



**GIPPSLAND  
FORESTRY HUB**  
Promoting the Forestry Industry

# Annual Report 2021-22





This report was commissioned by the Gippsland Regional Forestry Hub with funding from the Australian Government, Department of Agriculture, Fisheries and Forestry.

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# Introduction

## Gippsland Forestry Hub Background

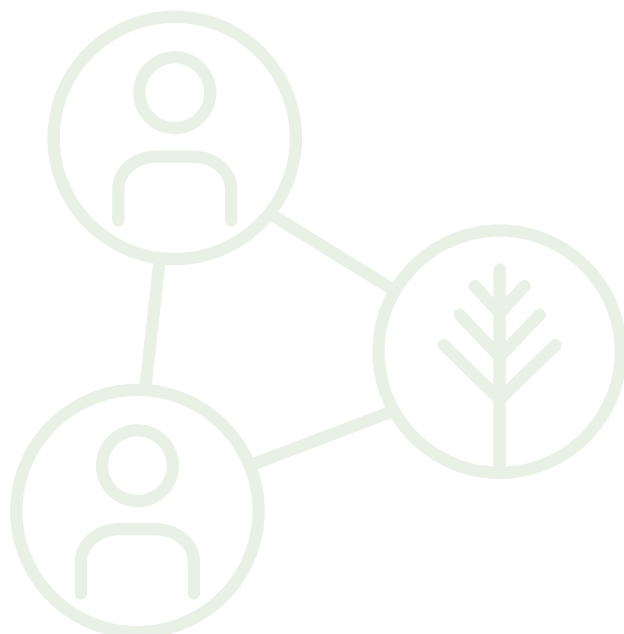
The Gippsland Forestry Hub (GFHub) has received funding under the National Forest Industries Plan which has the overarching objectives of “better returns to business, more investment, more jobs and greater economic prosperity for Australia” and “improve the productivity and efficiency of Australia’s forestry sector and support the region and its economy.”

The hubs focus is to concentrate on Innovation/ Growth, Plantation expansion, Research and development, Education & Training, Employment possibilities, Roading/Transport, Infrastructure and importantly Community engagement.

GFHub aims to identify opportunities for a growing industry into the future to make the forest and forest products industry sustainable while supporting local and regional communities to thrive, improve public perceptions, support the community, and raise awareness in the region of the career opportunities and employment pathways in the sectors.

The Government grant represents an opportunity for the GFHub to promote, canvas and represent the forestry industry in Gippsland by supporting the industry with opportunities to increase and sustain the provision of fibre into our economy and how we best utilise one of our few renewable resources.

The GFHub has a unique makeup of expertise from educators, forest growers, forest owners, forest operators, local government representatives, manufacturers and sawmillers which should enable us to canvas all relevant sectors of the industry so that our communities’ benefit.



# Message from the Chair



As Chair of the Gippsland Forestry Hub, it is with great pleasure that I present the Annual Report for the year ending 30 June 2022, on behalf of the Executive and Committee.

The launch of our strategic plan in the previous financial year set a course for the Hub to tackle many of the objectives identified in the plan. Consistent with the plan, the focus for the Executive remained in the areas of resource expansion, understanding the region's infrastructure needs, skills, education, employment, and of course understanding the emerging opportunities that forests offer in mitigating the effects of climate change through carbon sequestration.

Improving the community's knowledge on the value of the forest and wood products industry also continued to be a major focus for the Gippsland Forestry Hub. The energetic representations made on behalf of our industry by our General Manager, Lesia Clark offers an invaluable connection between our industry, various levels of government and the community. This is an immensely important extension service, as it offers our stakeholders insight into the how, what and who we represent. Lesia's daily and weekly interactions not only advocate and inform others of our presence but also capture all the opportunities that can be worked upon to promote our industry.

The Executive created certainty on two fronts in 2022. Firstly, our Agreement with the Commonwealth in relation to the grant under the Australian Government's National Forest Industries Plan was extended by three years to 31 August 2025. On the back of this the Executive offered Lesia a second term to coincide with this milestone to which Lesia agreed. Both are immensely important outcomes, as they both show the level of confidence held by both the Federal Government and our Executive regarding the future of the Gippsland Forestry Hub.

In conclusion I offer my thanks to the Executive, Education subcommittee, Committee members and Lesia Clark again for each of your efforts in this second year. We remain committed to seeing a thriving forest and wood products industry in Gippsland. I look forward to the coming year and I am excited by the opportunities that lie ahead. Enjoy reading the 2022 Annual Report of the Gippsland Forestry Hub.

**Simon Gatt**

*Chair, Gippsland Forestry Hub*





# General Managers Report



Developing our annual report provides us with the opportunity to reflect on the year that has passed and to keep us on track with our objectives and strategic themes.

While it has only been two years since the establishment of the Gippsland Forestry Hub, we have been working closely with stakeholders to understand the current lay of the land, to look at how we as an industry could support innovation and growth for now and into the future.

We have developed some robust reports over the last twelve months which supports the Gippsland Forestry Hubs objectives and allows us to provide the Federal Government on opportunities to increase and sustain the provision of fibre into our economy and how we best utilise one of our few renewable resources.

There are some key themes emerging from the research for Gippsland, Resource availability is probably the number one issue being raised.

That relates to both current resource availability as well as the implications of “transition”.

Availability, skills, capability, attraction, and retention of talent to the sector. This is complex and there are varied views. For some, the issue is access to professionally trained staff; for others it is trained technical staff and operators, as a whole the industry like so many other Industries are struggling to fill positions.

We will continue to work closely with Government, stakeholders, and the communities to identify solutions to support industry growth.

I would like to take this opportunity to thank the Chair Simon Gatt and all the committee for their continued support and a huge thanks to all our stakeholders that have provided input into our various reports over the last 12 months.

**Lesia Clark**

*General manager, Gippsland Forestry Hub*

# Governance

## Gippsland Forestry Hub Governance

<b>Chair</b>	Simon Gatt / AKD Softwoods
<b>Deputy Chair</b>	Sandy Kam / National Timber Councils Association
<b>Secretary</b>	Megan Parameshwaran / Australian Sustainable Hardwoods (ASH)
<b>Treasurer</b>	Ian Reid / Austimber Harvest & Haulage
<b>Executives</b>	Adrian Berton / Opal Australian Paper Lou Bourke / Hancock Victorian Plantation Trevor Nicklen / Vic Forests
<b>General Manager</b>	Lesia Clark
<b>Sub-Committee Members</b>	Brett Pedlow / Yarram Secondary College Chris Barclay / Hancock Victorian Plantation Christy Hoiles / Latrobe City Council Julian Hay / AKD Softwoods Tim Fowler / Plantation Hardwoods Tony Britton / Radial Timbers Paul Boys / Gippsland Technical School Peter Devonshire / GAN

## Gippsland Forestry Hub Meeting dates 2021-2022

### Full committee meetings

10th August 2021  
19th November 2021  
18th February 2022  
19th August 2022

### Executive Committee meeting

16th July 2021  
21st September 2021  
29th October 2021  
19th November 2021  
17th December 2021  
25th March 2022  
29th April 2022  
27th May 2022  
29th July 2022  
30th September 2022

### Annual General meeting

5th October 2021

### Workforce Development Committee meetings

16th July 2021  
29th March 2022  
3rd August 2022

### GFHub workshop

18th February 2022



# Gippsland Forestry Hub Key Objectives

## The key objectives of the Hub are:

**Determining the potential for future plantation expansion with appropriate transport distances and near other existing sources of wood and fibre. This could include mapping potential land availability for plantations and engaging with farmers, indigenous communities, and other landowners to establish forest plantings.**

- ▶ Analysing the constraints that affect the productivity and efficiency of the forestry sector
- ▶ Pinpointing opportunities for future investment in infrastructure and technology, and areas for potential expansion by forest industries
- ▶ Identifying and support business cases for the investment in new infrastructure, such as roads, bridges, ports, telecommunications and training facilities, thereby assisting forest service industries better plan their futures
- ▶ To be the centre for the Gippsland Forest Industry to share information and facilitate the implementation of strategies and solutions
- ▶ Facilitate collaboration and dialogue between industry, government, and key stakeholders to ensure the primary objective and its outcomes are achieved
- ▶ Identify opportunities for a growing industry into the future to make the industry sustainable whilst supporting local regional communities to thrive
- ▶ Share information and facilitate the implementation of strategies and solutions
- ▶ Assist in the dissemination and promotion of strategies and solutions to industry and community for the benefit of regional towns in Gippsland.
- ▶ Work collaboratively with industry, state, and local governments, and other key stakeholders to identify and improve the economic, regulatory, and technical issues faced by the industry in Gippsland.





# Gippsland Forestry Hub Priorities 2021-22

Plantation expansion

Fibre security for a  
thriving industry

Understanding future  
market needs

Feasibility study for a  
purpose-built Forestry  
training centre in  
Latrobe City

Gippsland community  
survey and analysis

Regional infrastructure  
gap analysis

Understanding  
the barriers and  
opportunities for  
industry innovation in  
Gippsland

Carbon – How to  
guide for farmers –  
Tree farming



# Report on Activities

## ► Investing in Gippsland's Sustainable Forestry Future

Completing this report shows there are large areas of private land that is highly suitable for plantations. Although land costs are high, there is great potential to work with current landowners (including institutional agribusiness investors) to integrate plantations on their land.

- Plantation expansion in Gippsland
- Fibre Security for a Thriving Industry
- Understanding future market needs
- Develop a Plantation expansion assessment' that will support Plantation expansion in Gippsland.
- Land type, suitability, and clarity on future supply
- Plantation expansion – Integration of forestry with alternative crops and/or land uses
- Incentives for private landowners to plant and grow trees
- Investment cost of planting, harvesting and required approvals versus return on investment for private landowners

- Private landowner confidence; time investment, skills, equipment, etc.
- Regulatory framework and constraints
- Identify Gippsland specific relevant findings from previous studies and projects.
- Propose short, medium, and long-term actions which will improve fibre availability and utilisation
- Mapping potential land availability for plantations
- Report on the constraints that affect the productivity and efficiency of the forestry sector in the Hub region.

Full report [www.gippslandforestryhub.com.au](http://www.gippslandforestryhub.com.au)

## ► Understanding the barriers and opportunities for Industry innovation in Gippsland and Regional infrastructure gap analysis

This report identified that the forest and wood products sector in Gippsland is facing a period of unprecedented change. In particular, the decision by the Victorian Government to cease native forest harvesting on publicly owned land presents a situation where the sector must find new ways to access fibre and optimise its recovery and application to wood products manufacturing, in order to thrive. It also means that the sector must find new alternative sources of wood fibre if it is to maintain its current level of fibre input and manufactured wood output. In order to achieve these outcomes, the industry needs to identify and address gaps in critical regional infrastructure. It also needs to identify opportunities to innovate through the supply chain and clarify and develop solutions to overcome barriers to innovation.

The forestry sector broadly, and more specifically in Gippsland, has a strong record of innovation. However, it has been typically delivered at the enterprise level. The challenge presented is whether the forest and wood products sector in Gippsland can innovate across the sector and between sectors. The project has identified twelve focus areas for potential innovation, the Hub will be working on some of these over the next twelve months.



- Existing infrastructure; ports, rail, and roads
- Port access, costs, efficiencies; integration of existing infrastructure into key port locations
- Key supply chain and infrastructure participants
- Telecommunications
- Safety priorities
- Key export markets
- Global demand across the supply chain and future trends
- Regulatory framework and constraints
- Emerging Technologies/Innovation for a world class, sustainable industry
- Understanding the barriers and opportunities
- Which points along the value chain offer real future development opportunities
- Understanding and exploring cross-sectoral opportunities for innovation and technology development.

Full report [www.gippslandforestryhub.com.au](http://www.gippslandforestryhub.com.au)



## ► Farm Forestry Case studies

The GFHub engaged GAN to develop several Case studies to highlight what Agroforestry leaders in Gippsland have achieved.

Growing trees on private land by smaller landowners has been going on for over forty years in Gippsland, commencing with pine plantations supported by government farm-forestry Loans and corporate harvest agreements and moving on to smaller eucalypt enterprises testing establishment strategies and species generally in the wetter parts of the Strzelecki range.

Full report [www.gippslandforestryhub.com.au](http://www.gippslandforestryhub.com.au)

## ► Feasibility study – purpose-built training centre in Latrobe Valley

Facilitate the role of innovation and regional research, in consultation with Industry & local education institutions to identify the challenges and opportunities regarding education, skills and employment in the Gippsland region.

Feasibility study to establish a purpose-built forestry training Centre in the Latrobe Valley

- Understanding the impediments to delivering quality training, education, and skills development
- Identify RTO models which would support multiple training providers with industry experts to mentor training delivery
- Identify linkages between industry and local high schools and assist in the promotion of the industry within the schools
- Facilitate schools and industry to work together to document pathways into, and out of, a variety of job roles.

Full report [www.gippslandforestryhub.com.au](http://www.gippslandforestryhub.com.au)



## ► Gippsland community survey and analysis

Assessment of community views, knowledge and perceptions and analysis we identified the views of the forestry industry and the organisations that operate within the sector. The need to identify ways to improve the messaging and how the industry can demonstrate their positive contribution to the community. This report provided the key challenges with community perception is a result of the mixed messages that they were receiving of the importance of the industry to the Gippsland economy

Full report [www.gippslandforestryhub.com.au](http://www.gippslandforestryhub.com.au)

## ► Yarram Secondary College Plantation

GFHub is involved with recording and documenting the harvest and subsequent replant and a visual record will be made.

Students visiting the site to expand their knowledge and hopefully encourage them in their career selection. We have participated in five site visits with students encouraging their input into future planting.









## ► Gippsland Forestry Taster Pilot Program

The Gippsland Forestry Hub launched their first Forestry Taster Program, the focus was on great careers within the industry. A free three-day course supported by Gippsland Forestry Hub and Responsible Wood and Food & Fibre. Over the two programs there were 29 participants which was opened by Ms. Melina Bath – National Member of the Victorian Legislative Council for Eastern Victoria Region.

The course kicked off its first day with various mentors from across the industry highlighting the importance of the industry, along with the diversity of occupations available and the many pathways to great careers

Presenters included:

- Ian Reid, Director, Austimber Harvesting and Haulage
- Stephen Wentworth, Silviculture manager, HVP
- Chris Barclay, OHS manager, HVP
- Mark Goodwin, District Forester, HVP
- Ricky Leeson, Director, Leeson's Logging & Cartage
- Peter Freeman, Superintendent – Laboratory, MHF OPAL
- Tim Fowler, Operations Forester, Plantation Hardwoods
- Tony Britton, Sawmill manager, Radial Timbers
- Brodie Anderson, Food & Fibre
- Paul Boys, Director, Gippsland Technical School.



The second day students achieved their Forestry Operator's License (FOLs), two competencies Nationally recognised units delivered by Gippsland TAFE which will support them to work within a forestry business.

The third day they travelled out to be shown firsthand the Hancock's Victorian Plantation nursery in Gallandale, Radial Timbers Sawmill, Yarram Secondary Collage school plantation Won Wron and a HVP thinning's coupe in Flynn.



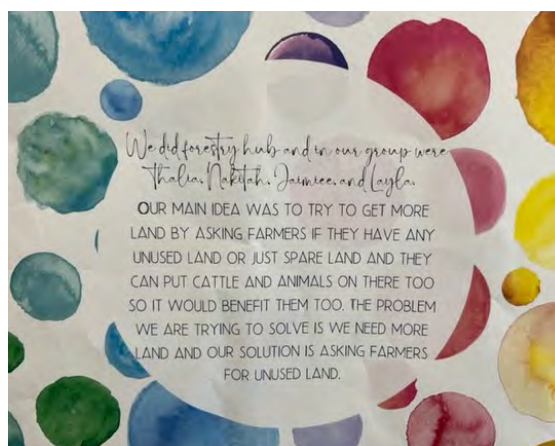
## ► Presentations/Expos

- East Gippsland Farm Field Day Friday 8th & Saturday 9th April 2022
- Timber Towns Victoria AGM
- Carbon Farming Conference Albury May
- Gippsland Regional Executive Forum, presenting to the group Investing in Gippsland's Sustainable Forestry future report
- Yarram Secondary Collage School Plantation project
- Forest & Wood Products Australia | AGM 2021
- Baw Baw Latrobe and South Gippsland Bass Coast LLENs – Gippsland School Industry Round Table
- Community Consultation – Factors affecting labour force participation in the Latrobe Valley
- VSA IAG member visit – Forestry
- LVA-Focus Group (Industry): Developing pathways for the Sustainable Development Goals to influence strategy and action
- Clean Economy Workforce Development Strategy – Forestry & Land Management Roundtable
- Mirboo North Secondary College – Year 9 Community Challenge team of Landcare
- Wellington Skill and Employment round table



## ► WINC – Supporting women in new careers

Presented to a group of ladies who were either looking for a new career or supporting people to gain new employment.



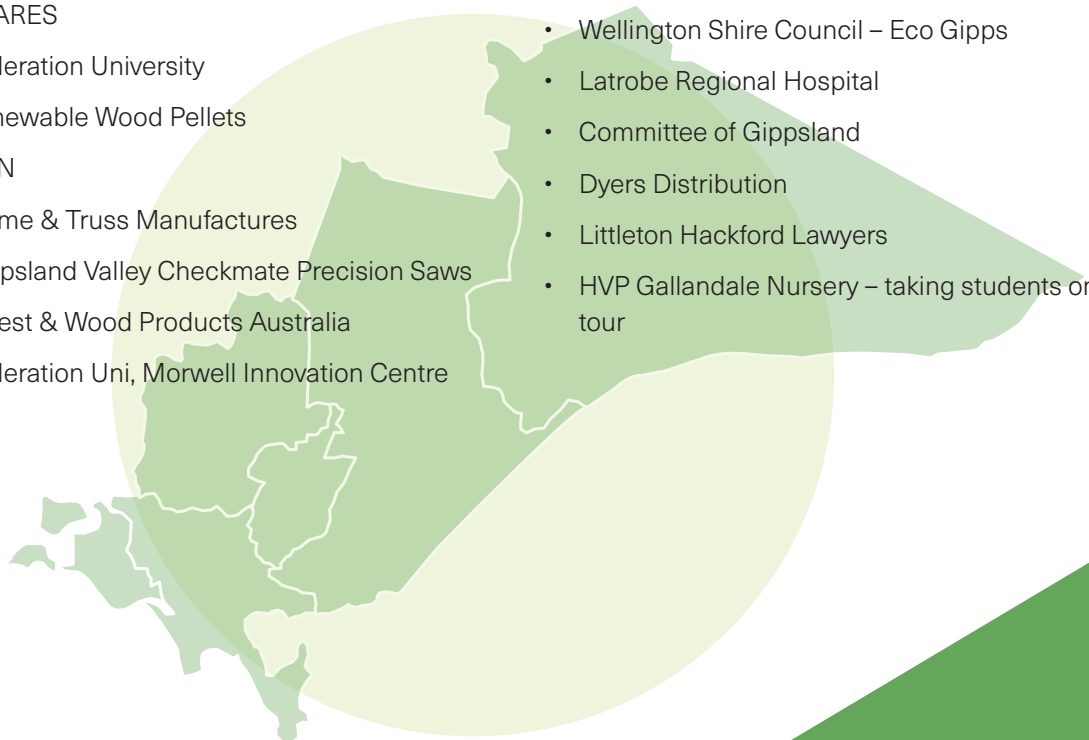


## ► Other activities

- Attended a workshop in Melbourne, regarding the revised AS/NZ 4708:2021 Sustainable Forest Management and AS 4707:2021 Chain of Custody standards
- Provided feedback on final Skills Plan industry report
- Presented to the students and teachers participating in the Broadening Horizons Program at Yarram Secondary College 10-week program
- Victorian Training Awards GFHub is a judge on the panel – Vocational Student of the Year Award
- Attended the National Farmers Carbon Conference in Albury
- Attended AFCA Chamber meetings
- Completed and provided the Government with our work plan and budget 2022-2023
- The manager participates in monthly National Hub managers meetings
- Seminar led by Carly Kling, Project Director, Delivery, Senior Secondary Pathways Reform Taskforce, Department of Education and Training
- Vic Forest Farm Forestry meeting

## ► Gippsland Forestry Hub Engagement

- Forestworks – skills development provided advice on the Forestry training package
- NIFPI representative on two Gippsland projects
- ABARES
- Federation University
- Renewable Wood Pellets
- GAN
- Frame & Truss Manufactures
- Gippsland Valley Checkmate Precision Saws
- Forest & Wood Products Australia
- Federation Uni, Morwell Innovation Centre
- Committee for Gippsland
- PFOlsen
- Forest & Wood Products Australia
- Wellington Shire Council – Eco Gipps
- Latrobe Regional Hospital
- Committee of Gippsland
- Dyers Distribution
- Littleton Hackford Lawyers
- HVP Gallandale Nursery – taking students on tour



## Industry Meetings

- Inspection of Peter Devonshire's bio-diverse plantation and portable mill
- Clean Economy Workforce Development Strategy – Forestry & Land Management Roundtable
- GREF Meeting
- IAG Member Seminar – Funded Course List/ Funded Skill Set List
- Activating Gippsland's Renewable Energy Workforce Regional Forum launch of the Energising Skills Local Jobs Program.

## Industry Committees

- Forestworks – GFHub is a member of the steering committee for the Review of the Forestry Qualifications training package
- Participation in Technical advisory groups
- Review qualifications to attract new entrants (includes VET programs delivered in schools)
- Training needs of VET in school students
- Review of high-level jobs in Forestry (participation in the diploma level)
- Training needs for the higher-level jobs (what are the current and emerging skill needs).



## Gippsland Taskforce

### Barriers:

- The career ambitions of young people and the jobs available in the region – they may have more professionally based careers and do not associate those careers within the industries in Gippsland
- Rental affordability
- Growing industries can offset the decline of other industries
- Local education providers lack trainers in the region
- Inaccessibility of public transport limiting labour force movement across the region.

The GFHub will continue working with the Taskforce to overcome the barriers in our Industry.

## NIFPI

NIFPI committee representing Gippsland.

### Meetings

9th November 2021  
4th February 2022  
7th April 2022  
26th May 2022  
18th August 2022

## Timber and Wood Processing Industry Reference Committee (IRC)

- Forest and Wood Products Industry Skills Report
- Training Package training issues

## Resources, Forestry, Pulp and Paper IAG

IAG members work with their networks and through the IAG to:

- Support the annual preparation, and ongoing implementation, of the Victorian Skills Plan through well-informed, and evidence-based industry advice
- Provide advice on skilling issues and policies including, but not limited to, the formulation of the Victorian Skills Plan, Victorian Government skills policies and Commonwealth skills policies
- Offer insights and advice on industry developments and changes, and their impact on skills needs, both current and future for the Victorian economy, metropolitan and regional
- Communicate and share the work of the Victorian Skills Authority, the annual Victorian Skills Plan, and any other skills and training information that may be of interest to their members.

## Industry Associations

- AFCA – Australian Forest Contractors Association
- FTMA – Frame and Truss Manufacturers Association
- VFPA – Victorian Forest Products Association
- FWPA – Forest and Wood Products Australia
- AFPA – Australian Forest Products Association
- TMA – Timber Merchants Australia



## Council Engagement

- Bass Coast Shire – Coordinator for Investment
- Baw Baw Shire – Executive Manager Community
- Wellington Shire – Manager Business Development
- South Gippsland – Coordinator Economic Development
- East Gippsland Shire – Economic Development
- Latrobe City Council – Manager Business Development

## Media releases

- Freelance Journalist – Warragal
- Warragal & Drouin Gazette
- Timber News
- Yeates Media
- Ryan Media
- Friday Offcuts
- Wood week
- ABC Radio Sale

## Government

- Regional Investment Corporation: Plantation loans – National Forestry Engagement Manager
- Latrobe Valley Authority – Examining employment participation rates in Gippsland
- Victorian Skills Gateway – plan – sector-based forum
- Agriculture, Water and Environment – Funding Arrangement Manager
- Latrobe Valley Authority – Chief Executive Officer
- Forestry & Climate Change Department of Jobs, Precincts and Regions Deputy Secretary

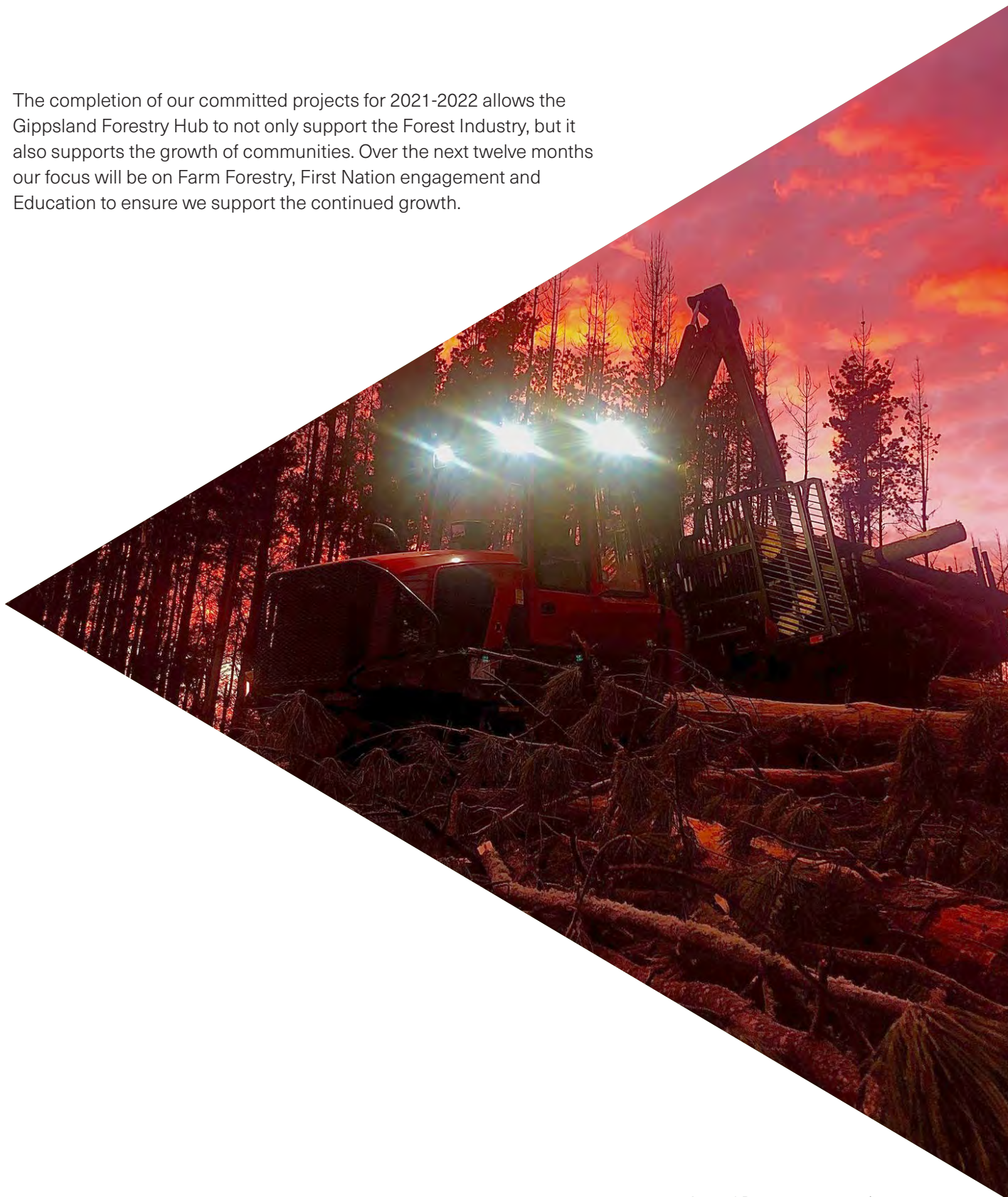
- Forestry and Fibre Innovation, Forestry, Resources and Climate Change Department of Jobs, Precincts and Regions – Executive Director
- State Member of Parliament for Eastern Victoria
- Federal Member for Gippsland – Darren Chester MP
- State Member for Narracan – Deputy Secretary Forestry and Climate Change – Garry Blackwood MP
- RRV Department of Jobs, Precincts and Regions – Senior Project Manager Forestry Transition
- Federal Member for Monash
- Member of Legislative Assembly for Bass
- Member Legislative Assembly for Eastern Victoria
- Forestry and Climate Change Department of Jobs, Precincts and Regions – Deputy Secretary
- Victorian Skills Authority – Industry Advisory Group
- National Party Member of Parliament for Eastern Victoria Region
- Forestry & Climate Change Department of Jobs, Precincts and Regions – Senior Adviser
- Regional Development and Territories Federal Assistant Minister – Nola Marino MP
- Federal Deputy Opposition Whip in the Senate
- State Member of Parliament for Lowan
- State Member of Parliament for Euroa
- State Member of Parliament for South-West Coast
- State Member of Parliament for Western Victoria
- Victorian Skills Authority – CEO
- Department of Jobs, Precincts & Regions – Victorian Forestry Plan
- Gippsland Regional Development Victoria – Principal Regional Coordinator





# Summary

The completion of our committed projects for 2021-2022 allows the Gippsland Forestry Hub to not only support the Forest Industry, but it also supports the growth of communities. Over the next twelve months our focus will be on Farm Forestry, First Nation engagement and Education to ensure we support the continued growth.



# Financial Statements

## Financial Report for the Year Ended 30 June 2022

### GIPPSLAND FORESTRY HUB INC.

ABN: 68 178 105 512

#### COMMITTEE'S REPORT

Your committee members submit the financial report of the Gippsland Forestry Hub Inc. for the financial year ended 30 June 2022.

#### Committee Members

The name of each member of the committee during the year and if different, at the date of the report;

Simon Gatt (Chairperson)  
Ian Reid  
Adrian Berton  
Trevor Nicklen  
Tony Britton  
Julian Hay  
Paul Boys  
Lesia Clark

Sandy Kam (Deputy Chairperson)  
Megan Para  
Louise Bourke  
Christy Hoiles  
Chris Barclay  
Tim Fowler  
Brett Pedlow  
Peter Devonshire

#### Principal Activities

The principal activities of the association during the financial year were:

Gippsland Forestry Hub Inc aims to identify opportunities for a growing industry into the future to make the forest and forest products industry sustainable while supporting local and regional communities to thrive, improve public perceptions, support the community, and raise awareness in the region of the career opportunities and employment pathways in the sectors.

#### Significant Changes

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

#### Operating Result

The 2022 operating loss for the period amounted to \$(47,248.61). (2021 operating profit \$111,311.66)

Signed in accordance with a resolution of the Members of the Committee.

Committee Member:

Simon Gatt

Committee Member:

Ian Reid

Dated this 1<sup>st</sup> day of September 2022

**GIPPSLAND FORESTRY HUB INC.**  
**ABN: 68 178 105 512**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
<b>INCOME</b>			
<b>OTHER INCOME</b>			
Government Grants		350,000.00	320,000.00
Other Grants		10,000.00	-
Other Revenue		11,500.00	-
		<u>371,500.00</u>	<u>320,000.00</u>
<b>EXPENDITURE</b>			
Accountancy Fees		866.54	628.95
Administration Costs		126.00	536.09
Advertising		4,889.00	8,634.93
Auditor's Remuneration		1,800.00	-
Bank Charges		360.00	315.00
Computer Expenses		1,452.52	1,848.17
Consultancy Fees		-	13,867.25
Education School Projects		1,284.55	-
Electricity		198.82	17.27
General Expenses		1,327.62	700.00
Insurance		2,716.67	5,911.43
Legal Costs		-	118.50
Meeting Expenses		698.99	1,279.61
Motor Vehicle Expenses		12,625.44	8,120.92
Office Expenses		3,812.16	1,349.65
Printing & Stationery		1,971.22	380.00
Project 2020-21 30-year plan		12,300.00	53,700.00
Project 2020-21 Industry Skills Audit		-	20,000.00
Project 2021-22 Expenses	2	233,600.00	-
Rent		4,210.64	7,875.00
Subcontractors		-	11,500.00
Subscriptions		1,179.71	281.73
Superannuation Contributions		11,668.34	5,985.00
Telephone		2,240.69	1,267.00
Travelling Expenses		2,736.16	1,371.84
Wages		116,683.54	63,000.00
		<u>418,748.61</u>	<u>208,688.34</u>
<b>Operating (Loss)/Profit for the period</b>		<b>(47,248.61)</b>	<b>111,311.66</b>
Retained earnings at the beginning of the financial year		441,296.66	329,985.00
<b>Retained earnings at the end of the financial year</b>		<b>394,048.05</b>	<b>441,296.66</b>

The accompanying notes form part of these financial statements.

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**GIPPSLAND FORESTRY HUB INC.**  
**ABN: 68 178 105 512**

**BALANCE SHEET**  
**AS AT 30 JUNE 2022**

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	409,723.29	474,484.26
Trade and other receivables	4	12,650.00	-
Security Bond		656.25	656.25
<b>TOTAL CURRENT ASSETS</b>		<u>423,029.54</u>	<u>475,140.51</u>
<b>TOTAL ASSETS</b>		<u>423,029.54</u>	<u>475,140.51</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	5	28,981.49	33,843.85
<b>TOTAL CURRENT LIABILITIES</b>		<u>28,981.49</u>	<u>33,843.85</u>
<b>TOTAL LIABILITIES</b>		<u>28,981.49</u>	<u>33,843.85</u>
<b>NET ASSETS</b>		<u>394,048.05</u>	<u>441,296.66</u>
<b>MEMBERS' FUNDS</b>			
Retained earnings	6	394,048.05	441,296.66
<b>TOTAL MEMBERS' FUNDS</b>		<u>394,048.05</u>	<u>441,296.66</u>

The accompanying notes form part of these financial statements.

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**GIPPSLAND FORESTRY HUB INC.****ABN: 68 178 105 512****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022**

	<b>Retained Earnings \$</b>
<b>Balance at 1 July 2020</b>	<u>329,985.00</u>
Operating profit for the period	111,311.66
<b>Balance at 30 June 2021</b>	<u>441,296.66</u>
Operating (loss) for the period	(47,248.61)
<b>Balance at 30 June 2022</b>	<u>394,048.05</u>

The accompanying notes form part of these financial statements.

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**GIPPSLAND FORESTRY HUB INC.**  
**ABN: 68 178 105 512**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	2022 \$	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	328,000.00	319,000.00
Payments to suppliers and employees	<u>(392,760.97)</u>	<u>(207,500.74)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>(64,760.97)</u>	<u>111,499.26</u>
Net increase (decrease) in cash held	(64,760.97)	111,499.26
Cash at beginning of financial year	<u>474,484.26</u>	<u>362,985.00</u>
Cash at end of financial year <b>3</b>	<u>409,723.29</u>	<u>474,484.26</u>

The accompanying notes form part of these financial statements.  
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**GIPPSLAND FORESTRY HUB INC.**  
**ABN: 68 178 105 512**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**Note 1: Summary of Significant Accounting Policies**

**Financial Reporting Framework**

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Reform Act 2012*. The committee has determined that the association is not a reporting entity as the users of the financial statement are able to obtain additional information to meet their needs.

**Statement of Compliance**

The financial report has been prepared in accordance with the *Associations Incorporation Reform Act 2012*, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of the Accounting Standards AASB 101: *Presentation of Financial Statements*, AASB 107: *Cash Flow Statements*, AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1031: *Materiality* and AASB 1054: *Australian Additional Disclosures*.

The association has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the initial assessment on its interests in other entities indicated that it does not have any subsidiaries, associates or joint ventures. Hence, the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

**Basis of Preparation**

The financial statements have been prepared on an accrual basis and are based on historical costs. They do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

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

**a. Income Tax**

The association has self-assessed themselves as a not-for-profit community services organisation that is exempt from the assessment of income tax, therefore no provision for income tax has been made and accordingly tax effect accounting has not been adopted.

**b. Impairment of Assets**

At the end of each reporting period, the committee reviews the carrying amount of its tangible and intangible asset to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income statement.

**c. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and deposits held at call with banks.

**GIPPSLAND FORESTRY HUB INC.  
ABN: 68 178 105 512**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**d. Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from contracts as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

**e. Revenue**

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

Grant income is paid in instalments upon completion of the agreed milestones and compliance by the Grantee with its obligations under the agreement. The grant income is recognised as revenue upon receipt of the instalment as the obligations under the agreement have been met.

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

**f. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable, the ATO is included with other receivables or payables in the balance sheet.

**g. Accounts Payable and Other Payables**

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



**GIPPSLAND FORESTRY HUB INC.**  
**ABN: 68 178 105 512**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	2022 \$	2021 \$
<b>Note 2: Project 2021-22 Expenses</b>		
Investing in Gippsland's Sustainable Forestry Future	120,000.00	-
Understanding barriers/opportunities for industry innovation in Gippsland	35,000.00	-
Regional infrastructure gap analysis	17,500.00	-
Gippsland Community survey and analysis	5,000.00	-
Training, education and skills development	11,000.00	-
Carbon	45,100.00	-
	<u>233,600.00</u>	<u>-</u>
<b>Note 3: Cash and Cash Equivalents</b>		
Gippsland Forestry Hub Account	407,723.29	474,469.95
Gippsland Forestry Hub Expense Account	2,000.00	14.31
	<u>409,723.29</u>	<u>474,484.26</u>
<b>Reconciliation of cash</b>		
Cash and Cash equivalents reported in the cash flow statement are reconciled to the equivalent items in the balance sheet as follows:		
Cash and cash equivalents	<u>409,723.29</u>	<u>474,484.26</u>
	<u>409,723.29</u>	<u>474,484.26</u>
<b>Note 4: Trade and Other Receivables</b>		
<b>Current</b>		
Trade Debtors	<u>12,650.00</u>	<u>-</u>
<b>Note 5: Accounts Payable and Other Payables</b>		
<b>Current</b>		
Sundry Creditors - ATO	(5,389.19)	25,640.85
Trade Creditors	26,124.22	406.00
Superannuation Payable	1,081.46	855.00
PAYG Withholding Payable	7,165.00	6,942.00
	<u>28,981.49</u>	<u>33,843.85</u>

**GIPPSLAND FORESTRY HUB INC.**  
**ABN: 68 178 105 512**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Note 6: Retained Earnings</b>		
Retained earnings at the beginning of the financial year	441,296.66	329,985.00
(Net loss) Net profit attributable to the association	<u>(47,248.61)</u>	<u>111,311.66</u>
Retained earnings at the end of the financial year	<u>394,048.05</u>	<u>441,296.66</u>

**Note 7: Economic Dependence**

The Association's main source of income for its activities is funded by operating grants provided by the Australian government. At the date of this report, members of the committee had no reason to believe that the Australian government would not continue to provide financial support to the Gippsland Forestry Hub Inc.

**Note 8: Statutory Information**

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

50 Northways Road, Churchill Victoria 3842

**GIPPSLAND FORESTRY HUB INC.**  
**ABN: 68 178 105 512**

**TRUE AND FAIR CERTIFICATION BY MEMBERS OF THE COMMITTEE**

**ANNUAL STATEMENTS GIVE TRUE AND FAIR VIEW OF FINANCIAL POSITION AND PERFORMANCE  
OF INCORPORATED ASSOCIATION**

The statements attached to this certificate give a true and fair view of the financial position and performance of Gippsland Forestry Hub Inc. during and at the end of the financial year of the association ending on 30 June 2022.

President: \_\_\_\_\_

Simon Gatt

Treasurer: \_\_\_\_\_

Ian Reid

Dated this 1<sup>st</sup> day of September 2022

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF GIPPSLAND FORESTRY HUB INC.  
ABN: 68 178 105 512**

**Opinion**

We have audited the accompanying financial report, being a special purpose financial report, of Gippsland Forestry Hub Inc. (the association), which comprises the balance sheet as at 30 June 2022, and the income statement, 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 other explanatory information, and the certification by members of the committee.

In our opinion, the accompanying financial report gives a true and fair view of the financial position of the association as at 30 June 2022 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 of the financial statements and the requirements of the *Associations Incorporation Reform Act 2012*.

**Basis for Opinion**

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

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

**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 to assist the association to meet the requirements of the *Associations Incorporation Reform Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect to this matter.

**Responsibilities of the Committee for the Financial Report**

The committee is responsible for the preparation of the financial report that gives a true and fair view in accordance with the financial reporting requirements of the *Associations Incorporation Reform Act 2012* and for such internal control as the committee determine is necessary to enable the preparation of the financial report that gives a true and fair view that is free from misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

**Auditors' Responsibility 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 auditors' 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.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF GIPPSLAND FORESTRY HUB INC.  
ABN: 68 178 105 512**

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee regarding, among other things, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Name of Firm:** Tyrrell Partners Pty Ltd  
Certified Practising Accountants

**Name of Director:**

  
Neil Tyrrell

**Address:** Suite 2 Level 1, Cnr George & Moore Streets Moe 3825

**Dated this 5<sup>th</sup> day of September 2022**

**GIPPSLAND FORESTRY HUB INC.**  
**ABN: 68 178 105 512**

**CERTIFICATE BY MEMBERS OF THE COMMITTEE**

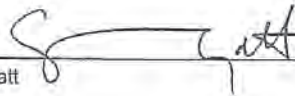
I, Simon Gatt a members of the committee for Gippsland Forestry Hub Inc , certify that:

- (a) I attended the annual general meeting of the association held on 18 November 2022.
- (b) The financial statements for the year ended 30 June 2022 were submitted to the members of the association at its annual general meeting.

Dated this 11<sup>th</sup> day of November 2022

Committee Member: \_\_\_\_\_

Simon Gatt











## **GIPPSLAND FORESTRY HUB**

Promoting the Forestry Industry

Gippsland Enterprise Centre  
Suite 9N-103  
50 Northways Road  
Churchill Victoria 3842

T: 0429 300 716

E: [lesia@gippslandforestryhub.com.au](mailto:lesia@gippslandforestryhub.com.au)

[www.gippslandforestryhub.com.au](http://www.gippslandforestryhub.com.au)

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