



Australian
Forest
Products
Association

ANNUAL REPORT

2021-2022



**FOREST INDUSTRIES
FIGHT CLIMATE CHANGE
AND CREATE JOBS**



Australian
Forest
Products
Association

Claude

All kinds of strength
Introducing the all new GLE.
Small. Ready. Strong.

CONTENTS



5	AFPA Members
7	Chair Report
9	Chief Executive Officer Report
11	AFPA Board
13	About AFPA
14	Subcommittees and Working Groups
18	Federal Election Campaign
23	Hardwood Processing Chamber
25	Softwood Manufacturing Chamber
27	Growers Chamber
29	Pulp, Paper & Bioproducts Chamber
31	Climate Policy
33	National Institute for Forest Product Innovation (NIFPI)
35	AFPA NSW
37	SAFPA
39	TFPA
41	VFPA
43	AFPA Staff
44	Financial Statements



Photo: Forico

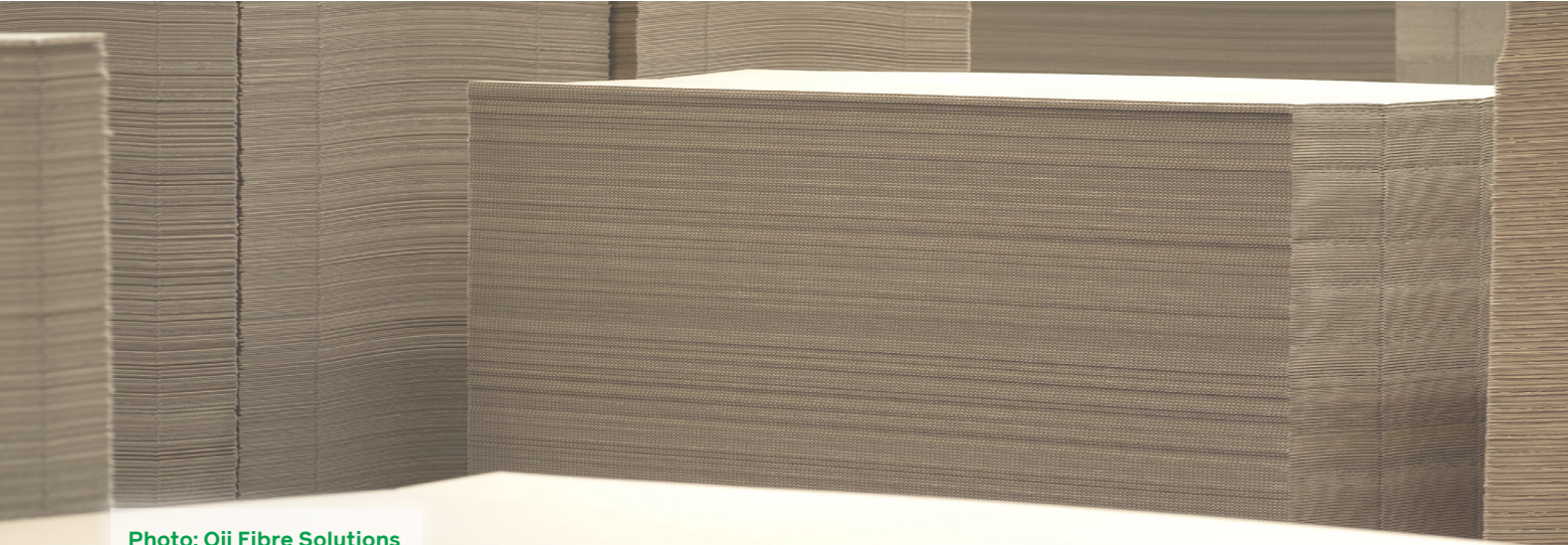


Photo: Oji Fibre Solutions



4 Photo: AKD

MEMBERS

Memberships at June 30 2022

FULL MEMBERS

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

- WA Blue Gum
- WA Plantation Resources
- Walkers Sawmill
- Wesbeam
- Wespine Industries

ASSOCIATE MEMBERS

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



Greg McCormack
Chair

This is my eleventh Chair report to the membership of the national Association. It is also my final report, as I have announced I will be concluding my time on the AFPA Board at the upcoming Annual General Meeting.

It has been a great honour to serve you all in this capacity. I have been extremely fortunate to have had alongside me over the years an array of fine women and men who have served as Executive and Non-Executive Directors on the Board.

Additionally, I have been fortunate to have such a competent and dedicated staff working for Industry, led most capably by Ross Hampton for most of my tenure. Your combined skills, enthusiasm and determination have us in a very strong position to make the most of the opportunities before us.

When I re-read my opening statement in the 2011-12 annual report, I am struck by just how consistent the issues have been since we formed the Association more than a decade ago.

In 2011-12 I wrote in my introduction, "The Association will address...the future of the carbon tax, investment incentives for planted forests, a future for natural forestry, minimising regulatory costs, renewable energy and positioning the forest, wood and paper industry at the forefront of the new, low carbon economy."

The carbon tax has been replaced by the Emissions Reduction Fund and its variants, but otherwise the list of our priorities in 2022 is largely unchanged. My final comment about our role in the then emerging low carbon economy has certainly become true. The momentum around climate action has continued to grow and our role as part of the solution – from tree growing to the products we make – is becoming more important by the day. AFPA is very focused on ensuring due recognition.

AFPA has grown in maturity and scope over the decade. There were five staff when it began and now, with the four states included, we number some seventeen.

We commenced with some 35 members. Today it is nearer 100 members spanning most of the forest industries value chain.

"It has been a great honour to serve you all in this capacity"

AFPA is considered in federal parliament the voice of forest industries and our staff are constantly sought out by policy makers and Department officers for guidance and feedback on matters affecting us all.

This is the fulfilment of the vision which many of us had when we brought the National Association of Forest Industries (NAFI) and the Australian Plantation Products and Paper Industry Council (A3P) together so many years ago. It is worth reflecting that many people had to graciously accept that, whilst coming together would mean we would lose some things we cherished, we would all gain much more in the long run.

As I conclude my time as Chair, I think I can safely say our aspiration that moving to 'one voice' would eventually deliver far more profound outcomes for our industries has been realised.

The last federal election held in May this year was a high-water mark in terms of our influence. AFPA was instrumental in announcements of more than \$300 million from both major parties that are now baked into the Federal Government's agenda. These commitments ranged from additional R&D spending to a major innovation program and also money for plantation grants to help kick-start the billion trees goal. There were also statements of support for our regenerative native forestry industry.

As I consider the past decade I do admit that it has not all been positive developments.

A great regret I have is that, due to the few policy levers available to us federally, AFPA has not been able to prevent state Governments in Victoria and Western Australia making the disastrous – and wrong in science – call to close their native forestry industries.

As I hand over my timber Chair gavel in coming months, allow me to say thank you to all the AFPA members. A voluntary Association only operates on the goodwill of those who join it. You have been consistent and positive and fundamentally why we have such a successful Association today.

Yours sincerely

Greg McCormack
AFPA Chair



Ross Hampton
Chief Executive Officer

“AFPA’s greatest asset is our people. These folks are why we can do the things we do”

The disruptions of the last few years due to COVID and natural disasters have played havoc with our usual steady sequence of in-person gatherings. Our Parliament House Great Hall Gala Dinner fell victim a number of times to outside events and that meant AFPA’s tenth birthday, which we were planning to celebrate in style last year, slipped past relatively unremarked. Had we been able to cut the cake and deliver the speeches I certainly would have said ‘it is remarkable where we are now.’ I recall writing in my first annual report some ten years ago and commenting that leading AFPA was like flying the plane whilst building it. I think we will all agree that the AFPA plane is well past that stage and we are soaring higher than we expected in such a relatively short period of time.

This is nowhere better illustrated than in the recent federal election campaign. The AFPA team produced a superb campaign for our industries, deploying social media, caps, advertising, billboards and even a highly polished mainstream television commercial ‘Australia we need a tree change’. Of course, all those elements were pointing back to the carefully thought through, member tested, election document which outlined the major thoughts we had on measures the incoming Government could take to allow forest industries to contribute more to Australia.

The power of the campaign was evident as both major Parties backed our manifesto in full with more than \$300 million in promises. AFPA is now focused on ensuring optimised delivery for those campaign announcements. This work is as vital for an Association as the request itself. Poorly implemented policy can often not be just disappointing, but can actually take us backwards. AFPA understands the nature

of policy and law making and we have highly trained staff who know how to work at political and Department level to gain the best outcomes possible.

None of this however would be achievable without an engaged and responsive membership and the structures, such as our Chambers, which allow us to gather so many threads and weave a proposition which makes sense in the corridors of power. As I have always said, AFPA is only the sum of its parts. We exist only for as long as we are listening to, and responding to our members, and making the operating environment better for them.

AFPA’s greatest asset is our people. These folks are why we can do the things we do. It is a large team these days but each person is dedicated to their role and brings determination, enthusiasm, courage and creativity to it.

A great deal of thanks for our decade plus of progress needs to go to the Chair Greg McCormack, who has flagged his retirement at the next Annual General Meeting. Greg has been a sage counsellor through many delicate, but at times firm, negotiations with politicians of all hues. He will be greatly missed.

Thanks too to all the Directors who served on the Board in this past year. You give a great deal of time and energy to the cause.

Yours sincerely,

Ross Hampton
Chief Executive Officer

AFPA BOARD

Board at June 30 2022

- Greg McCormack (Chair)** - Chairman, Midway Limited
Jean-Yves Nouaze (Deputy Chair) - Executive General Manager, Visy Pulp & Paper
Ian Telfer (Treasurer) - Chief Executive Officer, WA Plantation Resources
Steven Dadd - Executive Director, The Pentarch Group
Jessica Douglas - Director, External Affairs, OneFortyOne
Craig Dunn - General Manager, Public Relations & Sustainability, Opal Group
Hon. Joel Fitzgibbon - Non-Executive Director
Diana Gibbs - Principal, Diana Gibbs and Partners
Jon Kleinschmidt - Chief Executive Officer, Hyne Timber
James Malone - Chief Executive Officer, Wesbeam
Mark Rogers - Managing Director, New Forests
Steve Whiteley - Chief Executive Officer, Sustainable Timber Tasmania



**Absent from picture is Ian Telfer, Treasurer, who joined the board via video conference this day.*



ABOUT AFPA

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

AFPA MEMBERS' FORUM

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

AFPA CHAMBERS

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

AFPA OPERATIONS

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

OBJECTS OF THE ASSOCIATION

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

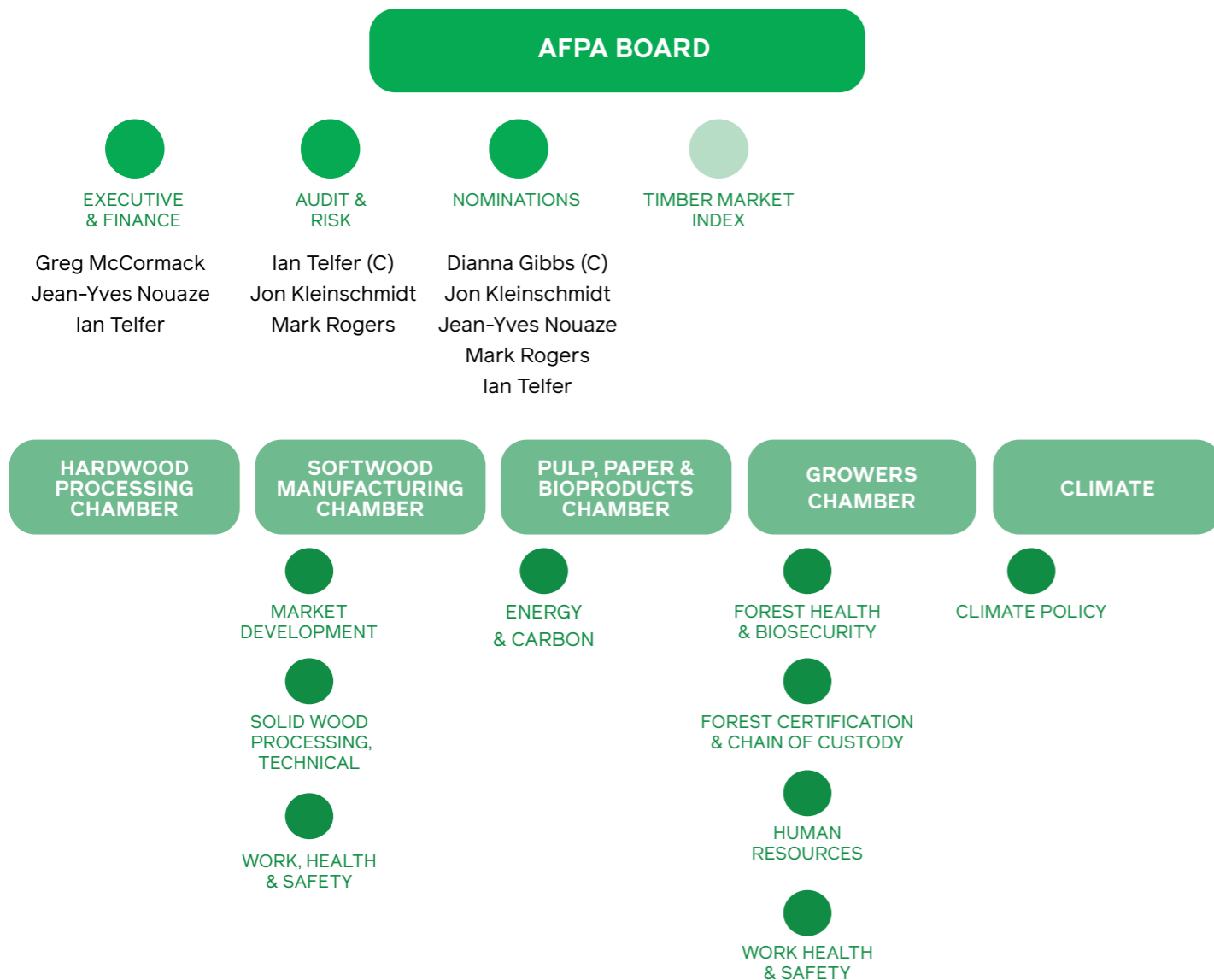
AFPA-SUPPORTED STATE ASSOCIATIONS

AFPA members in four states 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



KEY

- SUBCOMMITTEES
- WORKING GROUPS

SOFTWOOD MANUFACTURING CHAMBER

Solid Wood Processing Technical Subcommittee

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

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

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

Market Development Subcommittee

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

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

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

Workplace Health & Safety Subcommittee

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

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

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

PULP, PAPER & BIOPRODUCTS CHAMBER

Energy & Carbon Subcommittee

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

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

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

GROWERS CHAMBER

Human Resources Subcommittee

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

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

Work Health & Safety Subcommittee

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

- Undertake an annual work plan
- Continual monitoring of safety statistics
- Progress towards complete compliance with the Safe and Skilled program 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. It is currently working on a partnership Memorandum of Understanding between the Commonwealth, States and Territories and AFPA to establish a National Forest Pest Surveillance Program. Key activities include:

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

CLIMATE

AFPA Climate Policy Subcommittee

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





Ross Hampton with the then Prime Minister Scott Morrison, Gavin Pearce MP and Jenny Morrison at Don, Tasmania.

FEDERAL ELECTION CAMPAIGN

During the 2021-22 year, AFPA planned and executed a successful Federal Election campaign which resulted in bipartisan policy and funding commitments for forest industries.

A two-tiered campaign was planned and managed by Communications Director Joe Prevedello and Deputy CEO Victor Violante.

The traditional political campaign, focused on marginal federal and forestry centric electorates, including Bass, Braddon and Lyons in Tasmania and Eden-Monaro in NSW.

AFPA's 'on the ground' campaigning and engagement in these areas built the case for the Coalition and Labor to commit to policy and funding initiatives to drive forest industries growth and development into the future.

AFPA also executed a 'Hearts and Minds' digital campaign to support and underpin the traditional campaign. The resulting, *'Australia, we need a tree change'* campaign included an advertisement featuring the storyline of a young girl explaining her school project to her dad about why Australia needed more timber production trees planted for the future.



A still from the Australia, we need a tree change advertisement

The advertisement was rolled out in marginal seats nationally through digital and social media channels along with a dedicated Sky News TV campaign during the election campaign proper.

**VOTE TO SUPPORT
FOREST INDUSTRIES**



KEY COMMITMENTS SECURED

In consultation with Members, AFPA developed a Plan for Growth which included specific policy requests to both the Coalition and Labor. Those requests were made under four banner themes:

- Delivering one billion new trees
- Certainty for native forestry
- Turbocharging job creating innovation
- Unlocking the potential of paper and packaging

Before and throughout the course of the campaign, AFPA managed to secure a range of commitments, most initiated by the Coalition, then matched by Labor at a very successful and AFPA organised National Forest Industries Debate in Launceston.

They included:

- \$300 million in new funding: \$86 million to expand plantations, \$100 million for a new NIFPI, \$113 million in processing innovation grants, \$10 million for skills and training and \$6.6 million extending Regional Forestry Hub funding
- A commitment to deliver the 'One Billion Trees' program
- Removal of the ERF 'water rule' in the five remaining Regional Forestry Hubs
- No more native forestry lockups
- A commitment to hold a forest industries roundtable and develop a timber fibre strategy

Considering the Coalition's initiative on many of these commitments, AFPA publicly endorsed the Liberals/Nationals as the best future government option for forest industries. This move attracted major media coverage, including in The Australian newspaper.



Front cover of the Weekend Australian Magazine featuring the then Prime Minister Morrison's visit to NSFP, Mowbray.

HARDWOOD PROCESSING CHAMBER



Victor Violante
Chamber Manager

Deputy Chief Executive Officer

2021-2022 was another turbulent year for the Australian hardwood industry.

While demand for hardwood timber products surged, driven by record building and renovation activity, the campaigns to close down the native hardwood industry intensified.

And, in a major blow for Western Australia's timber industry, on 8 September 2021 the WA Premier Mark McGowan announced the state government would end native timber harvesting from 2024 under the guise of protecting the forests.

This followed the Victorian Government's decision in 2019 to also end native timber harvesting in state forests.

The Hardwood Processing Chamber focused this year on the impact of these decisions, strategising how Australia's sustainable hardwood industries can heighten public understanding of our essential industry and the sustainable forest management practices that underpin it.

AFPA used the Christmas shopping frenzy to highlight that as the country's supermarkets fretted in the lead up to Christmas over the lack of timber pallets to stock their shelves, the hardwood timber mills in Victoria that make most of those pallets were struggling to get logs into their yards.

This message resonates with the public and decision makers, but overcoming the cognitive dissonance in the community about what they use every day and where it comes from, is not easy.

There is a clear disconnect with the community about how our native hardwood industries make the essential products they use every day: not just timber decking, floorboards and joinery for our homes, but also timber for the pallets that



Ian Telfer
Chamber Chair

Chief Executive Officer, WAPRES

transport stock to the supermarket shelves, firewood to heat our homes, and utility poles that power the nation.

The decisions of the Victorian and WA Governments fail to answer where the alternatives will come from. The reality is that Australia will seek to import more of these products from tropical forests in countries at high risk of illegal logging and deforestation. On every measure, this is a worse environmental, social and economic outcome.

AFPA's 2022 Federal Election campaign secured important commitments of support for the native hardwood industry from the Labor Party which are now Federal Government policy. These will be important as we work to maintain a hardwood timber industry in WA and Victoria beyond 2024 and 2028 respectively, and to hold off similar threats to native forestry in Tasmania and NSW.

In February 2022, the Hardwood Chamber also paid tribute to our long-serving Chamber Chair Tony Price, who handed over the reins to Ian Telfer. Tony chaired the Chamber since it was created in September 2016, when the then Processing Chamber was split into the Softwood Manufacturing and Hardwood Processing Chambers

Tony has made an enormous contribution to the industry during his distinguished career, most recently as CEO of Midway and Chair of VFPA, and we are pleased that he remains active in the forest industries community in his semi-retirement.

Victor Violante



USING MORE TIMBER HELPS TACKLE CLIMATE CHANGE.



SOFTWOOD MANUFACTURING CHAMBER



Richard Hyett
Chamber Manager
Senior Policy Manager



Patrick Warrand
Chamber Chair
Managing Director - Wespine

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

Three SMC Subcommittees have been established to advance the collective interests of the industry. These are the:

1. Market Development Subcommittee (MKDS) Members of MKDS are nominated by the SMC for their expertise in sales and marketing
2. Solid Wood Processing Technical Committee (SWPTC) Members of SWPTC are nominated by the SMC for their processing and technical expertise
3. Workplace Health & Safety Subcommittee (WHSSC) Members of WHSIG are nominated by the SMC for their expertise in industry WHS management

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

The number one goal of the Chamber is to build the available resource to manage the strong and ever-growing demands for our renewable sustainable timber products that can and will be at the forefront of the world's effort to manage climate change. This will be done by growing the plantation estate. Because of the lead time of 25-30 years to provide more timber, there is also a necessity to invest in research and development and innovation so we can maximise the use of the existing resources.

To deliver on the Chambers priorities the Chamber has developed a new five-year Strategic Plan to deliver our vision.

"To be an effective collaborative forum for the softwood manufacturing sector, to ensure the whole forestry industry is respected, relevant and economically and environmentally sustainable."

The Strategy is based on five key priorities

1. Innovation
 2. Resource security
 3. Carbon positive - sustainability
 4. Government policy and investment support; market stability, access and competitiveness
 5. Social licence & community support of forestry
- And aims to deliver on five key Goals
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

Other key initiatives include

- Building transparency in the industry through the development of the Timber Market Index
- Sharing knowledge and learnings in workplace health and safety to drive continuous industry improvement
- Building the sustainability credentials of our industry through newly established "Timber Framing Collective" and the established "The Ultimate Renewable™"

Richard Hyett



GROWERS CHAMBER



Sara Bray
Chamber Manager
Senior Policy Manager



Andrew Jacobs
Chamber Chair
Chief Technical Officer - Forico

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

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

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

The four Subcommittees are:

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

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

In the last year the Growers Chamber had one in-person meeting in Brisbane and, due to COVID-19 disruptions, met three times via video conference.

Work included:

- Endorsing a three-year strategy for the Workplace Health and Safety Subcommittee
- Workshopping challenges of the Federal Plantation Establishment Grants
- Launch of the workplace health and safety website
- Responding to the Polyphagous Shot Hole Borer incursion
- Finalising the introduction of the new forest grower R&D levy component starting at \$0.035 per m3 in FY 22/23, increasing to \$0.06 in FY23/24 and \$0.085 in FY24/25 and onwards
- Finalising the increase in biosecurity levy for plantation logs from \$0.005 per m3 to \$0.05 per m3 from 1 July 2022 to fund the National Forest Biosecurity Surveillance Program
- Preparations to employ a National Forest Biosecurity Manager

Sara Bray



PULP, PAPER & BIOPRODUCTS CHAMBER



Tim Lester
Chamber Manager
Senior Policy Manager



Kate Baker
Chamber Chair
Circular Economy & Sustainability Manager - Visy

The pulp, paper and bioproducts sector is worth about \$10 billion annually to the Australian economy, directly creating about 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 security of domestic fibre supply; sustainability and circular economy; supply chain disruption and challenges; and energy and carbon.

The intersection of energy and carbon has continued to be a priority for the chamber, and the focus on the Chamber's Energy and Carbon subcommittee. Achieving significant emissions reduction while maintaining competitiveness and viability is difficult, complex, and costly. However, any abatement delivered has high certainty and high integrity. Building further understanding and recognition of the Emission-Intensive, Trade-Exposed character of the industry is a significant component of this work, especially as it relates to the incoming Labor Government's climate and industrial policies.

The transition to a net-zero carbon economy will require significant reductions in emissions as well as increases in sequestration and maintenance of carbon stocks. 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.

The government has flagged that it will undertake consultation about proposed changes to the Safeguard Mechanism, with the most significant change being the introduction of a process where covered facilities will negotiate individual trajectories to net zero. Only a small number of AFPA members are directly affected by these amendments but the mix of arrangements including direct emissions reduction and increasing demand for offsets has a broader set of implications.

The Chamber has one Subcommittee. AFPA's subcommittees operate under formal structures with agreed terms of reference. AFPA provides the secretariat. Members of the Energy and Carbon Subcommittee are company experts nominated by PPB Chamber members.

Both the Chamber and the Energy and Carbon Subcommittee have featured a number of guest presenters during the year, including the Real Media Collective, the Freight and Trade Alliance, the Australian Alliance for Energy Productivity and the RACE for 2030 Cooperative Research Centre. More are planned for 2023 with the broader AFPA membership invited to participate on topics that may be of interest.

Tim Lester



CLIMATE POLICY



Natasa Sikman
Climate Policy Manager



Sara Gipton
Chamber Chair
Business Development Manager - PFOLSEN

Climate policy continues to be a priority policy area for AFPA members across all four chambers.

The Climate Policy Sub-committee (CPSC) was established in October 2021 with representation across the AFPA membership. The CPSC acts as an advisory subcommittee to support the work of the AFPA Board and to develop a holistic narrative as to how Australia's nature-based sustainable forest industries can constructively contribute to both capturing more carbon emissions and to the decarbonisation of Australia's economy.

The new Carbon Credits (Carbon Farming Initiative—Plantation Forestry) Methodology Determination came into effect on 31 January 2022. The new method includes the use of ACCUs to protect sustainable plantation forests at risk of conversion to other land use. These changes support the Glasgow Leaders, Declaration on Forests and Land Use which was formulated at COP26 (November 2021). Australia joined 145 countries committing to 'halt and reverse forest loss and land degradation by 2030 while delivering sustainable development and promoting an inclusive rural transformation'. This includes halting the loss of sustainable plantation forestry.

The election of the Albanese Federal Government saw Australia's 2030 emission reduction target increase to 43% below 2005 levels. Australia's new interim target presents both opportunities and challenges for sustainable forest industries. The Federal Government wants a sharper focus on climate policy both domestically and internationally and will step up its engagement at the Conference of Parties (COP27) in Egypt November.

AFPA commenced early engagement with the National Farmers' Federation to showcase climate smart farming with sustainable forestry at COP27.

This is an important international engagement opportunity to ensure decision makers both in Australia and globally consider future food and fibre security as they seek to implement their ambitious decarbonisation strategies and associated policies.

Carbon markets continue to evolve particularly with agreement to Article 6 rules at COP26, which allows countries to voluntarily cooperate with each other to achieve the emission reduction targets set out in their Nationally Determined Contributions. Integrity in these markets is central to maintain confidence in the generate of carbon credits, purchasers, and the wider community.

AFPA continues to actively advocate for greater recognition and opportunities for sustainable forest industries to participate in carbon markets with more ERF methodologies to incentivise planting more trees and greater up take of low carbon forest products in the built environment.

Natasa Sikman

NATIONAL INSTITUTE FOR FOREST PRODUCT INNOVATION (NIFPI)

AFPA's long running advocacy around research and innovation for forest and forest products industries has paid dividends with a secured bipartisan commitment for a \$100 million funding injection to establish a new National Institute for Forest Product Innovation. This is a once-in-a-generation opportunity to dramatically lift our human and technical capacity for innovation, and arrest a long-term decline which has seen funding reduced by 80 percent and the number of researchers drop by 95 percent over the past decade.

Australia's forest and forest product industries will need to continue to innovate to meet growing national and international demands for wood and fibre. The creation of a world-leading forest industries research centre will lead to new opportunities to generate and capture value throughout the forest product supply chain by focusing on key challenges driven by local and global requirements to lower carbon emissions and reduce our reliance on non-renewable materials and fuels.

Importantly, NIFPI will complement and enhance organisations and arrangements that are already in place for forest industries research and innovation. It will work to accelerate and catalyse new developments and deliver real, positive impacts for industry.

Momentum for the proposal built quickly since it was unveiled in June 2021. In December 2021 AFPA and the University of Tasmania hosted a launch function in Launceston which was well attended by local, state and Federal Government representatives, a further demonstration of the strong bipartisan support the NIFPI proposal has attracted. At the event the then Assistant Minister for Forestry and Fisheries Senator the Hon. Jonno Duniam announced a \$3.1 million, two-year extension to funding for the three existing NIFPI centres. Member for Bass Bridget Archer and Tasmanian Minister for Resources Guy Barnett also spoke in support of the national NIFPI, based at the Newnham UTas campus.

AFPA is continuing to work with the Department of Agriculture, Fisheries and Forestry and the University of Tasmania to bring NIFPI to life. The aim is to ensure that industry continues to be central to the design and operation of NIFPI, as this is a critical factor in long-term and enduring success. To that end, AFPA will form a cross-membership working group to provide advice to the AFPA Board during the critical next 12 months as the NIFPI arrangements are put in place.



A NATIONAL INSTITUTE FOR FOREST PRODUCTS INNOVATION

Delivering breakthroughs in bioproducts, wood processing and forestry research

A POLICY PROPOSAL FROM

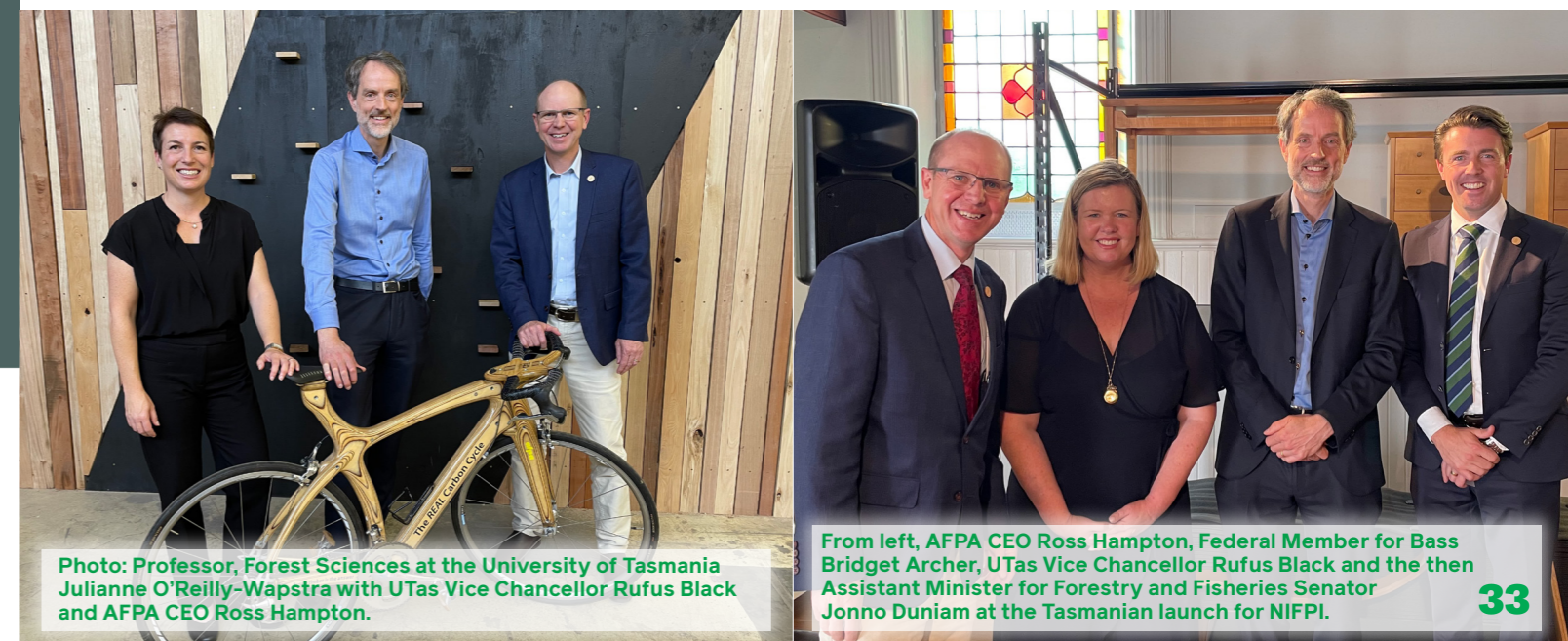


Photo: Professor, Forest Sciences at the University of Tasmania Julianne O'Reilly-Wapstra with UTas Vice Chancellor Rufus Black and AFPA CEO Ross Hampton.

From left, AFPA CEO Ross Hampton, Federal Member for Bass Bridget Archer, UTas Vice Chancellor Rufus Black and the then Assistant Minister for Forestry and Fisheries Senator Jonno Duniam at the Tasmanian launch for NIFPI.



Photo: HYNE



Photo: Forestry Corp NSW



Photo: Pentarch

AFPA NSW



Victor Violante
Chief Executive Officer



Stephen Dadd
Chair

Executive Director, The Pentarch Group

AFPA NSW had a successful 2021-22 in its first full year of operation, establishing itself as an influential voice in NSW on behalf of its members. With new CEO Victor Violante appointed at the start of the calendar year, AFPA NSW was active on the ground during key state by elections in Bega and Monaro in early 2022, and forged strong relationships with new Ministers, Shadow Ministers and local MPs.

AFPA NSW has been the driving force of the establishment of an inaugural NSW Parliamentary Friends of Forest Industries, expected to be convened before the end of 2022, which will be an important forum for raising awareness and support for our sustainable forest industries in the Parliament.

This will be important as we head towards the next state election in March 2023. Our forest industries need a strong vision from the next NSW Government that supports growth and innovation in our sector.

Key to this is securing our future wood fibre resource. Our state's hardwood and softwood industries continue to face resource challenges after the 2019-20 bushfires and 2022 floods, whilst facing strong demand that is only going to increase as global demand for sustainable wood fibre increases.

AFPA NSW's policy focus has been on growing the softwood plantation estate and securing government support for transporting logs to supply-constrained mills. In the hardwood space, the focus has been on maintaining access to the small areas of public native forest available for timber harvesting, and growing the uptake private native forestry by farmers.

For the March 2023 NSW Election, AFPA NSW will focus on policy outcomes that:

- Deliver significant, targeted growth in the NSW plantation estate to meet our future timber and fibre needs
- Recognise the carbon benefit of our forestry, timber and paper industries and the contribution they make to the circular economy, reducing emissions, and protecting the environment.
- Provide long-term resource certainty for the native hardwood sector
- Support innovation and resilience in our wood products manufacturing supply chains
- Support the growing role of renewable forest fibre-based industries in the state's circular economy and waste reduction strategies

Victor Violante

Governing Council



Jacob Lazarus
Deputy Chair
General Manager,
Southern Cross Forests



Shane Vicary
Council Member
CEO, AKD Softwoods



Wolf Lorenz
Council Member
General Manager, Oji
Fibre Solutions



Photo: OneFortyOne



Photo: PF Olsen



Photo: OneFortyOne

SAFPA

SOUTH AUSTRALIAN FOREST PRODUCTS ASSOCIATION



Nathan Paine
Chief Executive Officer



Tammy Auld
Chair

Customer and Regional Manager, Timberlands Pacific

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

SAFPA was established as the political wing of the forest industries. Under the guidance of inaugural CEO Nathan Paine, Chair Tammy Auld and the Governing Council, the Association developed and executed a political engagement strategy in the lead up to the 2022 South Australian State Election. This secured over \$25 million in financial commitments from the new Labor Government in addition to positioning forest industries as a leading agricultural commodity in the Government's election platform.

Key outcomes during 2021-22:

- Secured political recognition of the critical importance of our industry.
- Locked in political support for our solutions-focused policy platform including:
 - ◊ \$2m for new fire camera network technology
 - ◊ \$2m for the development of a Domestic Manufacturing and Infrastructure Masterplan
 - ◊ \$2.5m for a Centre for Excellence in Mount Gambier, and
 - ◊ \$12.5m over 10 years for new research and development.
- Responded to critical issues such as resource recovery on Kangaroo Island, timber shortages and climate change policies
- Developed and implemented the Association's inaugural Strategic and Business Plans

Key priorities during 2021-22:

- Grow SAFPA's internal resources to supercharge our communications with the aim to increase the recognition of the critical importance of our industry to the economy, community and environment

- Secure financial commitment and removal of legislative barriers to support the planting of more trees
- Develop the trusted relationships between SAFPA, its members, other industry stakeholders and key decision-makers including the key Ministers, Shadow Ministers and Departmental influencers
- Re-boot the Parliamentary Friends of Forestry to embed a deeper relationship between the industry and political leaders with a clear target of improving the industry's social licence

Nathan Paine

Governing Council



Greg Boulton AM
Deputy Chair
Chair, SA Pine



John Forster
Treasurer
General Manager,
SE Pine



Phil Mason
Director Operations ANZFF,
New Forests



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



Mike Lawson
Council Member
Chief Operating Officer,
SFM Environmental Solutions



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



Julian Speed
Council Member
Chief Executive Officer,
ForestrySA



Odette Lubbe
Council Member
Managing Director,
GTFF



Cameron MacDonald
Council Member
Executive General
Manager - Strategy and
Innovation, OneFortyOne



Adrian Flowers
Council Member
General Manager,
Tabeel Trading



Photo: TFPA



Photo: TFPA



Photo: TFPA

TFPA

TASMANIAN FOREST PRODUCTS ASSOCIATION



Nick Steel
Chief Executive Officer



Bryan Hayes
Chair
Industry Advocacy & Projects, Forico

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

Over the course of 2021-22 we have seen a Tasmanian Premier, who won the 2021 State election for the Liberal party from his votes, retire and five Ministers have quit politics. This is always disruptive but shows that Tasmanian Ministers have a heavy workload that is starting to take it's toll.

Tasmania was fortunate to have three marginal seats during the 2022 Federal Election – across Bass, Braddon and Lyons. This meant many visits by the then Prime Minister and Opposition Leader, plus again hosting the AFPA's Great Forestry Debate' between Senator Duniam and Julie Collins MP. The debate was a big success where both major parties agreed to AFPA's core policy asks.

We welcomed two new members to TFPA, Cusp Building Solutions and Western Junction Sawmill.

Early this financial year the Minister for Forestry announced a \$10 million on-island processing grant program to obtain greater value from our forest resources. It was on the back on TFPA's lobbying that the funding was secured.

TFPA utilised the Parliamentary Friends of Forestry network to launch our 'This is Forestry' public relations campaign. Since the launch our reach on Facebook is over 4.8 million (paid impressions) and Instagram 57,000, while we have had 37,000 visits on our Tasmanian Forestry website and 194,000 LinkedIn impressions.

During the year Tasmania's forest practices system was challenged. This was overcome through validating legislation to resolve a highly technical administrative matter relating to the issuing of a delegation made under the Forest Practices Act 1985. It helps when we have good relationships with both sides of the House and can work through an issue to resolve it quickly, especially when it gives our forestry sector certainty for the future.

Over the year we completed 12 submissions to voice our opinion on: safe work, training, wild deer, fire, climate change, workplace protection, aboriginal heritage, obstruction, bushfire mitigation, traceability, State budget and freight.

Nick Steel

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





Photo: ASH



Photo: Radial timbers



Photo: SFM - Environmental Solutions

VFPA

VICTORIAN FOREST PRODUCTS ASSOCIATION



Deborah Kerr
Chief Executive Officer



Rob Hescock
Chair
Chief Operating Officer, HVP

VFPA is the peak industry body representing the forestry products value chain in Victoria. This includes growers, managers and harvesters of plantations and native forests, primary and secondary timber processors, pulp and paper manufacturers, and businesses along the value-added timber and pulp and paper products supply chains. VFPA currently has 23 full members and four associate members across native timber, softwood, and hardwood sectors.

Key priorities during 2021-22:

- Building on existing relationships between VFPA, its members, other industry stakeholders and key decision makers. This includes the key Ministers, Shadow Ministers, and Departmental influencers
- Successfully overturning the perverse water rules that restricted the plantation sector's ability to participate in the carbon farming initiative (CFI)
- Developing a Strategic Plan to guide the organisation over the coming years, with members agreeing that the overarching direction and purpose of VFPA is to promote a united industry and increase its influence with government. This is supported by a business plan and policy priorities for Victoria. Leading the development of the Save our Forest Industries Campaign
- Commencing to develop a strategy and a list of political asks for the state election in November 2022
- Developing an awareness program that will benefit the industry and represents the many facets of forestry. The long-term program, called *Victoria Wood. I wood.* aims to educate and positively influence Victorians' opinion of forestry

When it comes to stakeholder engagement, VFPA publishes a weekly member newsletter, a quarterly newsletter for general stakeholders and is continuously building its social media presence

and media relationships. The organisation also regularly engages with industry partners and forestry hubs. We have established an election working group and developed a strategy in preparation for the 2022 election and are engaging with the new Victorian Minister for Agriculture.

Deborah Kerr

Governing Council



Phil Mason
Deputy Chair
Director Operations ANZFF,
New Forests



Darren Shelden
Treasurer
Port & Logistics Manager,
ABP



Mike Lawson
Council Member
Chief Operating Officer, SFM
Environmental Solutions



Sarah Harvie
Council Member
External Communications Manager,
Opal



Hamish Little
Council Member
General Manager - Operations,
AKD



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



Vince Hurley
Council Member
Managing Director,
ASH



Martin Crevatin
Council Member
National Operations Manager,
PF Olsen, (resigned May 2022)



Joel Turner
Council Member
National Operations Manager,
PF Olsen, (from May 2022)

Staff



Ulrike Andresen-Nikolai
Public & Media Relations
Manager, VFPA



AFPA STAFF

At 30 June 2022 (in alphabetical order)

Amanda Bell	Forest Industry Safety Manager
Sara Bray	Senior Policy Manager
Sandi Grant	Financial Manager
Ross Hampton	Chief Executive Officer
Richard Hyett	Senior Policy Manager
Tim Lester	Senior Policy Manager
Robert Memmolo	Events and Administration Assistant
Joe Prevedello	Communications Director
Nataša Sikman	Climate Policy Manager
Victor Violante	Deputy Chief Executive Officer

AFPA SUPPORTED STATE ASSOCIATIONS (SUB-COMMITTEES)

At 30 June 2022 (In alphabetical order)

Ulrike Andresen-Nikolai	Victoria Public & Media Relations Manager
Stuart Harris	Tasmania Media and Public Relations Manager
Deborah Kerr	Victoria Chief Executive Officer
Nathan Paine	South Australia Chief Executive Officer
Nick Steel	Tasmania Chief Executive Officer
Victor Violante	New South Wales Chief Executive Officer

AUSTRALIAN FOREST PRODUCTS ASSOCIATION LIMITED

ABN: 40 008 621 510

FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

Financial Statements

Australian Forest Products Association
ABN 40 008 621 510
For the year ended 30 June 2022

Prepared by Clockwork Advisory

Contents

3	Directors Report
6	The Auditor's Independence Declaration
7	Statement of Profit and Loss and Other Comprehensive Income
8	Statement of Financial Position
9	Statement of Changes in Equity
10	Statement of Cash Flows
11	Notes to the Financial Statements
28	Directors Declaration

Directors Report

Australian Forest Products Association For the year ended 30 June 2022

Director's Report

The directors present their report on Australian Forest Products Association Limited for the financial year ended 30 June 2022.

Directors

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

Name	Appointed / Resigned
Gregory Henry McCormack	Appointed; 1 November 1991
Jonathon Kleinschmidt	Appointed; 7 September 2016
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
Stacey Gardiner	Resigned; 22 November 2021
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, five meetings of directors were held. Attendances by each director during the year were as follows:

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

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 advisors 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 advisors 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 2022 the were 90 members (2021; 85)

At 30 June 2022 the Collective liability of members was \$1,800 (2021; \$1,700)

Operating results

The surplus of the Company amounted to \$ -123,274 (2021: \$516,055)

The Auditor's Independence Declaration

Australian Forest Products Association

For the year ended 30 June 2022

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 2022 has been received and can be found on page 5 of the financial report.

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

Director: _____

Director: _____

Sign date: _____

Statement of Profit and Loss and Other Comprehensive Income

Australian Forest Products Association

For the year ended 30 June 2022

	2022	2021
Income		
Revenue and Other Income	4,469,396	3,822,427
Total Income	4,469,396	3,822,427
Total Income		
Expenses		
Other Expenses	1,017,473	745,039
Property Costs	89,114	37,821
Depreciation	60,037	54,540
Election Package Expenses	131,422	45,914
Employee Benefit Expenses	1,800,480	1,576,153
State Expenses	1,494,144	845,893
Total Expenses	4,592,670	3,305,360
Profit/(Loss) before Taxation	(123,274)	517,067
Net Profit After Tax	(123,274)	517,067

Statement of Financial Position

Australian Forest Products Association

As at 30 June 2022

	NOTES	30 JUN 2022	30 JUN 2021
Assets			
Current Assets			
Cash and Cash Equivalents	6	3,308,701	3,085,650
Trade and Other Receivables	7	207,231	795,291
Prepayments	8	53,562	42,986
Total Current Assets		3,569,494	3,923,926
Non-Current Assets			
Property, Plant and Equipment	5	1,624,409	1,667,230
Total Non-Current Assets		1,624,409	1,667,230
Total Assets		5,193,903	5,591,156
Liabilities			
Current Liabilities			
Trade and Other Payables	9	250,916	336,424
Employee Entitlements	10	142,038	152,019
Other Liabilities		552,370	547,825
Total Current Liabilities		945,324	1,036,267
Non-Current Liabilities			
Employee Entitlements		25,120	17,090
Other Non-Current Liabilities	11	1,092,501	1,283,566
Total Non-Current Liabilities		1,117,620	1,300,656
Total Liabilities		2,062,945	2,336,923
Net Assets		3,130,959	3,254,233
Equity			
Retained Earnings		1,923,020	2,046,294
Reserves		1,207,939	1,207,939
Total Equity		3,130,959	3,254,233

Statement of Changes in Equity

Australian Forest Products Association

For the year ended 30 June 2022

	2022	2021
Equity		
Opening Balance	3,254,233	2,737,166
Increases		
Profit for the Period	(123,274)	517,067
Total Increases	(123,274)	517,067
Total Equity	3,130,959	3,254,233

Statement of Cash Flows

Australian Forest Products Association
For the year ended 30 June 2022

	2022	2021
Operating Activities		
Payments to suppliers and employees	(2,834,793)	(2,025,065)
GST	(307,589)	(256,875)
Cash receipts from other operating activities	4,892,651	4,156,543
Cash payments from other operating activities	(1,836,406)	(1,295,798)
Net Cash Flows from Operating Activities	(86,137)	578,805
Investing Activities		
Proceeds from sale of property, plant and equipment	-	26,313
Payment for property, plant and equipment	(17,216)	(52,483)
Other cash items from investing activities	(10,434)	26,160
Net Cash Flows from Investing Activities	(27,650)	(10)
Financing Activities		
Other cash items from financing activities	338,240	630,062
Net Cash Flows from Financing Activities	338,240	630,062
Net Cash Flows	224,454	1,208,856
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	3,081,967	1,873,111
Net change in cash for period	224,454	1,208,856
Cash and cash equivalents at end of period	3,306,421	3,081,967

Notes to the Financial Statements

Australian Forest Products Association
For the year ended 30 June 2022

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

1. Basis of Preparation

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

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

2. Change in Accounting Policy

Definition of Material - Amendments of AASB 2018-7

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

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

3. Summary of Significant Accounting Policies

1. Accounts Payable and Other Payables

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

2. Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

3. Income Tax

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

4. Critical Accounting Estimates and Judgements

Employee Benefits

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

Provision for Impairment of Receivables

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

Building Valuation

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

5. Revenue and Other Income

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

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

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

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

Specific Revenue Streams

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

Interest Revenue

Interest is recognised using the effective interest method.

Rental Income

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

Membership Subscriptions

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

6. Goods and Services Tax (GST)

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

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

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

7. Property, Plant and Equipment

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

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

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

Land and Buildings

Land and buildings are measured using the revaluation model.

Plant and Equipment

Plant and equipment are measured using the cost model.

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

Depreciation

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

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

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

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

8. Financial Instruments

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

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

Financial Assets

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

Classification

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

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

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

Amortised Cost

Assets measured at amortised cost are financial assets where:

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

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

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

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

Fair Value through Other Comprehensive Income

Equity instruments

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

Financial Assets through Profit and Loss

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

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

Impairment of Financial Assets

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

- Financial assets measured at amortised cost

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

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

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

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

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

Trade Receivables

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

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

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

Other Financial Assets Measured at Amortised Cost

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

Financial Liabilities

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

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

9. Impairment of non-financial assets

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

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

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

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

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

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

10. Cash and Cash Equivalents

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

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

11. Employee Benefits

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

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

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

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

12. Adoption of New and Revised Accounting Standards

The Company has adopted all standards which became effective for the first time at 30 June 2022, the adoption of the standards has not caused any material adjustments to the report financial position, performance, or cash flow of the Company. Refer to Note 2 for details and changes due to standards adopted.

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

4. Revenue and Other Income

	2022 FY	2021 FY
	\$	\$
Interest Received	7,986	7,441
Membership Subscriptions	2,373,258	2,390,112
Other Income	251,956	314,410
Project Income	-	-
Rental Income	114,418	102,253
State Membership Income	1,721,778	1,008,211
Total Income	4,469,395	3,822,427

5. Property, Plant and Equipment

	2022 FY	2021 FY
	\$	\$
Land and Buildings		
At Fair Value	1,755,000	1,755,000
Accumulated Depreciation	(175,500)	(131,625)
Total Land and Buildings	1,579,500	1,623,375
Furniture & Fixtures		
At Cost	36,203	36,203
Accumulated Depreciation	(35,128)	(34,441)
Total Furniture & Fixtures	1,075	1,762
Office Equipment		
At Cost	158,446	141,230
Accumulated Depreciation	(119,124)	(104,449)
Total Office Equipment	39,451	36,780
Plant (Air-Conditioning)		
At Cost	61,181	61,181
Accumulated Depreciation	(56,669)	(55,868)
Total Plant (Air-Conditioning)	4,512	5,313
Total Property, Plant and Equipment	1,624,409	1,667,230

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

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

	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Office Equipment	TOTAL
Year ended 30 June 2022					
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)
Balance at the end of the year	1,579,500	4,512	1,075	39,322	1,624,409

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

2. Land and Building Valuation

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

6. Cash and Cash Equivalents

	2022 FY	2021 FY
	\$	\$
Cash at Bank	1,170,403	1,431,767
Short-term bank deposits	2,138,296	1,653,883
	3,308,700	3,085,650

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:

	2022 FY	2021 FY
	\$	\$
Cash and Cash Equivalents	3,308,700	3,085,650

7. Trade and Other Receivables

	2022 FY	2021 FY
	\$	\$
Trade Receivables	205,126	794,835
	205,126	794,835

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
2022 FY	\$	\$	\$	\$	\$	\$
Trade and term receivables and other debtors	205,126	-	65,463	97,419		42,245
Total	205,126	-	65,463	97,419		42,245

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

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

	2022 FY	2021 FY
	\$	\$
Prepayments	53,562	42,986
Accrued Income	312	455
Total	53,874	74,825

9. Trade and Other Payables

	2022 FY	2021 FY
	\$	\$
Trade Payables	34,118	41,287
Other Payables	130,365	154,896
GST Payable	70,522	126,253
Accrued Expenses	15,000	13,980
Total	250,005	336,416

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

10. Employee Benefits

	2022 FY	2021 FY
Current Liabilities	\$	\$
Long Service Leave	6,126	59,483
Provision for Annual Leave	135,918	93,555
Balance at 30 June	142,044	153,037

	2022 FY	2021 FY
Non-Current Liabilities	\$	\$
Long Service Leave	25,120	17,090
Balance at 30 June	25,120	17,090

11. Other Liabilities

	2022 FY	2021 FY
	\$	\$
FSC Principal 2 Workers Right	-	2,333
Giant Pine Scale Project	464,545	481,633
Regional forestry hub	-	1,000
EITE project - industry edge	-	11,600
Timber framing MKDS campaign 3	136,644	309,040
MGP project	408,001	402,751
Timber framing camp 2	-	1,336
Timber framing message camp 1	-	8,935
Mercer - Survey	-	29,000
SAFPA State Election Campaign	13,082	-
VIC crisis research	-	4,097
WHS subcommittee administrative support	68,599	31,841
FIAT Reserve	477,370	477,370
Total	1,568,241	1,760,936

12. Tenant Leasing Commitments

	2022 FY	2021 FY
Minimum lease payments receivable under non-cancellable operating leases:	\$	\$
Not later than one year	89,410	102,693
Between one and five years	80,565	125,727
	169,976	228,420

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 Management²⁴⁹

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

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

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

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

1. Financial Instruments Used

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

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

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

		2022 FY	2021 FY
Financial Assets	Note	\$	\$
Held at amortised cost			
Cash and cash equivalents	6	3,308,700	3,085,650
Trade and other receivables	7	205,126	794,835
Total Financial Assets		3,513,826	3,880,485
Financial Liabilities			
Financial liabilities at fair value			
Trade payables	9	250,005	336,416
Total Financial Liabilities		250,005	336,416
TOTAL		3,263,821	3,544,069

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

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

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

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

2. Specific Financial Risk Exposures and Management

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

Interest Rate Risk

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

	2022 FY	2021 FY
Financial Assets	\$	\$
Cash and cash equivalents	3,308,700	3,085,650
Total	3,308,700	3,085,650

3. Liquidity Risk

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

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

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

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

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

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

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		Total	
	2022 FY	2021 FY	2022 FY	2021 FY
Financial Liabilities due for Payment	\$	\$	\$	\$
Trade and other payables (excluding estimated annual leave)	250,005	336,416	250,005	336,416
Total Expected Outflows	250,005	336,416	250,005	336,416
Financial Assets - Cash Flows Realisable				
Cash and cash equivalents	3,308,700	3,085,650	3,308,700	3,085,650
Trade and other receivables	205,126	794,835	252,405	794,835
Total Anticipated Inflows	3,513,826	3,880,485	3,513,826	3,880,485
Net (Outflow)/Inflow Expected on Financial Statements	3,263,821	3,544,069	3,263,821	3,544,069

4. Credit Risk

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

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

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

14. Members Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 20 each towards meeting any outstanding obligations of the Company. At 30 June 2022 the number of members was 90 (2021, 86).

15. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2022 (30 June 2021, None).

16. Cash Flow Information

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

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

		2022 FY	2021 FY
	Note	\$	\$
Surplus/(deficit) for the year		(121,215)	516,048
Non-cash flows in profit			
- Depreciation	5.1	60,037	54,540
Changes in assets and liabilities			
- (Increase)/decrease in trade and other receivables		589,851	(464,245)
- (Increase)/decrease in prepayments		(10,576)	30,488
- Increase/(decrease) in income in advance		(188,149)	1,041,526
- Increase/(decrease) in trade and other payables		(35,272)	15,234
- Increase/(decrease) in GST creditor		(55,731)	56,488
- Increase/(decrease) in employee benefits		1,615	(20,628)
Cashflow from Operations		240,560	1,229,451

17. Events Occurring After the Reporting Date

The financial report was authorised for issue on 3 August 2022 by the Board of Directors.

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

18. Company Details

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

Australian Forest Products Association Limited

24 Napier Close

Deakin ACT

Directors Declaration

Australian Forest Products Association For the year ended 30 June 2022

The directors of the Company declare that:

The Financial Statements and notes, as set out on pages 7 to 27, 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 2022 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:

Director:

Sign date:

Auditor's Report

Australian Forest Products Association Ltd
ABN 40 008 621 510

For the year ended 30 June 2022

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 2022, 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 \$121,216 with a Revenue Turnover of \$4,469,396 and Net Assets of \$3,131,998.

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 2022 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: 21st October 2022



Auditor Independence Declaration

To the Members of Australian Forest Products Association Ltd

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

In relation to our audit of the financial report of Australian Forest Products Association Ltd (ABN 40 008 621 510) for the financial year ended 30th June 2022, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

See Accounting Group

Certified Practising Accountants


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

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