



Annual Report 2019

Chair Report

Welcome to the second Annual Report of the Tasmanian Forests and Forest Products Network (The Network).

The Network was launched in May 2018 and since that time has established a significant presence across the forest industry value chain by working as an umbrella organisation on issues of common interest. This year The Network increased membership from across the industry, and grew its role as a communication hub, promoting more industry collaboration and cohesion.

In last year's Annual Report, I listed a number of priorities for the Board going forward. These priorities emerged from the inaugural Network Forum held in Launceston in August 2018 and were nominated by members as priority issues for us to engage on. They included:

- Continued significant growth of members
- Ensuring financial sustainability of the TFFPN
- Engage industry key stakeholders in consultation and cooperation
- Build industry wide unity and common purpose
- Partner across the value chain to work on areas of common interest
- Actively engage with 'grass roots' workers
- Develop meaningful conversation with the community to build trust
- Influence those outside the forest sector

The Board has worked consistently on these over the past year and achieved significant progress.

We have grown membership numbers to over 400 from across the value chain. We have ambitious targets for membership, and we will continue to engage with workers to ensure we reach these targets.

Throughout this year, The Network established a number of Working Groups to consider issues affecting the whole of the industry. This Working Group approach has proven very successful in engaging key stakeholders to work together to facilitate a better outcome in a number of areas.

Working Groups this year have included - AGFEST Working Group, Tasmanian Timber Awards Working Group and the Communications Working Group. We also facilitated the Good Neighbour Charter, the Forest Safety Code Review and the Forest Education Competency Plan.

Following the devastating January '19 bushfires the Fire Management Working Group was formed to capture the issues and learnings from the fires and to prepare a joint submission to the AFAC Bushfires Review. This significant Working Party allowed Network members to share their experiences of the fires and take learnings from the experience of others. The joint forest industry submission to the Review was a significant step for the industry to come together in this way and submit an industry wide response.

The Network also hosted a regional BBQ in the Huon Valley, attended by all regional forest workers who were affected and by the fires to recognize and thank them for their hard work during the fires and their ongoing commitment.

The financial sustainability of The Network is a priority for the Board.

We thank the State Government for their financial support to allow The Network to establish operations and grow. The Board has engaged extensively with key stakeholders in the industry to assist in building the capacity and capability of The Network and thanks financial partners for their support.

The Board will continue to engage and listen to industry partners to grow industry financial support, so that The Network grows and funding is secured.

In April, The Network was appointed by the Commonwealth Government as the administrator of the North-Northwest Regional Forestry Hub.

This pilot Hub, which emerged as part of the National Forest Industries Plan is to support the capacity of the forest industry in the North and North-West Tasmania to meet the long term increases in demand for timber, by consulting extensively with stakeholders across the forest value chain to identify and progress industry and regional priorities to meet that demand.

The Network Board put in place appropriate governance processes to manage the Hub over the next three years, including appointing a Steering Committee and Project Manager who will consult extensively across the region to ensure a stakeholder driven process. We look forward to keeping you informed about progress of the Hub through our website.

The Board looks forward to the challenges of the next year. Priorities will include increasing our membership to 1000 members and providing these members with information on issues to increase knowledge sharing and pride in our industry. We will offer members the opportunity to become involved in the work of The Network, including our second Tasmanian Forest Industry forum.

We will secure the financial sustainability by increasing the number of financial partners and we will actively engage the community in a meaningful conversation about the contribution across the forest industry value chain to Tasmania.

I wish to thank my fellow Directors Bryan Hayes, Andrew Morgan, Tony Stonjek and Chris Barnes for their commitment and hard work for The Network this year. In May, Chris Barnes resigned from the Board to relocate to New Zealand to take up a new position. We thank Chris for his contribution as Director and wish Chris and his family all the very best in the future.

I also wish to thank Convenor, Therese Taylor for her work as well as Naomi Will, and the members at Sustainable Timber Tasmania and others who have contributed to such a successful year.

I also acknowledge and thank the many members who contributed to Working Groups, newsletters, regional and other activities and I look forward to increased member involvement in the coming year.

Steve Whiteley
Chair



Convenor Report

The 2018-19 year has been a very successful period for The Network with profile and membership growing significantly in a short period of time. There is now over 400 members as The Network gains support from across the forest industry in Tasmania.

During this reporting period The Network has undertaken significant projects and activities and through its collaborative way of working has enabled project outcomes, connections and communication to occur that have benefitted the whole of the industry.

The Network is a communication hub and works on issues of relevance across the supply chain. Progressing this work through Working Groups allowed representatives from different sectors to work on issues of common interest.

During this year the Network has convened a number of industry led and managed Working Groups, including:

AGFEST – the successful Forest Industry site at AGFEST 2019 was the first time the forest industry presented on one site. 10 companies and organisations were represented and it was a great opportunity to increase community awareness of the industry.

Tasmanian Timber Awards – the inaugural Tasmanian Timber Awards to celebrate excellence and leadership in the industry, will be held on 9th August in Launceston. There has been tremendous industry interest in the Awards with a high number of applications received over the 13 categories.

Communications Working Group – will play an important role shaping the messages, both internally and externally, for the industry to ensure consistent messages are communicated, growing the knowledge and appreciation of wood products. This group will link in with the national work being developed with 'Wood –The Ultimate Renewable'.

Following the devastating January '19 bushfires, the Fire Management Working Group was formed which submitted a Forest Industry submission to the AFAC Review. This was a significant milestone for an industry wide submission to be developed.

The Network also played an important role to progress the Good Neighbour Charter, the Forest Industry Safety Code, and the Forest Education Competency Plan. We look forward to growing this facilitation role during the coming year.

The Network has grown in capacity and influence in the past year and has engaged key industry stakeholders in consultation and cooperation. We are building industry wide unity and purpose and will continue to focus on this in the coming year.

We have actively engaged 'grassroots' members and partnered with others through a number of events.

A significant achievement through the year was securing the administration of the North-Northwest Regional Forestry Hub pilot.

The Hub will support the capacity of the forest industry in the region to meet long term increases in demand for timber, by consulting extensively with stakeholders across the forest value chain to identify and progress related industry and regional priorities. These will include growing more trees, improving supply chain infrastructure and optimising processing capacity in the North-North-West Tasmania.

This industry driven process will facilitate strategic assessments of the factors impacting on the forest growing and processing in the North and North-West region of Tasmania.

The Board of The Network has established a strong governance framework for this three year project including the appointment of a Steering Committee and a Hub Project Manager. The Network looks forward to participating in this strategic project and will work with regional partners to achieve the best outcome.

We communicate with members regularly through our monthly newsletters, social media and regional activities. I wish to thank Naomi Will for her invaluable assistance throughout the year keeping members informed across all of our news and events. I also thank Jenna Hammond of Sustainable Timber Tasmania for her assistance with the newsletter, profiling many of the brilliant people who work in our industry. Thanks also to Tammy Price of SFM who provides in kind financial assistance to The Network. I thank the members who participated in Working Groups for their time and expertise to ensure we achieve the best outcome.

I thank The Network Board of Steve Whiteley (Chair), Bryan Hayes (Deputy Chair), Andrew Morgan, Tony Stonjek, and Chris Barnes for their support, guidance, stewardship and unfailing belief in the future of The Network.

I look forward to working with you, the members, in the coming year to grow the capability, capacity, financial sustainability, and influence of The Network for the benefit of the forest industry in Tasmania.

Therese Taylor
Convenor

TASMANIAN FORESTS AND FOREST PRODUCTS NETWORK

COMMITTEE REPORT

FOR THE YEAR ENDED 30 JUNE 2019

Your Board members submit the financial accounts of the Tasmanian Forests and Forest Products Network for the financial year ended 30 June 2019.

Board Members

The names of Board members at the date of this report are:

Steve Whiteley - Chair

Bryan Hayes - Deputy Chair

Chris Barnes - Treasurer - (resigned June)

Andrew Morgan - Director

Tony Stonjek - Director

Principal Activities

Tasmania's forest and forest products industry is dynamic, highly diversified, and has been one of the central drivers of the Tasmanian economy since the state was settled. It is constantly evolving to meet market, environmental and community expectations.

The decentralised nature of the industry over time has meant that sectoral interests have been represented, but there has not been a cohesive network of industry participants and supporters to act as a central point to represent the many shared views, concerns and expectations of those sectors or those employed across the value chain.

In 2017, following extensive industry consultation through the Department of State Growth, the Government recognised this and offered unencumbered seed funding to enable the establishment of the Tasmanian Forest and Forest Products Network (TFFPN). The TFFPN was formed to represent all sectors of the industry on matters of common interest.

The principal activities of the company during the financial year were: providing information and a united voice on issues, successes, policy, innovations, common areas of concern in the forestry industry.

Review of Operations

During 2019, TFFPN played a leadership role for the industry into the future as the social, economic and environmental conditions change rapidly, including increased demand for wood and wood fibre products worldwide, and community expectations demand sustainability of our forestry resources.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The surplus from ordinary activities amounted to:

30 June 2019	30 June 2018
150,022	8,442

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2019 has been received.

Signed in accordance with a resolution of the Members of the Board on:

Date

Steve Whiteley

Date

TASMANIAN FORESTS AND FOREST PRODUCTS NETWORK

INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
INCOME		
Events	31,500	-
Functions	29,383	-
Government Funding - State	100,000	-
Government Seed Funding	-	150,000
Industry Subscriptions	140,000	-
Interest Income	213	-
	<u>301,096</u>	<u>150,000</u>
EXPENDITURE		
Advertising & Marketing	3,936	9,301
Board expenses	698	-
Consultants	13,844	58,110
Event expenses	25,614	-
Function expenses	18,441	16,867
General Expenses	352	-
Insurance	1,051	-
Motor Vehicle Expenses	2,559	-
Printing & Stationery	55	-
Rent / Office Accommodation	2,378	6,759
Travel (Accommodation)	2,265	1,086
Travel (Airlines)	632	-
Travel expenses (other)	31	-
Wages and Salaries	78,471	49,435
Working Group Expenses	747	-
Total Operating Expenses	<u>151,074</u>	<u>141,558</u>
NET PROFIT	<u>150,022</u>	<u>8,442</u>

TASMANIAN FORESTS AND FOREST PRODUCTS NETWORK

BALANCE SHEET

AS AT 30 JUNE 2019

	2019	2018
CURRENT ASSETS		
Cash Reserve Account	20,556	-
Northern Forestry Hub	250,104	-
Transaction Account	88,170	-
Accounts Receivable	146,059	-
PFT Administration	-	8,442
TOTAL CURRENT ASSETS	<u>504,889</u>	<u>8,442</u>
TOTAL ASSETS	<u>504,889</u>	<u>8,442</u>
CURRENT LIABILITIES		
Accounts Payable	3,076	-
Accrued functions	49,456	-
GST	43,893	-
Northern Hub Funds	250,000	-
TOTAL CURRENT LIABILITIES	<u>346,425</u>	<u>-</u>
TOTAL LIABILITIES	<u>346,425</u>	<u>-</u>
NET ASSETS	<u>158,464</u>	<u>8,442</u>
EQUITY		
Retained Earnings	8,442	-
Current year surplus	150,022	8,442
TOTAL EQUITY	<u>158,464</u>	<u>8,442</u>

TASMANIAN FORESTS AND FOREST PRODUCTS NETWORK

STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2019

Balance 1 July 2017	-
Surplus attributable to the year	8,442
Balance as at 30 June 2018	<u>8,442</u>
Balance 1 July 2018	8,442
Surplus attributable to the year	150,022
Balance as at 30 June 2019	<u>158,464</u>

TASMANIAN FORESTS AND FOREST PRODUCTS NETWORK

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

	2019
Cash flows from operating activities	
Receipts from customers	212,722
Interest received	108
Payments to suppliers and employees	(104,104)
Net cash (used in)/generated from operating activities	<u>108,726</u>
Net increase in cash	<u>108,726</u>
Cash on hand at beginning of the financial year	-
Cash on hand at the end of the financial year	<u>108,726</u>

TASMANIAN FORESTS AND FOREST PRODUCTS NETWORK
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

1. STATEMENT OF ACCOUNTING POLICIES

The directors have prepared the financial statements on the basis that the Entity is a non-reporting entity because there are no users dependent on general purpose financial statements. These statements are therefore special purpose financial statements that have been prepared to meet the requirements of the *Corporations Act 2001* and Division 60 of the Australian Charities and Not-for Profit Commission Act 2012. The Entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of the members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

As there is no requirement to adopt Australian Accounting Standards for this type of entity, none have been applied.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these financial statements.

(a) Cash on Hand

Cash on hand includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(b) Receivable

Accounts receivable and other debtors are expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivable are classified as non-current assets.

(c) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts or volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Grant or donation income is recognised when the entity obtains control over the funds. If conditions are attached to the grant that must be satisfied before the Association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

Interest revenue is recognised in the period in which it is earned.

All revenue is stated net of the amount of goods and services tax.

TASMANIAN FORESTS AND FOREST PRODUCTS NETWORK

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2019

1. STATEMENT OF ACCOUNTING POLICIES

(d) 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 of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

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

(e) Creditors

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

(f) Comparative Information

Where necessary, comparative figures have been re-classified and re-positioned for consistency with current period disclosures.

(g) Income tax

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

Note 2 – Cash flow information

Reconciliation of cash flows from operating activities with net current year surplus:

	2019
	\$
Net current surplus	150,022
Changes in assets and liabilities	
- (increase)/decrease in accounts receivable	(137,721)
- (decrease)/increase in accounts payable	96,425
	<u>108,726</u>

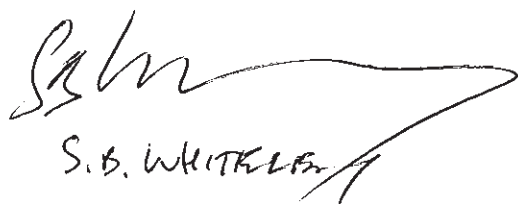
TASMANIAN FORESTS AND FOREST PRODUCTS NETWORK

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2019

In accordance with a resolution of the Board of Directors of the Tasmanian Forests and Forest Products Network the Board members declare that:

1. The financial statements and notes, as set out on pages 2 – 9, are in accordance with the *Corporations Act 2001* and:
 - a. Comply with accounting standards applicable to the Entity;
 - b. Give a true and fair view of the financial position of the Entity as at 30 June 2019 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.



S. B. WHITFIELD

Dated this 31 day of JULY 2019.

Thank you to our Network Sponsors

Network Partners



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