, interviewing people such as Telstra's head of technology, and a Virtual Members Meeting which provided critical and contemporary information to members
- Developed trusted relationships between SAFPA, its members, other industry stakeholders and key decision-makers including key Ministers, Shadow Ministers and Departmental influencers
- Re-booted the Parliamentary Friends of Forestry which has embedded a deeper relationship between the industry and political leaders with a clear target of improving the industry's social licence

### Key priorities during 2023-24:

- Refresh SAFPA's Policy Platform to commence advocacy in the lead up to the 2026 State Election, including a political engagement strategy to secure meaningful water policy reform as part of the 2023 review process
- Secure a state government financial commitment to support the planting of more trees in the ground.
- Increase trusted relationships between SAFPA, its members, other industry stakeholders and key decision-makers including the key Ministers, Shadow Ministers and Departmental influencers



**Nathan Paine**  
Chief Executive Officer



**Tammy Auld**  
Chair  
Customer and Regional Manager, Timberlands Pacific

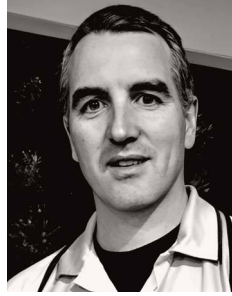
**Nathan Paine**



# GOVERNING COUNCIL



**Greg Boulton**  
Council Member  
Chair, SA Pine



**Adrian Flowers**  
Council Member  
General Manager,  
Tabeel Trading



**John Forster**  
Deputy Chair/  
Treasurer  
General Manager,  
SE Pine



**Mike Lawson**  
Council Member  
Chief Operating Officer,  
SFM Environmental  
Solutions



**Odette Lubbe**  
Council Member  
Managing Director,  
GTFP



**Phil Mason**  
Council Member  
Director Operations  
ANZFF, New Forests



**Craig Nisbet**  
Council Member  
Chief Executive Officer,  
NF McDonnell & Sons



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



**Darren Sims**  
Council Member  
General Manager  
Finance Australia,  
OneFortyOne  
Green Triangle

# STAFF



**Haley Welch**  
Communications  
Advisor







# TFPA

## TASMANIAN FOREST PRODUCTS ASSOCIATION

The TFPA is the peak body for forestry in Tasmania, undertaking policy development, lobbying and advocacy for our members interests.

The TFPA represents all elements of the value chain - including harvesting, plantations, forest management and processing - to governments, the Tasmanian Parliament, media, and the general public.

Over the course of 2022-23 we have seen some seismic events in Tasmanian politics. The year began with statistics showing the state's housing and health crises worsening; followed by the controversial awarding of the 19th AFL licence to the state - contingent on the building of a new \$750million stadium in Hobart.

Then, following months of criticism over the stadium decision, two members of the Government's backbench quit the Liberal Party. The surprise move by John Tucker and Lara Alexander plunged the Liberal Government into minority - which has seen parliament paralysed ever since. Early this financial year the Minister for Forestry announced a \$10 million plan to support on-island processing.

Meanwhile, Dan Andrew's decision to end native forestry in Victoria sent shockwaves across Bass Strait, with members of the Tasmanian industry claiming Victorian loggers, cashed up from government bail outs in their state, were undercutting

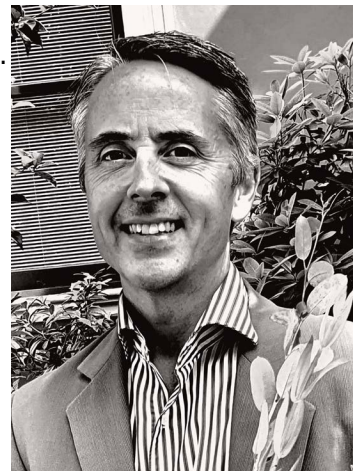
Tasmanian businesses to gain a share of our state's sustainable yield.

At the same time, ongoing court battles between the state's forest authorities and ENGOs have continued, with an appeal being heard between the Tasmanian Forests Practices Authority (FPA) and green groups surrounding certification of forest works. The TFPA remains vigilant to the potential ramifications of a negative outcome and is offering advice and commentary, when needed, to support the industry.

Throughout all the uncertainty over the last 12 months, the TFPA has continued to push the industry's message, making inroads across all sides of Tasmanian politics, and ensuring our members are represented throughout the decision-making process.

Our continued work has seen the TFPA recognised as one of the state's key industry associations, invited to be sit on several key government panels, including the Future Forest Advisory Panel, Minister's Climate Change Advisory Panel, and the Premier's roundtable.

With the continued political uncertainty showing no signs of abating, the TFPA is preparing its key priorities ahead of a possible early election. The TFPA will continue to hold all sides of politics to account, and ensure forestry is recognised as essential for Tasmania's future prosperity.



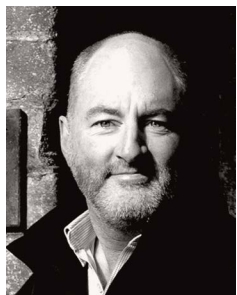
**Nick Steel**  
Chief Executive Officer



**Bryan Hayes**  
Chair  
Industry Advocacy & Projects, Forico



# GOVERNING COUNCIL



**Shawn Britton**  
Deputy Chair  
Managing Director,  
Britton Timbers



**Arnold Willems**  
Treasurer  
Commercial Manager,  
Norske Skog



**Andrew Morgan**  
Council Member  
Managing Director,  
SFM



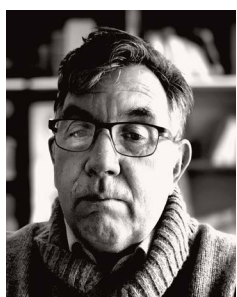
**Andrew Walker**  
Council Member  
CEO, Neville Smith  
Forest Products



**Owen Hoffman**  
Council Member  
General Manager,  
Reliance Forest Fibre



**Steven Brown**  
Council Member  
CEO, Timberlands  
Pacific



**Andrew Wye**  
Council Member  
State Manager,  
Wood Based Products



# STAFF



**David Bauche**  
Media & Public  
Relations Manager



Tour of the new UTAS Rivers Edge Building, Inveresk Campus, Launceston. I-r: Dr Louise Wallis, UTAS; Nick Steel, TFPA; Prof Greg Nolan, UTAS; Shawn Britton, Britton Timbers; and Prof. Julian Worrall, UTAS





# VFPA

## VICTORIAN FOREST PRODUCTS ASSOCIATION

The Victorian Forest Products Association (VFPA) is the primary industry organisation representing the timber and wood fibre sector in Victoria. This encompasses businesses engaged in the production, processing and value adding of wood fibre.

VFPA welcomes businesses involved in the wood fibre industry, irrespective of whether they manufacture wood products for the construction sector, produce cardboard goods, offer specialised items such as furniture or guitars, develop fibre-based biotech solutions, innovate with reclaimed timber, or engage in recycling endeavours. VFPA currently has 26 full members and four associate members, welcoming new member AG Brown Sawmill this year.

VFPA is dedicated to supporting the Victorian forestry sector. We engage in proactive advocacy for key policies, participate in government consultations, and maintain regular communication with bureaucrats, ministerial staff, and the opposition. We also closely monitor parliamentary processes that affect the industry. VFPA organises various events and networking opportunities such as workshops, member dinners, roundtables, and lunchtime briefings.

We facilitate connections with other industry bodies and research and development entities. Communication-wise, VFPA issues regular media releases, engages with the media to raise industry concerns, and

sends out weekly newsletters with political insights.

### Key priorities during 2022-23:

- Ran significant campaigns for the Victorian state election
- Undertook a member survey which highlighted areas we can improve to best serve our members and which activities and priorities are going well
- Secured government support for plantation production and processing
- Advocated for the use of sustainable and renewable wood products in public buildings and projects such as social housing, as well as new plantations as a 2026 Commonwealth Games legacy
- Completed numerous submissions to Government and were represented on several Government advisory groups, and
- Launched Victoria Wood, an awareness program promoting the social benefit of the wood and wood fibre industry.

The ongoing litigation against VicForests culminated with the Government's announcement at the May budget to phase out native forestry by the end of 2023. While the Government's rhetoric of support for plantation forestry and processing is most welcome, this is yet to translate to tangible outcomes on the key issues of concern for members. However, at the end of the financial year, some small steps forward indicate this situation may improve during FY24.



**Deb Kerr**  
Chief Executive Officer



**Rob Hescock**  
Chair

Chief Operating Officer, HVP

**Deborah Kerr**



# GOVERNING COUNCIL



**Phil Mason**  
Deputy Chair  
Director Operations  
ANZFF, New Forests



**Darren Shelden**  
Treasurer  
Port & Logistics  
Manager, ABP



**Sarah Harvie**  
Council Member  
External  
Communications  
Manager, Opal



**Mike Lawson**  
Council Member  
Chief Operating Officer,  
SFM Environmental  
Solutions



**Owen Trumper**  
Council Member  
General Manager,  
Operations, AKD



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



**Vince Hurley**  
Council Member  
Managing Director,  
ASH



**Dan Pote**  
Council Member  
National Operations  
Manager, PF Olsen,  
(Resigned May 2022)

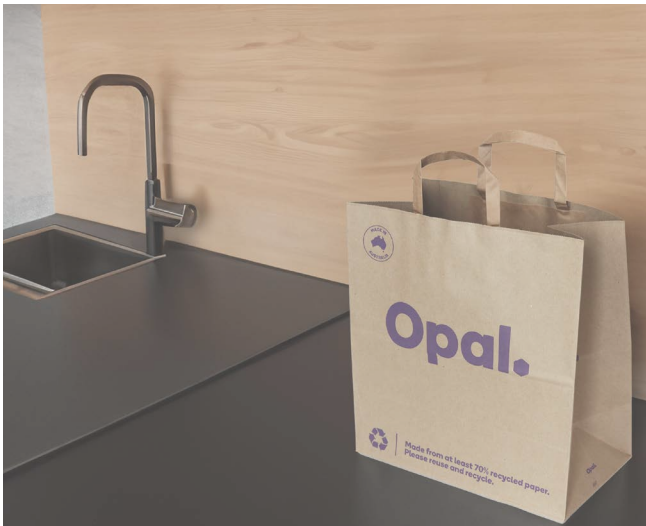


**Tim Benny**  
Council Member  
National Operations  
Manager, PF Olsen,  
(From May 2022)

# STAFF



**Ulrike Andresen-Nikolai**  
Public & Media Relations  
Manager









# AFPA STAFF

At 30 June 2023

Joel Fitzgibbon	Chief Executive Officer
Nataša Sikman	Deputy Chief Executive Officer
Victor Violante	Deputy Chief Executive Officer
Sandi Grant	Company Secretary and Finance Manager
Sandra Crowe	Executive Assistant
Richard Hyett	Head of Policy
Tim Lester	Senior Policy Manager
Sara Bray	Senior Policy Manager
Gordon Neil	Policy Manager
Amanda Bell	Forest Industry Safety Manager
Paco Tovar	National Forest Biosecurity Manager
Joe Prevedello	Communications Director
Fairlie Pearce	Creative Director
Ross Hampton	Counsellor-International Forestry
Sharmistha Roy	Office Manager

# AFPA STATE ASSOCIATIONS

At 30 June 2023

Victor Violante	AFPA New South Wales Chief Executive Officer
Deborah Kerr	VFPA Chief Executive Officer
Ulrike Andresen-Nikolai	VFPA Public & Media Relations Manager
Nathan Paine	SAFPA Chief Executive Officer
Haley Welch	SAFPA Communications Adviser
Nick Steel	TFPA Chief Executive Officer
David Bauche	TFPA Media and Public Relations Manager



# AUSTRALIAN FOREST PRODUCTS ASSOCIATION LIMITED

ABN: 40 008 621 510

FINANCIAL STATEMENTS

For the Year Ended 30 June 2023







# Financial Statements

Australian Forest Products Association

ABN 40 008 621 510

For the year ended 30 June 2023

Prepared by Clockwork Advisory





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Statement of Profit and Loss and Other Comprehensive Income
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# Directors Report

## Australian Forest Products Association For the year ended 30 June 2023

### Director's Report

The directors present their report on Australian Forest Products Association Limited for the financial year ended 30 June 2023.

### Directors

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

<b>Name</b>	<b>Appointed / Resigned</b>
Gregory Henry McCormack	Resigned; 30 November 2022
Jonathon Kleinschmidt	Resigned; 30 November 2022
James Malone	Appointed; 24 November 2016
Ian Telfer	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
Shane Vicary	Appointed; 30 November 2022
Craig Dunn	Appointed; 5 May 2020
Jessica Douglas	Appointed; 21 October 2020
Stephen Dadd	Appointed; 11 November 2020
Joel Fitzgibbon	Appointed; 14 June 2022





## Meetings of Directors

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

<b>Committee Members Name</b>	<b>Number eligible Directors meetings to attend</b>	<b>Number of Directors meetings attended</b>
Gregory Henry McCormack	3	2
Jonathon Kleinschmidt	3	2
James Malone	7	7
Ian Telfer	7	7
Jean -Yves Nouaze	7	5
Mark Rogers	7	6
Stephen Whiteley	7	7
Diana Gibbs	7	7
Shane Vicary	4	3
Craig Dunn	7	3
Jessica Douglas	7	7
Stephen Dadd	7	7
Joel Fitzgibbon	7	6

## 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;
- 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 2023 the were 93 members (2022; 90)

At 30 June 2023 the Collective liability of members was \$1,860 (2022; \$1,800)

## Operating results

The surplus of the Company amounted to \$-153,732 (2022: \$-123,274)





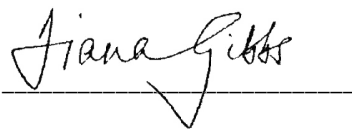
# The Auditor's Independence Declaration

## Australian Forest Products Association For the year ended 30 June 2023

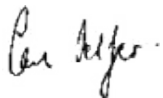
### The Auditor's Independence Declaration

The auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2023 has been received.

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



Director: Diana Gibbs



Director: Ian Telfer

Sign date: 05.09.2023





# Statement of Profit and Loss and Other Comprehensive Income

## Australian Forest Products Association For the year ended 30 June 2023

	2023	2022
<b>Income</b>		
Revenue and Other Income	5,443,801	4,469,396
<b>Total Income</b>	<b>5,443,801</b>	<b>4,469,396</b>
<b>Total Income</b>	<b>5,443,801</b>	<b>4,469,396</b>
<b>Expenses</b>		
Other Expenses	1,915,551	1,017,407
Property Costs	35,159	89,114
Depreciation	56,459	60,037
Election Package Expenses	157,429	131,422
Employee Benefit Expenses	1,836,181	1,800,480
State Expenses	1,596,755	1,494,210
<b>Total Expenses</b>	<b>5,597,533</b>	<b>4,592,670</b>
<b>Profit/(Loss) before Taxation</b>	<b>(153,732)</b>	<b>(123,274)</b>
<b>Net Profit After Tax</b>	<b>(153,732)</b>	<b>(123,274)</b>





# Statement of Financial Position

## Australian Forest Products Association

As at 30 June 2023

	NOTES	30 JUN 2023	30 JUN 2022
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	6	3,551,004	3,308,701
Trade and Other Receivables	7	205,106	206,919
Prepayments	8	72,952	53,874
<b>Total Current Assets</b>		<b>3,829,062</b>	<b>3,569,494</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	5	1,704,302	1,624,409
<b>Total Non-Current Assets</b>		<b>1,704,302</b>	<b>1,624,409</b>
<b>Total Assets</b>		<b>5,533,365</b>	<b>5,193,903</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	9	217,079	250,916
Employee Entitlements	10	134,501	142,038
Other Current Liabilities	11	798,510	1,092,501
<b>Total Current Liabilities</b>		<b>1,150,091</b>	<b>1,485,455</b>
<b>Non-Current Liabilities</b>			
Employee Entitlements	10	26,250	25,120
Other Non-Current Liabilities	11	1,304,367	552,370
<b>Total Non-Current Liabilities</b>		<b>1,330,617</b>	<b>577,490</b>
<b>Total Liabilities</b>		<b>2,480,708</b>	<b>2,062,945</b>
<b>Net Assets</b>		<b>3,052,657</b>	<b>3,130,959</b>
<b>Equity</b>			
Retained Earnings		1,769,287	1,923,020
Reserves		1,283,370	1,207,939
<b>Total Equity</b>		<b>3,052,657</b>	<b>3,130,959</b>





# Statement of Changes in Equity

## Australian Forest Products Association

For the year ended 30 June 2023

	2023	2022
<b>Equity</b>		
Opening Balance	3,130,959	3,254,233
<b>Increases</b>		
Profit for the Period	(153,732)	(123,274)
Other Increases	75,431	-
<b>Total Increases</b>	<b>(78,301)</b>	<b>(123,274)</b>
<b>Total Equity</b>	<b>3,052,657</b>	<b>3,130,959</b>





# Statement of Cash Flows

## Australian Forest Products Association

For the year ended 30 June 2023

	2023	2022
<b>Operating Activities</b>		
Payments to suppliers and employees	(2,888,227)	(2,834,793)
GST	(303,558)	(307,589)
Cash receipts from other operating activities	5,901,632	4,892,651
Cash payments from other operating activities	(2,856,231)	(1,836,406)
<b>Net Cash Flows from Operating Activities</b>	<b>(146,383)</b>	<b>(86,137)</b>
<b>Investing Activities</b>		
Payment for property, plant and equipment	(1,638,521)	(17,216)
<b>Other cash items from investing activities</b>		
Accrued Interest	(6,368)	143
Prepayments	(12,710)	(10,576)
<b>Total Other cash items from investing activities</b>	<b>(19,078)</b>	<b>(10,434)</b>
<b>Net Cash Flows from Investing Activities</b>	<b>(1,657,599)</b>	<b>(27,650)</b>
<b>Financing Activities</b>		
Other cash items from financing activities	2,045,733	338,240
<b>Net Cash Flows from Financing Activities</b>	<b>2,045,733</b>	<b>338,240</b>
<b>Net Cash Flows</b>	<b>241,751</b>	<b>224,454</b>
<b>Cash and Cash Equivalents</b>		
Cash and cash equivalents at beginning of period	3,306,421	3,081,967
Net change in cash for period	241,751	224,454
Cash and cash equivalents at end of period	3,548,172	3,306,421



# Notes to the Financial Statements

## Australian Forest Products Association

### For the year ended 30 June 2023

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

##### 3.1. 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.

##### 3.2. Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

##### 3.3. 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*.



### **3.4. 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 2023. The valuation is an estimation which would only be realised if the property is sold.

### **3.5. 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.

### **3.6. 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.

### **3.7. 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.



### **Membership Subscriptions**

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

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#### **Land and Buildings**

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#### **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:

<b>Fixed asset class</b>	<b>Economic life</b>
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.

## **3.8. 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.





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.

### **3.9. 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.

### **3.10. 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.

### **3.11. 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.

### **3.12. Adoption of New and Revised Accounting Standards**

The Company has adopted all standards which became effective for the first time at 30 June 2023, 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
AASB 2023-1 Amendments to AASB 107 – Statement of Cash Flows, and AASB 7 – Financial Instruments	1 January 2024	The amendments require an entity to disclose the terms and conditions of the arrangements, the carrying amount of the liabilities that are part of the arrangements, the carrying amounts of those liabilities for which the suppliers have already received payment from the finance providers, the range of payment due dates and the effect of non-cash changes.	Little impact expected, but entity should consider appropriate discloser of the terms and conditions of these arrangements.





#### 4. Revenue and Other Income

	2023 FY	2022 FY
	\$	\$
Interest Received	42,471	7,986
Membership Subscriptions	2,451,551	2,373,258
Other Income	607,260	251,956
Project Income		-
Rental Income	116,086	114,418
State Membership Income	2,226,433	1,721,778
<b>Total Income</b>	<b>5,443,801</b>	<b>4,469,395</b>

#### 5. Property, Plant and Equipment

	2023 FY	2022 FY
	\$	\$
<b>Land and Buildings</b>		
At Fair Value	1,625,000	1,755,000
Accumulated Depreciation	(13,022)	(175,500)
Total Land and Buildings	1,611,978	1,579,500
<b>Furniture &amp; Fixtures</b>		
At Cost	36,203	36,203
Accumulated Depreciation	(35,714)	(35,128)
Total Furniture & Fixtures	489	1,075
<b>Office Equipment</b>		
At Cost	163,568	158,446
Accumulated Depreciation	(130,938)	(119,124)
Total Office Equipment	32,630	39,451
<b>Plant (Air-Conditioning)</b>		
At Cost	116,982	61,181
Accumulated Depreciation	(57,776)	(56,669)
Total Plant (Air-Conditioning)	59,205	4,512
<b>Total Property, Plant and Equipment</b>	<b>1,704,302</b>	<b>1,624,409</b>



### **5.1. 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:

	<b>Buildings</b>	<b>Plant and Equipment</b>	<b>Furniture, Fixtures and Fittings</b>	<b>Office Equipment</b>	<b>TOTAL</b>
<b>Year ended 30 June 2023</b>					
Balance at the beginning of year	1,579,500	4,512	1,075	39,322	1,624,409
Additions (or revaluations)	75,431	55,800	-	5,121	136,352
Depreciation expense	(42,953)	(1,107)	(586)	(11,813)	(56,459)
<b>Balance at the end of the year</b>	<b>1,611,978</b>	<b>59,205</b>	<b>489</b>	<b>32,630</b>	<b>1,704,302</b>

	<b>Buildings</b>	<b>Plant and Equipment</b>	<b>Furniture, Fixtures and Fittings</b>	<b>Office Equipment</b>	<b>TOTAL</b>
<b>Year ended 30 June 2022</b>					
Balance at the beginning of year	1,623,375	5,313	1,761	36,780	1,667,230
Additions	-	-	-	17,216	17,216
Depreciation expense	(43,875)	(800)	(687)	(14,674)	(59,907)
<b>Balance at the end of the year</b>	<b>1,579,500</b>	<b>4,512</b>	<b>1,075</b>	<b>39,322</b>	<b>1,624,409</b>

### **5.2. Land and Building Valuation**

The Company's land and buildings were revalued at 6 March 2023 by Civium. 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".



## 6. Cash and Cash Equivalents

	2023 FY	2022 FY
	\$	\$
Cash at Bank	883,305	1,170,403
Short-term bank deposits	2,667,699	2,138,296
	<b>3,551,004</b>	<b>3,308,700</b>

### 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:

	2023 FY	2022 FY
	\$	\$
Cash and Cash Equivalents	<b>3,551,004</b>	<b>3,308,700</b>

## 7. Trade and Other Receivables

	2023 FY	2022 FY
	\$	\$
Trade Receivables	205,106	205,126
	<b>205,106</b>	<b>205,126</b>

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.

	Gross Amount	Past due and Impaired	Past Due but not impaired (days overdue)			
			<30	31-60	61-90	>90
<b>2023 FY</b>	\$	\$	\$	\$	\$	\$
Trade and term receivables and other debtors	205,106	-	77,539	102,059	-	25,508
<b>Total</b>	<b>205,106</b>	<b>-</b>	<b>77,539</b>	<b>102,059</b>	<b>-</b>	<b>25,508</b>

	Gross Amount	Past due and Impaired	Past Due but not impaired (days overdue)			
			<30	31-60	61-90	>90
<b>2022 FY</b>	\$	\$	\$	\$	\$	\$
Trade and term receivables and other debtors	205,126	-	65,463	97,419	-	42,245
<b>Total</b>	<b>205,126</b>	<b>-</b>	<b>65,463</b>	<b>97,419</b>	<b>-</b>	<b>42,245</b>

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

	2023 FY	2022 FY
	\$	\$
Prepayments	66,273	53,562
Accrued Income	6,680	312
<b>Total</b>	<b>72,953</b>	<b>53,874</b>

## 9. Trade and Other Payables

	2023 FY	2022 FY
	\$	\$
Trade Payables	68,764	34,118
Other Payables	81,655	131,276
GST Payable	50,660	70,522
Accrued Expenses	16,000	15,000
<b>Total</b>	<b>217,079</b>	<b>250,916</b>

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

## 10. Employee Benefits

	2023 FY	2022 FY
Current Liabilities	\$	\$
Long Service Leave	-	6,126
Provision for Annual Leave	134,501	135,918
<b>Balance at 30 June</b>	<b>134,501</b>	<b>142,044</b>

	2023 FY	2022 FY
Non-Current Liabilities	\$	\$
Long Service Leave	26,250	25,120
<b>Balance at 30 June</b>	<b>26,250</b>	<b>25,120</b>



## 11. Other Liabilities

	2023 FY	2022 FY
<b>Current Liabilities</b>	\$	\$
Bi Annual Mercer	37,000	-
Giant Pine Scale Project	459,870	464,545
Timber framing MKDS campaign 3	97,333	136,644
MGP Project	79,001	408,001
SAFPA State Election Campaign	13,082	13,082
WHS subcommittee administrative support	112,224	68,599
<b>Total Current Liabilities</b>	<b>798,510</b>	<b>1,090,871</b>
<b>Non-Current Liabilities</b>		
FIAT Reserve	477,370	477,370
VAFI Native Reserve	236,889	-
VAFI Plantation Reserve	590,108	-
<b>Total Non-Current Liabilities</b>	<b>1,304,367</b>	<b>477,370</b>
<b>Total Liabilities</b>	<b>2,102,877</b>	<b>1,568,241</b>

## 12. Tenant Leasing Commitments

	2023 FY	2022 FY
Minimum lease payments receivable under non-cancellable operating leases:	\$	\$
Not later than one year	111,011	89,410
Between one and five years	133,987	80,565
	<b>244,998</b>	<b>169,976</b>

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

#### 13.1. 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:

		2023 FY	2022 FY
<b>Financial Assets</b>	Note	\$	\$
Held at amortised cost			
Cash and cash equivalents	6	3,551,004	3,308,700
Trade and other receivables	7	205,106	205,126
<b>Total Financial Assets</b>		<b>3,756,110</b>	<b>3,513,826</b>
<b>Financial Liabilities</b>			
Financial liabilities at fair value			
Trade payables	9	217,079	250,916
<b>Total Financial Liabilities</b>		217,079	250,916
<b>TOTAL</b>		<b>3,539,031</b>	<b>3,262,910</b>

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.

### **13.2. 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:

	<b>2023 FY</b>	<b>2022 FY</b>
<b>Financial Assets</b>	\$	\$
Cash and cash equivalents	3,551,004	3,308,700
<b>Total</b>	<b>3,551,004</b>	<b>3,308,700</b>

### **13.3. 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.



## 15. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022, None).

## 16. Cash Flow Information

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

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

		2023 FY	2022 FY
	Note	\$	\$
<b>Surplus/(deficit) for the year</b>		(153,732)	(121,215)
Non-cash flows in profit			
- Depreciation	5.1	56,459	60,037
<b>Changes in assets and liabilities</b>			
- (Increase)/decrease in trade and other receivables		(4,554)	589,558
- (Increase)/decrease in prepayments		(12,710)	(10,576)
- (Increase)/decrease in fixed assets		(60,921)	(17,216)
- Increase/(decrease) in income in advance		458,006	(188,149)
- Increase/(decrease) in trade and other payables		50,161	(33,869)
- Increase/(decrease) in GST creditor		(19,861)	(55,731)
- Increase/(decrease) in employee benefits		(71,097)	1,615
<b>Cashflow from Operations</b>		<b>241,751</b>	<b>224,454</b>

## 17. Events Occurring After the Reporting Date

The financial report was authorised for issue on 5 September 2023 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 2600

## 15. Contingencies

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

Australian Forest Products Association Limited

24 Napier Close

Deakin ACT 2600





# Directors Declaration

## Australian Forest Products Association For the year ended 30 June 2023

The directors of the Company declare that:

The Financial Statements and notes, 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 2023 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: Diana Gibbs

Director: Ian Telfer

Sign date: 05.09.2023

## Auditor's Report

Australian Forest Products Association Ltd  
ABN 40 008 621 510

For the year ended 30 June 2023

### **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 2023, 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 Loss of \$153,732 with a Revenue Turnover of \$5,443,801 and Net Assets of \$3,052,657.

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 2023 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.

*Liability limited by a scheme approved under Professional Standards Legislation.*

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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

**Dated: 14<sup>th</sup> August 2023**



**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 30<sup>th</sup> June 2023, 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

A handwritten signature in black ink, appearing to read 'Jennie Hawkshaw', is positioned above the printed name.

**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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