

2023 - 24 ANNUAL REPORT



**GIPPSLAND
FORESTRY HUB**
Promoting the Forestry Industry



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Australian Government
**Department of Agriculture,
Fisheries and Forestry**

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

Gippsland Forestry Hub (GF Hub) recognises and respects that First Nations people have sustainably cared for and protected their land for thousands of years. We are committed to developing our understanding of the diversity of culture and customs across First Nations communities, particularly in the Gippsland region where we live and conduct our business.

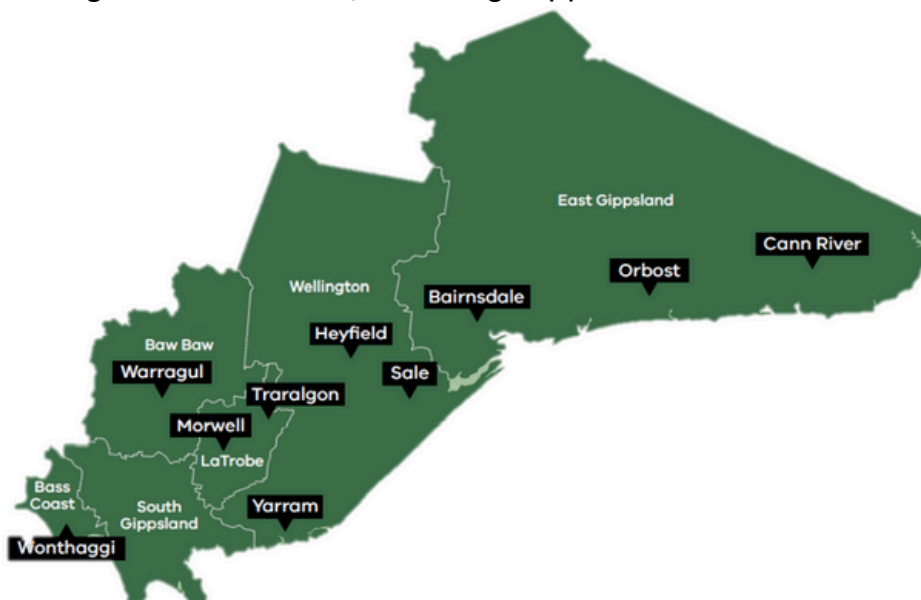


INTRODUCTION

The Gippsland Forestry Hub (GF Hub) operates with support from the National Forest Industries Plan, which seeks to drive improved business returns, attract greater investment, generate new jobs, and strengthen Australia's economic prosperity.

A central goal of this plan is to boost the productivity and efficiency of the nation's forestry sector, delivering significant benefits to regional economies, including Gippsland.

The Hub's focus is on innovation, resource expansion, research, jobs, collaboration, infrastructure, and community engagement.



MESSAGE FROM THE CHAIR



SIMON GATT

Chair, Gippsland Forestry Hub

As I complete my fourth year as Chair of the Gippsland Forestry Hub, it is with great pleasure that I present the Annual Report on behalf of the committee. This year has been defined by notable achievements, strong partnerships, and continued progress in tackling both the challenges and opportunities within the forest and wood products industry.

The Gippsland Forestry Hub continues to represent a broad range of stakeholders from across the forest and wood products industry in Gippsland, ensuring collaboration and engagement with key organisations from all sectors. This includes partnerships with Federal, State, and local governments, as well as industry leaders, community groups, and educational institutions.

The Hub's inclusive approach enables it to advocate for sustainable forestry practices, address regional challenges, and support economic growth within the sector, ensuring that all voices are heard in shaping the future of Gippsland's forest industry.

The commitment of our stakeholders, from government bodies to industry partners and community groups, has been instrumental in driving forward key projects and initiatives. I am proud of the work we have accomplished together and look forward to further advancing the sustainable development of Gippsland's forestry sector.

In conclusion I extend my sincere thanks to the Executive & Committee members and particularly Lesia Goodwin for your efforts in this past year. We remain committed to seeing a thriving forest and wood products industry in Gippsland.

Simon Gatt

Chair, Gippsland Forestry Hub



MESSAGE FROM THE GENERAL MANAGER



LESIA GOODWIN
GM, Gippsland Forestry Hub

It has been a busy year for the Gippsland Forestry Hub, marked by growth, challenges, and achievements that have shaped our path forward. Our collective efforts have driven significant progress across key initiatives, reinforcing our commitment to Plantation expansion, innovation, sustainability, and community engagement.

We've expanded our impact through new partnerships, continued investment in workforce development, and the introduction of innovative projects that align with our long-term strategic goals. The dedication and collaboration of our industry have been pivotal in advancing these objectives, and I would like to take this opportunity to thank each of you for your contributions.

Looking ahead, we remain focused on enhancing operational excellence, fostering an inclusive environment, and staying adaptable to the evolving needs of our industry.

By continuing to embrace collaboration and maintaining a strong commitment to sustainability, we will build a resilient future for our Industry and the communities we serve.

I would also like to express my gratitude to our Chair, Simon Gatt, and the committee for their ongoing support, as well as to all our stakeholders for their valuable input into our various reports over the past 12 months. Thank you all for your unwavering support and commitment.

Lesia Goodwin
General Manager, Gippsland Forestry Hub



MEMBERS

Executive Committee



Energy,
Environment
and Climate Action



Committee for
GIPPSLAND



General Committee



GIPPSLAND
TECH
SCHOOL



**TAFE
GIPPSLAND**



Executive Committee

Simon Gatt, AKD | Chair
Lou Bourke, HVP | Deputy Chair
Ian Reid, AusTimber | Treasurer
Trevor Nicklen, DEECA
Steven Zyhajlo, Opal
Tony Cantwell, Committee for Gippsland
Sandy Kam, National Timber Councils
Associations

General Committee

Tony Britton, Radial Timbers
Julian Hay, AKD
Mark Coleman, Wellington Shire Council
Tim Fowler, Heartwood Plantations
Peter Devonshire, Latrobe Catchment
Landcare Network
Paul Boys, Gippsland Tech School
Christy Hoiles, Latrobe City Council
Dale Harriman, Stable Engineering
Angela & Luke Olarenschaw, Alberton Timber
Linda Austin, TAFE Gippsland



GFHUB STRATEGIC PRIORITY AREAS (2024 - 27)



Increasing Resource Security & Domestic Supply Volumes:

Address the need for more secure timber and fibre resources for at least three rotations, infrastructure improvements, and overcoming barriers to private plantation expansion.



Expanding the Production of Timber & Wood Products:

Projects such as expanding wood fibre utilisation and developing next-generation processing facilities (biochar and bioenergy) aim to modernise the sector and bridge gaps in supply.



Expanding Forestry & Contribution to Climate Change Mitigation:

Research will highlight how forestry contributes to carbon sequestration and compare timber's lower emissions with alternative materials like steel.



Expanding Workforce Opportunities & Capacity:

Focus on developing career pathways, promoting forestry to students, increasing female participation, and leveraging overseas workers to address labor shortages.



Sustainable Management of Forests:

Risk mitigation plans to handle environmental, industrial, and biosecurity challenges.



KEY ACHIEVEMENTS

Research and Engagement:

Research and engagement are critical components of successful project development and community integration. We have gathered data, insights, and trends that inform strategic decision-making, ensuring that initiatives are evidence-based and aligned with best practices. We have fostered collaboration and trust between stakeholders, whether they are community members, industry partners, or government bodies. Active engagement helps identify local needs, build meaningful relationships, and encourage co-design approaches that improve project outcomes.

This year, the Hub has made significant strides in supporting key initiatives. We have played a pivotal role in the development of the Gracemere pilot project by providing expert advice and facilitating initial meetings. Our research has shaped the 'Steps Towards a Greener Future' report, now being expanded nationally, and we continue to champion sustainable practices across the forestry industry. Through close engagement with stakeholders, we have driven forward-thinking projects that not only benefit the industry but also align with the economic and environmental goals of Gippsland.



Workforce and Education:

Influenced the government to invest \$10 million in forestry education. Promoting Forestry Careers, raised awareness about career options and connected students and job seekers with opportunities.



2023-24 PROJECTS

1

Steps Towards a Greener Future

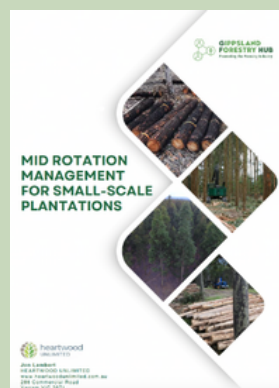
This project focuses on promoting sustainable forestry practices that support environmental conservation while balancing industry growth. Timber and other bio-based products are highlighted as sustainable, low-carbon building materials. Wood products are not only low emission but also store biogenic carbon for the lifetime of the product, helping reduce the overall carbon footprint.



2

Mid-Rotation for Small-Scale Plantations

This project looks at the mid-rotation management of small-scale plantations, aiming to improve timber yield and health. It involves developing best practices for thinning, pest management, and nutrient optimisation, ensuring that small plantation owners can enhance productivity and sustainability.



3

First Nation Engagement Framework

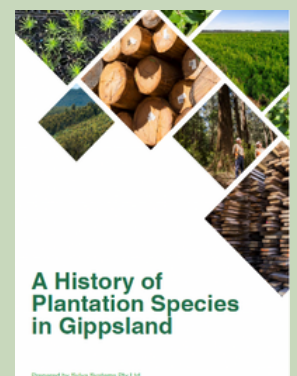
This framework is designed to build stronger partnerships with First Nations communities in forestry projects. It recognises the importance of Indigenous knowledge in land management and aims to integrate traditional practices with modern forestry techniques, fostering collaboration in decision-making processes.



4

History of Plantation Species in Gippsland

This project documents and analyses the evolution of plantation species in Gippsland, tracing the history and performance of different tree species in the region. It provides insights into how species have adapted to the local environment and their impact on both the economy and biodiversity over time. These projects collectively contribute to sustainable forestry practices, community engagement, and the historical understanding of forestry in the region.



STEPS TOWARDS A GREENER FUTURE

KEY REPORT FINDINGS AND RECOMMENDATIONS

The Steps Towards a Greener Future report outlines several key findings and recommendations aimed at reducing greenhouse gas (GHG) emissions in Australia's built environment. These include:

- **Increased Construction, Increased Emissions:** Australia's goal of building 1.2 million new homes over the next five years under the National Housing Accord could lead to higher GHG emissions unless low-carbon construction practices are adopted.
- **The Role of Wood and Bio-based Products:** Timber and other bio-based products are highlighted as sustainable, low-carbon building materials. Wood products are not only low emission but also store biogenic carbon for the lifetime of the product, helping reduce the overall carbon footprint.
- **Embodied Carbon Must Be Addressed:** Reducing carbon emissions from construction materials is critical to meeting Australia's Net Zero 2050 goal.
- **Prefabrication as a Key Solution:** Prefabricated timber elements can significantly reduce emissions through offsite construction. This approach not only minimises onsite emissions but also enhances construction efficiency, reducing costs and time.

Voluntary Initiatives

- **Support Rating Mechanisms:** Incentivise the use of voluntary sustainability ratings such as Green Star and NABERS Embodied Carbon to promote best practices.
- **Incentives for Carbon Reduction:** Provide financial and policy incentives to encourage the use of low-carbon materials and construction methods.

Wood Products Industry

- **Fossil Carbon Reduction:** Support the forest products industry in developing strategies to reduce or eliminate the use of fossil fuels in timber production.
- **Prefabrication Expansion:** Invest in the development of prefabricated timber solutions to enable faster, lower-carbon construction for large projects.
- **Reuse and Recycling of Timber Waste:** Focus on utilising timber waste from construction and demolition to minimise emissions and promote a circular economy.



Education of Wood's Value

- **Carbon Literacy Training:** Educate the construction industry on the value of biogenic carbon stored in timber and its role in achieving net zero.
- **Maintaining Carbon in Timber:** Develop strategies to maximise the long-term value of stored carbon in timber through proper construction and lifecycle management.

NEXT STEPS

Collaboration Between Government and Industry:

- The Hub should act as a facilitator between government bodies and industry leaders to ensure the rapid adoption of policies, standards, and initiatives mentioned in the report.
- Launch working groups that focus on specific themes such as embodied carbon measurement, prefabrication expansion, and the development of sustainable building materials like timber.
- Coordinate regular meetings between the hub, local councils, state authorities, and federal government to ensure alignment on national carbon reduction targets.
- Engage with the National Housing Accord to incorporate low-carbon construction methods into housing projects, particularly in social and affordable housing initiatives.
- Promote the reuse of timber waste and materials from construction and demolition to support a circular economy in housing developments.
- Work with FTMA, Wood Products Victoria to support a training program on carbon literacy, focusing on educating builders, architects, and policymakers on the benefits of low-carbon materials, timber, and prefabrication.

MID-ROTATION MANAGEMENT FOR SMALL-SCALE PLANTATIONS

KEY REPORT FINDINGS AND RECOMMENDATIONS

Challenges for Small-Scale Plantations:

Small-scale plantations in Gippsland face difficulties in mid-rotation management due to restricted market access, high operational costs, difficult terrain, and limited contractor availability. These barriers significantly threaten the viability of private forestry in the region.

Thinning System Impacts:

The choice of a thinning system influences operational costs. Removing entire out-rows is faster but less suitable for hardwood sawlog plantations compared to selective thinning. Factors like slope, understory vegetation, and tree size affect productivity and costs.

Equipment for Thinning:

A broad range of forestry equipment is used internationally, but in Australia, smaller purpose-built equipment is not widely adopted due to low demand and lack of support. In Scandinavia, medium-sized purpose-built equipment is the most common choice due to flexibility and higher productivity.

Haulage Systems:

Haulage modifications, such as piggyback trailers and central tire inflation systems, help reduce costs in Gippsland. In Europe, self-loading trucks dominate, enabling a more flexible and efficient haulage process independent of harvesting operations.

Case Studies on Harvesting Equipment:

The report compared excavator-based harvesters with rubber-tired harvesters for mid-rotation thinning in blue gum plantations. Purpose-built rubber-tired machines were more productive and caused less damage to retained stems compared to excavator-based harvesters.

Potential Markets for Thinning:

Current market options include firewood, small sawlogs, and niche markets for poles and posts. Emerging markets in Yarram focus on veneer and bioenergy production. The absence of larger markets, especially due to the closure of the Maryvale paper mill, is a significant obstacle.

MID ROTATION MANAGEMENT FOR SMALL-SCALE PLANTATIONS

 heartwood
UNLIMITED
Jon Lambert
HEARTWOOD UNLIMITED
www.heartwoodunlimited.com.au
288 Commercial Road
Yarram VIC 3871

Subsidy Recommendations:

- The report suggests introducing subsidies for thinning operations to overcome financial barriers, including short-term support for non-commercial thinning and firewood industry transition.
- Long-term subsidies should focus on equipment investment and developing small log markets.

Recommendations for Overcoming Challenges:

To overcome the challenges of mid-rotation management, the report emphasises the need for secure resources, appropriate equipment, and market development supported by subsidies.

NEXT STEPS

To enhance the value of the Mid Rotation Management for Small-Scale Plantations report, additional research could focus on the following areas:

Emerging Technologies and Practices

- Use of Drones and AI for Precision Forestry
- Automation in Harvesting and Haulage

Environmental and Ecological Impacts

- Biodiversity and Carbon Sequestration Impact
- Ecosystem Services Valuation

Policy and Subsidy Models

- International Subsidy Models
- Policy Advocacy

Supply Chain Innovation

- Cooperative Models for Small-Scale Owners

FIRST NATION ENGAGEMENT FRAMEWORK

FIRST NATIONS ENGAGEMENT FRAMEWORK

Prepared by KAREN RAABE COMMUNICATIONS



KEY REPORT FINDINGS AND RECOMMENDATIONS

The First Nations Engagement Framework sets out guidelines for engaging with the Traditional Owners in the Gippsland region, particularly the Bunurong and Gunaikurnai peoples. Key points include:

Acknowledgment of Traditional Owners:

GF Hub recognises that its operations take place on unceded lands of the Bunurong and Gunaikurnai people and aims to build strong partnerships with these groups.

Purpose of Engagement:

The framework emphasises meaningful collaboration to create community and economic opportunities in Gippsland's forestry sector, with a focus on sustainable relationships that respect Traditional Owners decision-making processes and rights.

Principles of Engagement:

- Meaningful engagement from the initial planning stages
- Respect to Traditional Owner governance and decision-making structures
- Care for Country, drawing on the knowledge of Traditional Owners about land management
- Cultural heritage protection to ensure legal obligations are met
- Cultural awareness promotion, with GF Hub encouraging the forestry section to attend cultural awareness training

Engagement Opportunities:

There are various opportunities for engagement, including formal acknowledgment of Traditional Owners at events, Welcome to Country ceremonies, cultural awareness training, and seeking advice from Registered Aboriginal Parties (RAPs) like the Bunurong Land Council and Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC).

Legal Frameworks:

The framework explains the relevant legislation, such as the Aboriginal Heritage Act 2006, Native Title Act 1993, and Traditional Owner Settlement Act 2010, which underpin the rights of Traditional Owners and guide how engagement should occur.

Long-term Relationships:

GF Hub encourages sustained engagement beyond legal obligations to build lasting partnerships with the Traditional Owners, focusing on mutual respect and trust.

NEXT STEPS

The GF Hub outlines several responses and next steps in the First Nations Engagement Framework to ensure meaningful collaboration with Traditional Owners.

Response to Engagement:

- Commitment to Partnerships:
- Representation in Governance
- Support for Cultural Awareness
- Ongoing Reporting

Next Steps

Framework Endorsement:

GF Hub intends to have the First Nations Engagement Framework formally endorsed by the Bunurong Land Council and Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) in 2024-2025.

Collaboration on Projects:

GF Hub will work closely with the Registered Aboriginal Parties (RAPs) to identify opportunities for collaboration in the forestry sector, ensuring that the RAP's aspirations and priorities are considered in new initiatives.

Long-Term Engagement:

The Hub is committed to fostering long-term relationships with Traditional Owners, going beyond compliance with statutory obligations. This includes working on environmental and cultural heritage protection and supporting Traditional Owners in employment and business partnerships.

HISTORY OF PLANTATION SPECIES IN GIPPSLAND

KEY REPORT FINDINGS AND RECOMMENDATIONS

The document A History of Plantation Species in Gippsland outlines the development and management of tree species used in plantations in the Gippsland region. Key Findings:

Historical Development of Plantations:

The plantation estate in Gippsland started before the Australian Federation, primarily driven by the need for timber resources, particularly softwoods like *Pinus radiata* (Radiata Pine). This species became dominant due to its adaptability, growth performance, and commercial viability. Early trials also involved eucalypts such as *Eucalyptus regnans* and *E. globulus*.

Species Selection:

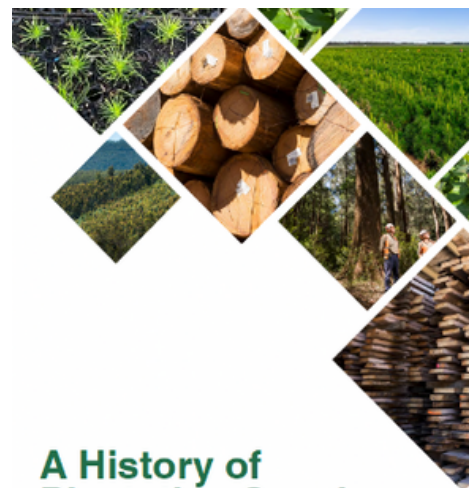
The report emphasises the importance of selecting the right species for plantations, with considerations including climate, soil conditions, wood properties, and market demand. *Pinus radiata*, *Eucalyptus nitens*, and *Eucalyptus globulus* are among the species that have been fully commercialised in Gippsland.

Trials and Demonstrations:

Various trials were conducted in Gippsland to assess species performance, including early eucalypt trials and more recent trials focusing on species resilience in dryer conditions (e.g., *Eucalyptus globulus* and *Corymbia maculata*). Demonstration plantings were also established to engage the community and promote species awareness.

Economic and Market Considerations:

The plantation industry has undergone shifts in species based on market demands and environmental conditions. The report notes that market-oriented species, like *Eucalyptus globulus*, tend to perform better, especially for timber, pulpwood, and biomass. However, newer species are also being tested for their potential, though they are yet to be fully commercialised.



A History of Plantation Species in Gippsland

Prepared by Sylva Systems Pty Ltd.

Species Trials and Performance:

Trials conducted in various locations across Gippsland have helped identify species that perform well under different environmental conditions. For example, *Eucalyptus globulus* showed the best performance in areas with low rainfall.

Sustainability and Productivity:

The report highlights ongoing research into productivity models, land suitability, and wood properties to ensure sustainable plantation development. Future plantation expansion will depend on the productivity of selected species and their commercial viability in local and international markets.

CONCLUSION

The report concludes that Gippsland's plantation estate has evolved significantly, with key species such as *Pinus radiata* and *Eucalyptus globulus* becoming the mainstay of the industry due to their performance and market fit. Continuous trials and research are essential for introducing new species and expanding the plantation estate into less favourable areas.

Future success will depend on managing these trials, leveraging market demand, and focusing on species that offer long-term sustainability and commercial viability.

2024-27 IMPLEMENTATION PLAN WORKSHOP

WORKSHOP PURPOSE

The session aimed to:

- Leverage past successes and identify new challenges and opportunities
- Define actions aligned with both the new funding body priorities and the established 30-year plan
- Develop new priority projects that address both previously identified needs and the revised framework.

WORKSHOP DETAILS

Date: February 8th 2024

Location: Morwell Innovation Centre

In-attendance: Members of the GF Hub Committee & Observers



OUTCOMES

Stage 1: 2023 Emerging Priorities

Following the completion of previously identified projects, the committee identified five new critical projects to address immediate needs. These projects commenced before the planning workshop and are currently underway as of 1 March, 2024.

Stage 2: 2024-2027 Strategic Implementation

This plan outlines nine key projects driving the long-term strategic implementation of 30-year Gippsland Forestry Strategy.

Stage 3: Future Potential

Other potential projects have been identified and will undergo further evaluation to determine their suitability and scope.



INDUSTRY PARTNERSHIPS

REPRESENTATIVE ON THE BELOW COMMITTEES

- NIFPI Gippsland
- Resource, Forestry, Pulp & Paper IAG
- Victorian Training Awards
- NIFPI Social License working group
- Latrobe Valley & Gippsland transition plan working group
- Future of Orbost- Innovation Working Group – Forest Management

CONFERENCES/FORUMS

- Forestry Round Table
- ANZIF
- Forestry Australia
- Forestry Dialogue
- IAG Seminar
- FTMA Conference
- Telstra Woman's Lunch
- Carbon Farming Conference & Expo
- South Gippsland & Bass Coast LLEN career expo
- Vic Forest/DEECA Field days
- National Action Plan for Pests of Timber and Trees – Virtual Workshop

NATIONAL HUB MANAGER SITE VISITS

- Canberra
- The South + Central Queensland Regional Forestry Hub
- Northern Territory Ord Valley Forestry Hub
- Green Triangle Forest Industry Hub

ENGAGEMENT

- University of Sunshine
- VFPA
- VSA
- Chamber of Commerce & Industry
- VDSS
- Food & Fibre
- PF Olsons
- Latrobe City Economic Development
- Wellington Shire Economic Development
- Institute of Forest Therapy
- Committee 4 Gippsland
- East Gippsland Shire Council
- Regional Development Victoria
- Latrobe Valley Authority
- AFWI
- FWPA
- TAFE Gippsland
- Timber Councils Victoria
- Federation University
- ForestWorks
- DEECA
- Vic Forest
- IHemp Victoria
- Forestry Australia
- DJPR
- Renewable energy workforce
- UTAS
- Bunurong Land Council Aboriginal Corporation (Bunurong Land Council)
- Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC).
- Bio Grow
- Sumitomo Forestry Plantation
- Tree Breeding Australia
- African Mahogany Australia
- Timberlink
- One Gippsland
- Apical Forest
- Forest Learning
- GAN
- Wood Products Victoria
- Responsible wood
- Gippsland Silviculture contractors
- CMA
- Parks Victoria



FORESTRY EXPANSION IN GIPPSLAND

GRACEMERE PLANTATION PROJECT

Sumitomo Forestry Australia has embarked on its first plantation project in Australia with the establishment of the Gracemere Plantation pilot project in Gippsland. In Stage 1 of this initiative, 89.1 hectares of pine have been planted, marking a significant step in the company's commitment to sustainable forestry in the region. The plantation is designed for a 25–30-year rotation, allowing for long-term growth and timber production while promoting environmental sustainability.

This pilot project is part of Sumitomo Forestry's broader strategy to expand its operations and contribute to the development of renewable resources for its building group which includes Henley properties group in Victoria, Metricon Homes, Wisdom Properties Group in NSW, Plantation Homes in Queensland and Scott Park Group in Western Australia, Regal Innovations also recently joined the group to focus on landscaping business in Australia.

The Gippsland Forestry Hub has played a pivotal role in the Gracemere pilot project since its inception, offering crucial guidance on the landscape. By advising the Sumitomo team and facilitating expert consultations, the Hub has helped lay a strong foundation for the project.

As the plantation progresses, the Hub will continue its ongoing support, and we look forward to watching this plantation flourish.



FORESTRY FUTURES

The Hub actively engages with schools, hosting presentations to inspire students and promote careers in the forestry and timber industries. Through these school presentations, the Hub introduces young people to the diverse opportunities available in forestry, from sustainable land management to advanced technology in forest operations. In addition, the Hub organises site visits, giving students and educators first-hand exposure to forestry plantations, timber processing facilities, and agroforestry projects. These experiences bring classroom learning to life and highlight the industry's role in environmental stewardship and innovation. The Hub also attends job expos, collaborating with regional secondary schools, TAFEs, and industry leaders to connect job seekers with employers, showcasing the rewarding career paths available in the sector. These activities play a crucial role in building the next generation of skilled professionals in forestry.



GIPPSLAND FORESTRY HUB FINANCIAL STATEMENTS

Gippsland Forestry Hub Inc
ABN 68 178 105 512

Committee's Report

Your committee members submit the financial report of Gippsland Forestry Hub Inc (the association) for the financial year ended 30 June 2024.

Committee Members

The names of committee members throughout the year and at the date of this report are :

Simon Gatt (Chairperson)	Lou Bourke (Vice Chairperson)	Ian Reid
Megan Para	Sandy Kam	Trevor Nicklen
Christie Hoiles	Paul Boys	Peter Devonshire
Tim Fowler	Julian Hay	Tony Britton
Lesia Clark	Tony Cantwell	Linda Austin

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 operating loss of the association for the financial amounted to \$(89,707.92). (2023 operating loss \$10,611.91).

Signed in accordance with a resolution of the members of the committee.

Lou Bourke
Date: 24 Oct 2024

Simon Gatt
Date: 23 October 2024

Ian Reid
Date: 23 October 2024



GIPPSLAND FORESTRY HUB FINANCIAL STATEMENTS

Gippsland Forestry Hub Inc
ABN 68 178 105 512

Statement of Profit or Loss

For the period 1 July 2023 to 30 June 2024

	Note	2024 \$	2023 \$
Income			
Government Grants			
Dept Agriculture Water and Environment		292,667.00	320,000.00
Total Government Grants		292,667.00	320,000.00
Other Grants			
Responsible Wood - Forestry Taster Program		-	4,900.00
Total Other Grants		-	4,900.00
Total Income		292,667.00	324,900.00
Expenses			
Accountancy Fees		1,107.34	764.38
Administration Costs		227.27	1,074.00
Advertising		-	98.55
Auditor's Remuneration		1,980.00	1,800.00
Bank Charges		194.90	345.00
Computer Expenses		1,751.72	8,717.56
Education School Projects		-	8,052.45
Electricity		121.64	317.57
General Expenses		491.67	600.53
Insurance		4,744.07	4,470.98
Meeting Expenses		888.11	1,771.71
Motor Vehicle Expenses		14,540.14	14,177.35
Office Expenses		577.91	4,140.90
Printing & Stationery		2,411.73	2,335.76
Project Expenses	2	168,484.00	105,226.00
Rent		12,259.99	11,925.00
Subcontractors		32,339.07	29,912.16
Subscriptions		1,267.36	1,242.08
Superannuation Contributions		12,355.20	12,209.57
Telephone		2,074.79	2,627.58
Travelling Expenses		12,238.03	6,601.95
Wages		112,319.98	117,100.83
Total Expenses		382,374.92	335,511.91
Loss		(89,707.92)	(10,611.91)



GIPPSLAND FORESTRY HUB FINANCIAL STATEMENTS

Gippsland Forestry Hub Inc
ABN 68 178 105 512

Appropriation Statement

For the period 1 July 2023 to 30 June 2024

	Note	2024 \$	2023 \$
Loss available for Appropriation		(89,707.92)	(10,611.91)
Opening Balance at the Beginning of the Period		383,436.14	394,048.05
Total Available for Appropriation		293,728.22	383,436.14
Retained Association Funds at the End of the Period		293,728.22	383,436.14

GIPPSLAND FORESTRY HUB FINANCIAL STATEMENTS

Gippsland Forestry Hub Inc
ABN 68 178 105 512

Statement of Financial Position

As at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current Assets			
Cash and Cash Equivalents	3	318,238.10	396,289.67
Trade and Other Receivables	4	12,881.37	4,907.69
Security Bond		656.25	656.25
Total Current Assets		331,775.72	401,853.61
Total Assets		331,775.72	401,853.61
Liabilities			
Current Liabilities			
Trade and Other Payables	5	38,047.50	18,417.47
Total Current Liabilities		38,047.50	18,417.47
Total Liabilities		38,047.50	18,417.47
Net Assets		293,728.22	383,436.14
Equity			
Retained Association Funds	6	293,728.22	383,436.14
Total Equity		293,728.22	383,436.14



GIPPSLAND FORESTRY HUB FINANCIAL STATEMENTS

Gippsland Forestry Hub Inc
ABN 68 178 105 512

Statement of Changes in Equity

As at 30 June 2024

	Note	2024 \$	2023 \$
Retained Association Funds			
Opening Balance		383,436.14	394,048.05
Comprehensive Income			
Loss		(89,707.92)	(10,611.91)
Total Comprehensive Income		(89,707.92)	(10,611.91)
Total Retained Association Funds		293,728.22	383,436.14



GIPPSLAND FORESTRY HUB FINANCIAL STATEMENTS

Gippsland Forestry Hub Inc
ABN 68 178 105 512

Statement of Cash Flows

For the period 1 July 2023 to 30 June 2024

	Note	2024 \$	2023 \$
Operating Activities			
Cash Receipts from Customers		292,667.00	338,700.00
Cash Paid to Suppliers and Employees		(370,718.57)	(352,133.62)
Cash Generated From Operations	3	(78,051.57)	(13,433.62)
Net Cash from Operating Activities		(78,051.57)	(13,433.62)
Net Increase/(Decrease) in Cash and Cash Equivalents		(78,051.57)	(13,433.62)
Cash and Cash Equivalents at the Beginning of the Period		396,289.67	409,723.29
Cash and Cash Equivalents at the End of the Period	3	318,238.10	396,289.67

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ABN 68 178 105 512

Notes to the Financial Statements

For the period 1 July 2023 to 30 June 2024

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 association is a not-for-profit entity. The committee has determined that the association is not a reporting entity as the users of the financial statements 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 and the basis of recognition and measurement specified by all Australian Accounting Standards and Interpretations.

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.

Accounting Policies

a. Income Tax

The association 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. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

c. Impairment of Assets

At the end of each reporting period, the committee reviews the carrying amounts of its tangible and intangible assets 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 statement of profit or loss.

d. Employee Provisions

Provisions is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions have been measured at the amounts expected to be paid when the liability is settled.

e. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amount receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as



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current assets. All other receivables are classified as non-current assets.

f. Revenue and Other Income

The association is first required to determine whether amounts received are accounted for as Revenue per AASB 15: Revenue from Contracts with Customers or Income per AASB 1058: Income of Not-for-Profit Entities.

Funding arrangements which are enforceable and contain sufficiently specific performance obligations are recognised as revenue under AASB 15. Otherwise, such arrangements are accounted for under AASB 1058, where upon initial recognition of an asset, the association is required to consider whether any other financial statement elements should be recognised, with any difference being recognised immediately in the statement of profit or loss as income.

Operating grants

When the association receives operating grant revenue it assess whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the association:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement;
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the association:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards;
- recognises related amounts; and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

g. Trade and Other Payables

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

h. 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 to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.



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Note 2 Project Expenses

	Note	2024 \$	2023 \$
Project Expenses 2021-22			
Training Education and Skills Development		-	14,000.00
Carbon Farming Guide		-	17,960.00
Private Farm Forestry Engagement		-	7,500.00
Total Project Expenses 2021-22		-	39,460.00
	Note	2024 \$	2023 \$
Project Expenses 2022-23			
Decision Tree (Stage 1)		14,484.00	65,766.00
Total Project Expenses 2022-23		14,484.00	65,766.00
Project Expenses 2023-24			
Mid Rotation Management Project		52,000.00	-
Project 15 Steps towards a greener future		31,000.00	-
Comprehensive Literature Review Project		35,000.00	-
First Nation Engagement		36,000.00	-
Total Project Expenses 2023-24		154,000.00	-
Total Project Expenses		168,484.00	105,226.00

Note 3 Cash and Cash Equivalents

	Note	2024 \$	2023 \$
Gippsland Forestry Hub Account		317,744.89	394,645.21
Gippsland Forestry Hub Expense Account		493.21	1,644.46
		318,238.10	396,289.67

Reconciliation of Cash

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	Note	2024 \$	2023 \$
Cash and Bank Balances		318,238.10	396,289.67
		318,238.10	396,289.67

Reconciliation of Net Profit after Tax to Net Cash Flows from Operations

	Note	2024 \$	2023 \$
Loss for the year		(89,707.92)	(10,611.91)
Adjustments for:			
Operating cash flows before movements in working capital		(89,707.92)	(10,611.91)
Movement in Trade and Other Receivables		(7,973.68)	13,131.50
Movement in Trade and Other Payables		19,630.03	(15,953.21)
Cash Generated From Operations		(78,051.57)	(13,433.62)



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Note 4 Trade and Other Receivables

	Note	2024 \$	2023 \$
GST Payable/Refundable		12,881.37	4,907.69
Total Trade and Other Receivables		12,881.37	4,907.69

Note 5 Trade and Other Payables

	Note	2024 \$	2023 \$
Trade Creditors		29,700.00	10,114.67
Superannuation Payable		1,029.50	982.80
PAYG Withholding Payable		7,318.00	7,320.00
Total Trade and Other Payables		38,047.50	18,417.47

Note 6 Retained Association Funds

	Note	2024 \$	2023 \$
Opening Balance			
Retained Profits - Beginning of Year		383,436.14	394,048.05
Total Opening Balance		383,436.14	394,048.05
Current Year Earnings			
Current Earnings		(89,707.92)	(10,611.91)
Total Current Year Earnings		(89,707.92)	(10,611.91)
Total Retained Association Funds		293,728.22	383,436.14

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 have no reason to believe that the Australian Government would no continue to provide financial support to Gippsland Forestry Hub Inc.

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Gippsland Forestry Hub Inc
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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 2024

Lou Bourke
Date: 24 Oct 2024

Simon Gatt
Date: 23 October 2024

Ian Reid
Date: 23 October 2024



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Gippsland Forestry Hub Inc
ABN 68 178 105 512

Independent Auditor's Report

To the Member of Gippsland Forestry Hub Inc

Opinion

We have audited the financial report of Gippsland Forestry Hub Inc (the association), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the true and fair 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 2024 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to 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 Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the association in accordance with 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 of 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 determines is necessary to enable the preparation of the financial report that gives a true and fair view] that is free from material 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 relating to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the association or to cease operations, or has 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



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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:

- 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 on 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 matters, 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.

Tyrrell Partners Pty Ltd - Moe
Suite 2, First Floor Cnr George & Moore Streets ,
Moe , 3825, Vic



Neil Tyrrell, CPA

Date: 24 October 2024



CONCLUSION

As we reflect on another productive year, the Gippsland Forestry Hub continues to play a vital role in shaping the future of forestry in the region. Our collaborative efforts with key stakeholders, industry leaders, and community partners have strengthened the sustainability and growth of our local forestry sector. With new projects on the horizon and a commitment to innovation and responsible management, we are well-positioned to address the challenges ahead while seizing emerging opportunities. The Hub remains dedicated to fostering a resilient, prosperous forestry industry that contributes to the economic, environmental, and social wellbeing of Gippsland. We look forward to the year ahead and the continued collaboration that makes our region a leader in sustainable forestry practices.





**GIPPSLAND
FORESTRY HUB**
Promoting the Forestry Industry

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