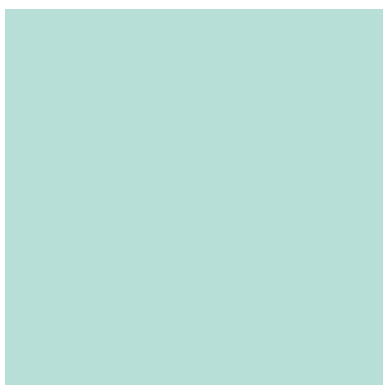
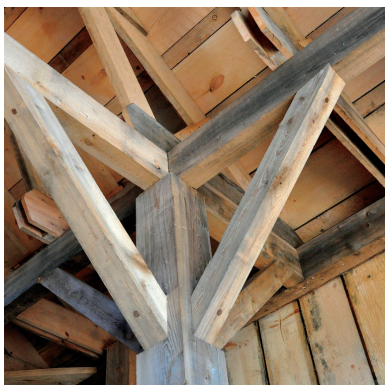
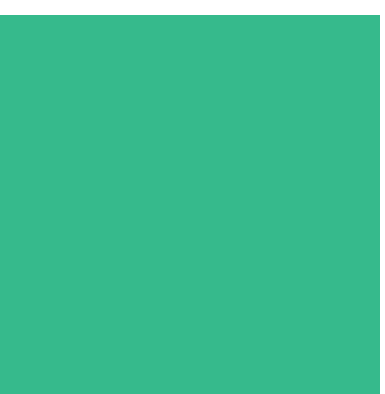


Private Forests Tasmania

Annual report 2021-22



Tree Alliance



Private **Forests** Tasmania

How to contact us

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Kings Meadows, Tasmania 7249

Offices:

- 30 Patrick Street, Hobart 7000
- State Government Offices, 171 Westbury Road, Prospect 7250
- State Growth Offices, Level 2, The Harris Building, 49 Cattley Street, Burnie 7320

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Private Forests Tasmania

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Free Helpline 1300 661 009

17 October 2022

The Hon Felix Ellis
Minister for Resources
Parliament House
HOBART TAS 7000

Inquiries: Penny Wells
Phone: (03) 6165 4070
Email: penny.wells@pft.tas.gov.au

Dear Minister,

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

In accordance with the requirements of section 32E of the *Private Forests Act 1994*, I am pleased to submit for your information and presentation to Parliament the Annual Report of Private Forests Tasmania for the year ended 30 June 2022.

In accordance with section 32E (4) of the *Private Forests Act 1994*, copies of the Annual Report will also be provided to the Treasurer and the Auditor-General.

Yours sincerely,



Evan Rolley
Chairman



Acknowledgment of Country

Private Forests Tasmania acknowledges Tasmanian Aboriginal People as the traditional owners of land upon which we work and live.

We recognise and respect their culture and identity, which has been bound up with the Land, Sea, Waterways and Sky for generations.

Message from the chairman

The priority legislative requirement of Private Forests Tasmania is to foster growth in the private forestry sector. This needs long term policy settings endorsed by government and an organisation with laser sharp operational programs that can make a real difference.

The progressive restructuring of programs and recruitment into the organisation over recent years coupled with the increased engagement with key stakeholders is making a real difference to the outcomes for private forestry.

The strong support for the sector from the previous longstanding Resources Minister, the Hon Guy Barnett and from previous Federal Minister Senator Jonathon Duniam is acknowledged as they move into new roles. Importantly, we also acknowledge the valuable contributions of retiring Director Andrew Morgan and welcome his replacement Dr Jo Jones to our Board.



The private sector plantation policies and planting programs documented in this annual report are making excellent progress under the Tree Alliance marketing strategies. With the government's policy target for 10,000 new housing builds in coming years, challenges are with us to encourage policies that will boost 'on island processing opportunities' to support the supply shortages in building materials. Encouraging more plantation investment and lifting sustainable private native forest wood supplies remain key policy challenges for our Board.

The Board has supported regular direct engagement with all the key stakeholders to identify strategies to promote sustained growth including through the Tasmanian Forestry Hub. A continuing focus on improving infrastructure, skills training, suitable farmer focused schemes to encourage more tree planting and improved environmental policy alignments that better manage risk in the regulatory space remain important.

Teams working closely with networked partners sharing common objectives deliver the practical outcomes we seek. The Board thanks the current Private Forests team for working hard to make a real difference.

I hope on reading this Annual Report the reader will share our optimism for the future of the private forests sector in Tasmania.

Evan Rolley, Chairman

Message from the CEO

This year has seen the development of a new three-year strategic plan for Private Forests Tasmania following extensive consultation with private forestry stakeholders. Our refreshed goals and strategies reflect the changing priorities and challenges facing private forest growers and managers in the wake of a global pandemic, emerging overseas conflicts and associated international trade disruptions. The new strategy also responds to evolving social attitudes and community needs and the corresponding responses from government and regulators.

We thank our stakeholders for providing their time and knowledge to assist us in developing our goals and strategies and organising these into clear priorities. This has enabled PFT to identify six priority projects, which are reported on in detail in this Annual Report, and which will continue into the next reporting period. Our priorities are particularly focused on activities contributing to alleviating Tasmania's wood supply shortages, including in the short-term, medium-term and longer-term.

A major focus has continued to be our Tree Alliance marketing campaign - a campaign to develop partnerships and alliances to educate, encourage and facilitate integration of commercially viable trees into the Tasmanian agricultural landscape. This long-term strategy aims to grow our future economy and ecology through trees. It has been pleasing to see the recognition and positive support for the Tree Alliance brand across the year - culminating at the end of 2021-22 in the success of the Trees Grow Resilience project, attracting eight partner organisations, their substantial co-investments, and associated Federal funding.

Also with joint State and Federal funding, PFT has run a second round of its landscape scale demonstration sites Trees on Farms program. Round two has added a further eight properties to the seven demonstration sites established in 2020-21. Under this program landowners partner with forest management consultants to establish and maintain best practice agroforestry plantings into the longer-term - underpinning PFT's farm forestry engagement and communications plans. The importance of peer-to-peer engagement has been central to these plans.

PFT has also continued to keep the regulatory and policy environment under review and participate in processes leading to improved outcomes for private forest owners and managers. Throughout the year PFT engaged in the improvement of methods under the Australian Government's ERF scheme, contributed to ongoing planning reform in Tasmania and review of private forestry legislation and codes of practice. Targeted co-investment with the sector has enabled PFT to oversee the finalisation and launch of the updated Tasmanian Forest Safety Code.

PFT looks forward to continuing partnerships and collaborations that help to build PFT's capacity to deliver on its statutory objectives and assist the sector in expanding and developing the private forest resource in Tasmania.

Penny Wells, Chief executive officer





Our organisation

Who we are

Private Forests Tasmania (PFT) is a statutory authority established in 1994 under the *Private Forests Act 1994*. PFT has a Board consisting of Directors who are appointed for their practical knowledge, industry, commercial and technical expertise in forestry and are appointed by the Minister for Resources. The Board oversees strategic direction, and a staff of permanent and fixed-term officers undertakes the functions of the authority. Staff are located in Burnie, Hobart and Launceston.

What we do

PFT has a legislated role to facilitate and expand the development of our private forest resource in Tasmania in a manner which is consistent with sound forest and land management practices.

PFT is the only government-funded authority established in Australia to specifically promote, foster and assist the private forestry sector on forestry matters. We do this mainly through providing information and advice to private growers and their markets, through research, innovation and planning tools, and by providing practical policy advice to our Tasmanian and Australian governments that represent the interests of private forest growers.

Our Values

PFT's success in delivering its objectives revolve around our staff and the way we work.

PFT's strategy includes a commitment to a shared set of values that focus on the needs of our stakeholders:

- **Excellence** - We take pride in our knowledge, reliability and in making a difference.
- **Respect** - We are fair, honest and appreciative.
- **Integrity** - We are authentic, ethical and accountable.
- **Teamwork** - Our teams are collaborative, cooperative, caring and productive.

Our Expectations

In delivering our strategy PFT expects that:

- We provide leadership in growing our future economy and ecology through native and plantation forestry on private land.
- We assist private forestry to be a growing, economic, sustainable, profitable, and integrated part of primary production in Tasmania.
- Our work results in a better-informed community on the positive multiple benefits of commercial private forests (native and planted) integrated on Tasmanian farms.
- We work with the Forest Practices Authority to have a private forestry regulatory system that delivers sound environmental outcomes cost-effectively, while minimising complexity, and in a manner reflective of environmental, social, and economic risk.
- We are trusted and respected for our work and are seen as the 'go to' agency for private forestry information.
- We continually improve outcomes by being open to new ideas and feedback, and, by being collaborative, innovative, creative, and practical.
- We take a lead role in collaborations of private forest stakeholders, from both smaller and industrial scale growers through to private forest management companies for institutional investors.

Our Corporate Plan

In March 2022, the Strategic Plan for 2022–2025 was adopted by the PFT Board. The plan sets out four key goals and 24 strategies, which the Board believe are priorities in delivering PFT's statutory objective "to facilitate and expand the development of our private forest resource".

On an annual basis the goals and strategies for PFT are reviewed and formally approved by the Minister for Resources, in the form of PFT's annual Corporate Plan. The Corporate Plan for 2022-25 sets out PFT's strategic direction, including our purpose, our goals and priorities for the next three years.

For more information on our Corporate Plan, please visit www.pft.tas.gov.au.

Ministerial Charter

This Ministerial Charter has been prepared by the Minister for Resources, following consultation with PFT and the Treasurer in accordance with Sections 19A and 19B of the *Private Forests Act 1994*. The Charter sets out the Minister's broad policy expectations and requirements for PFT and takes effect from the date it is signed and remains in effect until it is amended or revoked.

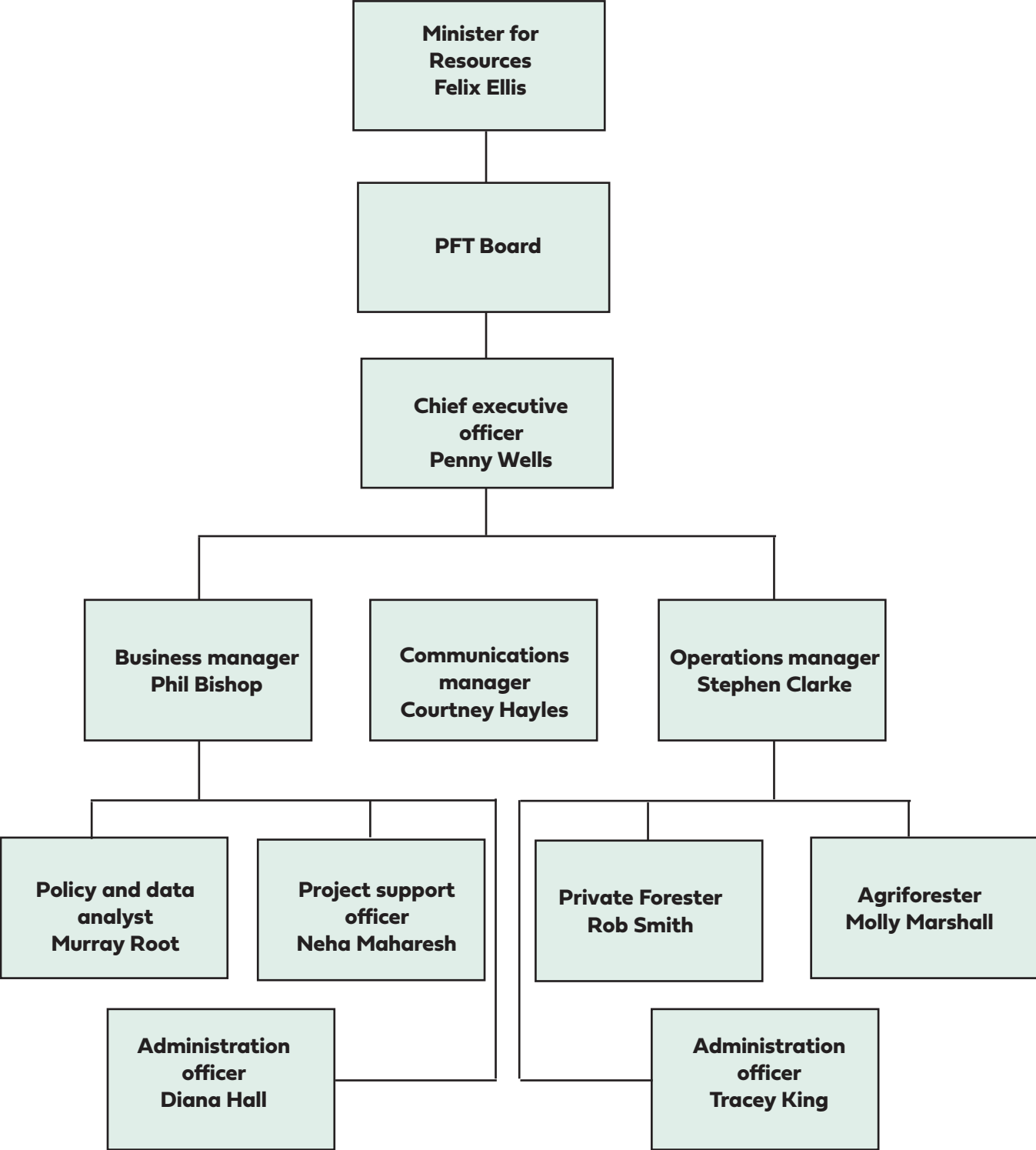
The Minister issued the latest charter to the board on December 17, 2019 and is available on PFT's website.





PFT staff , from left, Courtney Hayles, Neha Mahares, Diana Hall, Stephen Clarke, Tracey King, Rob Smith, Penny Wells, Murray Root, Molly Marshall and Phil Bishop.

Organisational structure as at June 30, 2022



At a glance

Our influences

PFT has proactively sought improvements to State and Commonwealth policy and regulation where these relate to private forestry. PFT developed submissions, contributed to reviews, and facilitated or participated in working groups relating to:



State – forest practices, threatened species, fire management and preparedness planning, Tasmanian Regional Forestry Hub, Aboriginal heritage, deer management, bioenergy, carbon emissions reduction and climate change, regional NRM strategies, private forestry legislative reform, state of the forests reporting.

National – emissions reduction and carbon policy framework, illegal logging laws, farm forestry strategy, water rule.

Our challenges

1. Keeping our workers and stakeholders safe while we learn to live with COVID-19.
2. Addressing the current and predicted future wood and fibre supply shortages.
3. Expanding the private forest resource in the face of increasing pressures to clear farm forests for other purposes.
4. Identifying and resolving specific policy impediments to best practice private forestry.



Our financial performance

PFT's financial performance remains positive recording a positive comprehensive result of \$143,000. The investment surplus arises mainly as a result of PFT successfully applying for funding of \$504,000 from the federal government, which will accelerate the implementation of the Corporate Plan objectives to grow the private forestry sector, through the planned investment in marketing and communications, information and tools, and showcasing best practice farm forestry. This investment commenced in 2019-20 and will continue through to 2025-26, and PFT is well placed to complete this investment with strong cash reserves for program investment.



Tasmania's private forest estate

Key facts and figures as at December 2021



1.09 million hectares of private forest in Tasmania makes up 32.7% of the state's total forest area.



837,000 hectares of private native forest makes up 27.5% of the state's total native forest estate.



250,000 hectares of private plantation makes up 88.6% of the state's total plantation area.



173,000 hectares of hardwood plantation makes up 69% of the state's private plantations.



77,000 hectares of softwood plantation makes up 31% of the state's private plantations.

Private forest harvest

Key facts and figures for 2021-22 and compared to 2020-21



3.88 million tonnes of logs to market from private forest harvest, an increase of 0.41 million tonnes. The private forest harvest made up 73.6% by volume of total state production.



226,000 tonnes of logs to market from private native harvest. Makes up 6% of total private forest harvest. A decrease of 58,000 tonnes.



3.66 million tonnes of logs to market from private plantation, makes up 94% of total private forest harvest.



2.38 million tonnes of hardwood logs to market from private plantation. An increase of 344,000 tonnes.



1.28 million tonnes of softwood logs to market from private plantation. An increase of 129,000 tonnes.

Private timber reserves

Private timber reserves are a statutory instrument enabling landowners to have their land dedicated to long-term forest management. In 2021-22 (Figure 1):



332 hectares of private timber reserves were declared



4068 hectares of private timber reserves were revoked



There was a total of 433,034 hectares of private timber reserves at 30 June, 2022

Goal 1

Work creatively and collaboratively with partners and stakeholders to improve private native and plantation forestry commercial wood supply and carbon outcomes.



PFT has continued to engage extensively with its stakeholders throughout the year in the form of hosting and attending field days, workshops, forums and conferences.

Stakeholder engagement

PFT's Farm Forestry Engagement Plan is focused on engaging with landowners, forest growers and managers, government entities and investors to identify and remove economic barriers. The plan also looks to assist these stakeholders to access finance, planning tools, markets and other economic information. The Tree Alliance marketing campaign, first launched in 2020, continued to gain momentum throughout the year. Further details under Goal 2 of this report.

Demonstration sites

In 2020, PFT created a grants program that would establish best-practice demonstration plantings to build knowledge, awareness and accountability around enterprise-scale agroforestry and natural capital accounting.

Seven sites were selected to form the inaugural sites under the Integrated Farm Forestry Demonstration Sites Program. The sites consist of varying enterprises including dairy, cattle, prime lambs, commercial crops, and oysters.

The grant program requires 50 per cent expenditure by the applicant. To date a combined total of \$588,205 has been contributed by the seven landowners.

This co-investment has achieved 201ha of commercial trees being established across the state.

Two of the sites have successfully had projects accepted into the Australian Government's Emissions Reduction Fund (ERF) carbon projects.

The Board endorsed a second round of the demonstration site program to run in 2021-22 for planting to occur from winter/spring 2023. Eight sites were successful and will share in \$620,000 of funding.

An additional 329ha is set to be established with more than 326,000 seedlings to be planted

over the next three years.

Round 1 and Round 2 of the demonstration sites have been funded by PFT and supported through the Australian Government's National Forestry Plan.

Farm forestry planning tools

PFT, in partnership with the Forest Practices Authority (FPA), has invested in the development of a farm forestry property planning app (TreeMapper). The TreeMapper app includes a range of modules to assist farm forestry planning at the property scale, including Paddock Mapper, Forest Description, Crop/Species Decision Support, Farm Woodlot, TOPEX Score and NPV tools. The system is designed so additional modules or tools can be added later as required.

PFT has worked with stakeholders, the targeted users of the end product and staff presented at workshops to evolve the product.

Once completed, the tool will be launched with a marketing campaign and PFT's Tree Alliance communication partners to promote the tool.

The extent of the Private Forest Estate

To keep its stakeholders informed, PFT maintains a spatial dataset of the Tasmanian private forest estate. Annual updates of the data related to the industrial estate are facilitated by data licencing agreements PFT has with the forestry companies while updating the larger non-industrial estate, which is owned by thousands of individual forest owners, largely farmers, is done with remote sensing technology.

The technology is a combination of satellite imagery and LiDAR (light detection and ranging). In recent years as the extent of LiDAR collected across the state has increased, it has begun to play a more significant role for PFT in mapping the private forest estate. This technology can measure the vertical structures of the canopy and its density and thus provides more accurate forest type mapping than imagery alone. This is particularly important in our private native forest estate where inventory data is

otherwise lacking.

Our private forest estate spatial dataset is used to facilitate reporting on forest extent and forest type at a state and national level. For example, the Australian Bureau of Agricultural and Resource Economics and Science (ABARES), annually reports statistics on the extent of forests across Australia. PFT provides the Tasmanian data to ABARES to support this national reporting requirement.

Tasmania's private forest estate, as of December 31 2021, covers approximately 1.09 million hectares (Table 1) and comprises 32.7 per cent of Tasmania's total forest area. Privately owned native forest occupies 838,000 hectares, approximately 27.5 per cent of the state's total native forest area.

Privately owned native forest is dominated by eucalypt forest (both low and tall) that occupies 790,000 hectares, leaving 48,000 hectares supporting rainforest and other less common forest types.

The private plantation estate covers 250,000 hectares, which is 88.6 per cent of the state's total plantation area as reported in the 2022 State of the Forests dataset. Hardwood plantations comprise 69 per cent (173,000 hectares) and softwood plantations 31 per cent (77,000 hectares) of the private plantation estate. The private forest estate is a significant asset for the Tasmanian forestry sector and makes a strong contribution to the state's economic, social, and environmental bottom line.

Wood production from the private forest estate

Each year PFT collects data and information from wood processors and exporters as a means of estimating the volume of wood production from private forests. The processors provide this information to PFT on the understanding that the raw data will be aggregated for reporting purposes and the confidentiality of each individual processor's data is strictly maintained.

In 2021-22 forty-seven forest products processing businesses were known to be operating in the State and each was contacted individually for the survey. Twenty-two reported they had processed wood from private forests. The five largest volume businesses processed over 85% per cent of Tasmania's private forest harvest during 2021-22.

The private forest harvest delivered a total of 3.88 million tonnes of logs to market in 2021-22 (Table 2; Figure 2). This was an increase of some 414,000 tonnes on the previous year making up much of the 597,000 decrease reported between 2019 and 2020. The increases were from the private plantation estate, hardwood volumes were up 344,000 tonnes and softwood up 128,000 tonnes. Volumes from native forest decreased slightly by 58,000 tonnes.

The dominance of the plantation based sector continues with logs supplied from plantations comprising 94 per cent of the total Tasmanian private forest harvest (Figure 3). Plantation logs have comprised >90 per cent of the Tasmanian private forest harvest since 2012-



13 having steadily risen from 15 per cent in 1994-95.

The annual contribution of the private forest estate to total State wood production is significant with 73.6 per cent by volume coming from the private forest estate confirming, once again, the private estate's dominance in the market and its strategic importance to Tasmania's forest products sector. This contributes greatly to employment and wealth generation throughout regional Tasmania and the state as a whole.

Building effective relationships

PFT routinely facilitates meetings, information sharing and linkages between industry, government, research organisations and commercial providers with the goal being to support the growth of private forestry.

This year PFT has been involved in a number of forums and workshops either hosted by stakeholders or by PFT. In February 2022, PFT hosted a stakeholder workshop where all interested parties were invited via direct invitation and PFT's email bulletin, to participate in reviewing and guiding PFT's 2022-2025 strategic plan. The feedback was integral in finalising the strategic plan and formulating PFT's Corporate Plan.

More on partnerships can be found under Goal 2 of this report.

Stakeholder priority projects

PFT aims to work closely with stakeholders to progress priority projects of importance across the private forestry sector.

In 2021-22 PFT continued to lead the project

to update the 2007 Tasmanian forestry industry safety code.

The updated *Forest Safety Code (Tasmania) 2021* officially came into effect on March 2, 2022. PFT provided the majority of the funding to engage a consultant to prepare the revised Code based on industry feedback. Other industry stakeholders actively participating in the review via the Steering Committee include the Tasmanian Forests and Forest Products Network, Sustainable Timber Tasmania, the Australian Forest Contractors Association (Tas), SFM, and Forico, as well as a representative of the Tasmanian Forest Industry Work Health and Safety Committee.

The Code, which hadn't been reviewed since 2007, was updated to align with contemporary legislation, national guidance materials, and modernised to reflect current technology and industry practices.

During the year PFT also assisted the Forest Industry Fire Management Council (FIFMC) to update the "Fire Prevention at Forest Operations Procedure", and worked with private plantation companies to develop the "Fire Prevention Guidelines for Tasmania's Private Industrial Plantations".

In June 2022 PFT developed the Wood-Supply Co-investment Program to assist in addressing Tasmania's wood supply shortfalls.

The Program will fund projects in 2022-23 up to a total of \$350,000 focusing on short-term, medium-term and long-term wood supply strategies.



Goal 2

Effectively communicate the benefits of private native and plantation forestry as an integral part of Tasmania's agricultural growth strategies.



Growing the future

30 Patrick Street, Hobart
Email: admin@treealliance.com.au
treealliance.com.au

Free Help

Effective communication strategies continue to be a focus of PFT as the Tree Alliance messaging strengthens.

The campaign aims to raise awareness of farm forestry and the benefits of trees on farms, and to encourage and facilitate farmers to plant commercially viable trees in the agricultural landscape. The campaign fosters partnerships and alliances under the mantra to grow our future economy and ecology through trees.

The Tree Alliance campaign is founded on the belief that the right trees in the right place:

1. Increase farm productivity;
2. Improve water efficiency and water quality;
3. Improve the carbon balance;
4. Protect the land for the future; and
5. Create high value timber products.

PFT's Farm Forestry Engagement Plan continues to be executed with an emphasis on communicating outcomes from the demonstration sites program, promoting new tools and research, hosting field days and collaborating with other forestry, corporate and agricultural stakeholders.

The engagement plan has been further supported with funding from the Australian Government's National Forestry Plan.

PFT works closely with the Tasmanian forest industry to foster and support strategic industry communications and marketing plans.

This has been achieved through informal catch ups through to PFT's ongoing membership with various national and state committees and working groups.

The Tree Alliance has a major focus of collaborating with stakeholders who share common goals. This can be in the form of a communication and/or corporate partnership.

The past 12 months, PFT has continued to consolidate the partnerships that already existed as well as connect with new potential partners. This remains a vital element of the Tree Alliance.

Communication channels

PFT has developed an engaged audience through social media (Facebook, Instagram and LinkedIn) and a regular email bulletin. Facebook remains PFT's strongest social media channel.

PFT's website, which will be redeveloped in 2022-23 due to hosting arrangements following the change in departments, has had significant growth over the past 12 months.

Compared to the 12 months prior, the website has increased the number of users by 39 per cent and increased the number of sessions by 19 per cent.

PFT has utilised print media and radio via stories and advertisements to promote the key messages of the Tree Alliance marketing campaign as well as promote the demonstration sites program.

PFT has also supported forest industry events. The Forestry Australia 2021 conference held in Launceston included sponsorship support, as well as guest speakers. PFT also hosted a field day for delegates, which included two farm tours showcasing agroforestry.

PFT sponsored the Tasmanian Forest and Forest Products Network's award night including the category of Tree Farmer of the Year.

The Tasmanian Agricultural Productivity Group held an expo in March, which PFT supported via sponsoring two high school students with a TAPG agricultural industry bursary.

Demonstration sites

The seven round one demonstration sites, described under Goal 1, remain a useful and important resource for communicating the messages of the Tree Alliance.

Over the past 12 months, PFT has held five field days and site visits for property neighbours and Tasmanian landowners, as well as industry stakeholders. These field days are guided by the demonstration site landowner and created to be low-key and conversational.

Case studies have also been produced over the 12 months relating to the demonstration sites and distributed via PFT's communication channels as well as media outlets.

The launch of the round two demonstration site program was held at Hagley and attended by stakeholders and landowners. The eight successful applicants were acknowledged by Tasmania's Minister for Agriculture, on behalf of the Resources Minister, at the TAPG expo. Both events received media coverage.

The new demonstration sites will be included in the engagement plan, which includes field days, articles and a video series.

Branding

A brand review was conducted in late 2021 due to feedback received in relation to the identities of PFT and the Tree Alliance.

The review identified that PFT needed a simple logo to allow for clear identification, but still complement and strengthen the Tree Alliance brand.

The end result has been effective in making a clear distinction and connection between PFT as a statutory authority and PFT's marketing campaign, Tree Alliance.

Trees Grow Resilience

In June 2022, PFT was notified of a successful grant application as part of the TasAg Innovation Hub for the Drought Resilience call for projects.

PFT will deliver a communications project that will collate accessible and user-friendly tools, information and programs, into a consolidated online knowledge hub, which showcases how integrating trees on farms through whole farm planning can improve farm resilience during environmental and economic shocks such as droughts.

The project will also develop an interactive model farm illustrating the benefits of actively

managed trees, forests, woodlots and/or shelterbelts on Tasmanian farms.

The knowledge hub and interactive online tool will further extend to farmers via a range of partner activities, including workshops, property planning modules, and field events. Longer term, the outcomes will be more trees of the right type, in the right places across the Tasmanian agricultural landscape, improved farming businesses' drought resilience and better productivity, carbon and other natural capital asset outcomes.

PFT will work with industry stakeholders and the agricultural sector to collate and create data and practical informational tools, and efficiently and effectively connect Tasmanian farmers with these information tools.

Eight partners have already aligned themselves to the project through in-kind and/or cash support. PFT hopes to continue to include Tasmanian forest and agricultural stakeholders in the project, which will be delivered in 2024.

Communication tools

In partnership with the Tasmanian Regional Forestry Hub, PFT contributed in-kind support to the development of a Farm Forestry Carbon Estimator Tool by Indicum. PFT has had ongoing engagement with Indicum and the Hub to ensure the data behind the calculations is accurate.

The initial promotion of the tool included clear messaging that it was an invitation to test a new carbon farm forestry tool and provide feedback, and that the tool was designed to be a conversation-starter, rather than a comprehensive analysis.

Beta testing was launched in June 2022 and the tool has been promoted via Tree Alliance communication partners, PFT communication channels and adverts in *Tasmanian Country* as well as targeted social media advertising.



Goal 3

Work with government policy makers and regulators at local, state, and national levels to improve regulatory efficiency and practical policy settings for private native and plantation forestry.



In 2021-22 PFT was proactive in facilitating or seeking improvements in both the Commonwealth and State policy and regulatory environments to improve outcomes for private forest landowners. During the reporting period PFT:

- continued to provide advice to the Tasmanian Government on forest practices matters through its active membership on the Forest Practices Advisory Committee (FPAC);
- provided advice and made recommendations to the Tasmanian Government through membership of the Interagency Working Group on Threatened Species & Communities;
- continued as an active member of the Forest Industry Fire Management Committee (FIFMC);
- continued our membership of the Red Hot Tips Advisory Group advising the State Fire Management Council;
- continued to chair the Tasmanian Regional Forestry Hub Steering Committee;
- held regular two-monthly meetings with the Tasmanian Minister for Resources;
- established and attended regular meetings with Tasmanian forest regulators and policy makers including the Forest Practices Authority, Department of Natural Resources and Environment Tasmania and Department of State Growth. Issues discussed or resolved included possible enhancements to the forest practices system such as Aboriginal cultural heritage planning and assessment, swift parrot management prescriptions in Eucalyptus brookeriana forest, and mechanisms for better aligning the regulatory system with risk through landscape level planning, long-term forest practices plans and vegetation management agreements;
- provided advice and recommendations on improvements to Commonwealth forest policy, via our membership of the Forest Industry Advisory Council (FIAC);
- commenced a legislative reform project to review and recommend appropriate amendments to the *Private Forests Act 1994* and aspects of the private timber reserve provisions within the *Forest Practices Act 1985*. A range of potential amendments have been discussed with industry stakeholders, with the potential for amending legislation in 2022-23. Reform outcomes will focus on reducing red tape, improving the efficiency of the private timber reserve application process, along with improvements to transparency and modernisation of other aspects of legislation relating to private forests;
- provided several written submissions to Tasmanian Government legislative reviews, including the review of the *Aboriginal Heritage Act 1975* and the review of the *Climate Change (State Action) Act 2008*;
- provided comment and recommendations on the Tasmanian Government's draft Wild Fallow Deer Management Plan and the draft Bioenergy Vision for Tasmania;
- provided input to the State Planning Office into the development of the Tasmanian Planning Policies;
- provided comment and recommendations on the draft strategic direction documents prepared by each of the three regional Tasmanian NRM groups;
- continued to be an active member of the Forestry Australia Carbon Working Group advocating for changes to the Australian Government's framework for the carbon market to increase the commercial viability of forest carbon projects;
- made a number of written submissions and actively participated in the Clean Energy Regulators co-design process reviewing the Plantation Forestry Method. The new Method was released in February 2022 with improvements including the addition of two new activity types – avoided conversion of a plantation to a non-forest land use and the transitioning of a plantation forest to a permanent forest. Other improvements included increasing the list of eligible species for short to long rotation conversions, expanding the definition of short rotations and making changes that softened the cut off date for registering a project;
- made a written submission to the Australian Governments review of the illegal logging laws;
- made further submissions to the development of the Australian Government's national farm forestry strategy - the final strategy document was published in April 2022.

PFT has extensively engaged with its stakeholders throughout the year, guided by our levy payer priority projects process and engagement plans such as our Farm Forestry and Demonstration Sites engagement plans. To meet the variety of objectives in these plans, now and into the future, requires an ongoing investment in PFT's organisational capacity.

PFT's operating costs are underpinned by 2 key income streams:

- State Government grants revenue which provides the most significant proportion of PFT's income, and which underpins PFT's fixed costs.
- Private forests service levy (the levy) which empowers PFT to raise funds from private forest owners as a means of securing private sector funding contributions. The levy was introduced in 2001-02 after consultation with the Forest Industries Association of Tasmania and the Tasmanian Farmers and Graziers Association. The levy income being dependent on industry activity, is variable and is used to fund project work and new initiatives commensurate with the level of funds generated.

For 2021-22, those funding sources totalled \$1.87 million, which represents approximately 76 per cent of total revenue for the year, which is 68 per cent state government grants revenue and 8 per cent from levies.

During 2021-22, PFT continued to investigate and source funding from a combination of government and industry sources to support priority projects, including:

- PFT successfully applied for funding of \$504,000 from the federal government. This funding will augment the work of PFT to implement its farm forestry and private forestry communications and engagement plans, and also support farm forestry demonstration sites in the north, north-west and south.
- PFT received its final instalment for the funding from the 'Perennial Prosperity' project, which is a CSIRO led research

and development initiative supported by the Federal government Department of Agriculture, Water and Environment, through the Smart Farming Partnerships Round 2. Partners in the Project include PFT, The University of Tasmania and Greening Australia. In addition to integrating agroforestry benefits into farm accounts, the project will establish best-practice demonstration plantings to build knowledge, awareness and capability around enterprise-scale agroforestry and natural capital accounting (more in Goal 1).

- The Forest Practices Authority is contributing funding to the TreeMapper project (details in Goal 1).
- The Trees Grow Resilience project has secured a \$200,000 grant from the TasAg Innovation Hub. A further \$75,000 has been committed by project partners through in-kind and cash support (more in Goal 2).

In delivering its statutory objectives, roles and functions, PFT also contracts out important services to the private sector, including:

- database management and geographic information systems and services;
- some elements of brand review and graphic design; and
- technical website enhancements.

During the year, PFT continued its focus on improving its business systems and processes by:

- Further refining our safety management systems, by ongoing update of PFT's safety plans and procedures in line with government health directives, regular review of underlying safety risks and standard operating procedures, reporting of incidents and hazards, staff training and induction.
- Continued to develop our financial management systems and reporting to provide our Board and management team with relevant and up-to-date financial information.

- Maintaining a legislative compliance chart for regular reporting to the Board and maintaining a register of potential legislative amendments as matters arise for review on an annual basis by the Board.
- Finalising our risk management framework in line with the PFT risk register which identifies both physical and psychological risks and outlines the control measures in place to mitigate them. Risk management has been, and will continue to be, factored into all our governance, planning and performance management processes.
- A project plan has been developed to manage PFT's review and update of the application and assessment process for Private Timber Reserves (PTR), which will be implemented in parallel with the legislative amendment project relating to PTRs. PFT processes applications for PTRs under the *Forest Practices Act 1985* pursuant to a delegation from the Forest Practices Authority under that Act. PFT staff also provide regular PTR Part B Officer Training for Forest Practices Officers.
- Progressing an upgraded, more user-friendly and interactive PFT website making resources and planning tools more accessible.
- Development and adoption of new tools for stakeholder engagement including the TreeMapper tool described under Goal 1, and the Carbon Farm Forestry Estimator tool described under Goal 2.
- PFT continues to investigate structural reform options within PFT, with a view to improving delivery of priority strategies and ensure the structure and skillsets are updated to match the requirements of the new PFT three-year strategic plan.

PFT staff are encouraged to undertake training appropriate to their roles and are also supported to attend and present at conferences and workshops as part of their continuing professional development. The use of eLearning systems such as MyGrowth and

Ripple in PFT's supporting departments has provided PFT staff with an extensive library of online courses, programs and targeted training opportunities.

PFT has a staff performance management system that includes individual work plans, performance assessment and professional development. PFT conducts its annual performance assessment and work plan/professional development process in the first quarter of each financial year. Work plans and skills development and learning programs reflect the organisations corporate goals and strategies.

A continued focus on recruitment in line with identified priorities saw PFT recruit a new Communications Manager at the end of June 2021, based in our Launceston office. This role will work closely with the PFT team and stakeholders to help deliver the goals to expand private forestry and communicate the benefits of wood. PFT will continue to review current staff resources, skills mix and structure in line with strategic and operating plan priorities

As at 30 June 2022, PFT was supported by 10 people (9.1 FTE) working from offices located in Hobart, Launceston & Burnie. This compares with 9.1 FTEs in 2020/21 and 2019/20 and 7.5 FTEs in 2018-19. Overall, numbers have increased over that period due to the roll out of the three-year farm forestry investment strategy and securing additional funding resources from federal and state government resources. Regional representation across north-west, north-east and southern Tasmania facilitates ongoing access for stakeholders to the organisation, while the operating structure enables the organisation to more efficiently utilise in-house skills and resources while ensuring consistency of service provision across the state. A knowledgeable and flexible staff is fundamental to PFT maintaining its capabilities.

PFT is committed to maintaining high standards of performance in respect to work health and safety and equal employment opportunity. All employees are expected

to participate in maintaining safe working conditions and practices and to promote and uphold the principle of fair and equitable access to employment/promotion, personal development and training, and the elimination of workplace harassment and discrimination.

Transition to new Department

In November 2021, the Premier announced the transition of the Department of Primary Industries, Parks, Water and Environment (DPIPWE) to the newly formed Natural Resources and Environment Tasmania (NRE Tas). The name change better reflecting the purpose of the Department to facilitate productive and sustainable industries and to protect and promote Tasmania's natural and cultural values to deliver a sustainable Tasmania. As part of this structural change, the forestry policy, planning and regulatory functions within the Department of State Growth (DSG), which includes Private Forests Tasmania, were to be transferred across to NRE Tas.

The administrative order to put into effect the transition of PFT from State Growth to NRE Tas came into effect on 31 March 2022. Business system transfer commenced in April 2022, with most PFT systems now functional in the NRE Tas business and IT environment. A service level agreement (SLA) between PFT and NRE Tas has been developed which sets out the broad commitments of both parties, the services to be provided by NRE Tas to PFT, the expectations on each party for each of the services, and the annual fee to be paid to NRE Tas by PFT. Commitments in the SLA assist in maintaining the statutory independence of PFT.



Supporting information



PFT Board members, from left, Michael Kelly, Jim Wilson, Alice Herbon, Andrew Morgan, Evan Rolley, Penny Wells and Joanna Jones.

The PFT Board

The Authority has a Board comprising up to six directors consisting of –

- (a) one person with practical knowledge of, and experience in, industry, commerce or economic development;
- (b) three persons representing private forest growers of whom –
 - (i) one represents industrial private forest growers; and
 - (ii) two represent non-industrial private forest growers; and
- (c) one person with expertise in forest or related sciences; and
- (d) the chief executive officer.

Directors, other than the CEO, are appointed pursuant to Part 3 of the *Private Forests Act 1994* and the powers, functions, responsibilities and operating procedures of the Board are set out in that Part and Schedule 2 and 3 to the Act. By resolution of the Board, meetings are held bi-monthly. The Board's remuneration is in accordance with the Tasmanian Government Board Fee Policy administered by the Department of Premier and Cabinet.

The position of a Director with expertise in forest or related sciences was vacant during the year. Mr Jim Wilson was appointed to the board on August 1, 2021.

The membership of the Board during 2021-22 financial year was:

Mr Evan Rolley

Chair and Member with expertise in forest or related sciences. Evan was appointed 24 July 2018 for a term of 3 years and was re-appointed for a further term of 2 years from 24 July 2021.

Evan is an experienced private tree grower and farmer in the Huon Valley who has more than 40 years' experience in the broader forestry sector. He helped in shaping the establishment of Private Forests Tasmania and was Commissioner for Private Forests in the formative years. Evan is the former Chief Forest Practices Officer, Chief Commissioner for Forests and Managing Director of Forestry Tasmania. In more recent years, Evan has been active in the private sector with a strong focus on research, innovation and markets for products. Meeting the demands of emerging wood markets, innovation in whole farm planning and practical research to lift productivity are areas that Evan sees as key to future private forestry growth.

Mr Michael Kelly

Member representing non-industrial private forest growers. Michael was re-appointed June 26, 2020 for a further term of three years.

Michael is a 3rd generation forester in Tasmania and has over 30 years' experience in the forestry industry. Michael is a passionate industry supporter who has extensive experience in harvesting, cartage, plantation establishment, private land-owner negotiations, planning and

industry compliance. Michael is the Managing Director of a sawmill in the north of Tasmania, where his son is the lead bench man, becoming the 4th generation of Kelly's in the industry. Michael is a long serving member of the Tasmanian Farmers and Graziers Association Forestry Committee and is currently the Deputy Mayor of the Meander Valley Council.

Ms Alice Herbon

Member representing non-industrial private forest growers. Alice was re-appointed January 16, 2021 for a further term of three years.

Alice is a commercial lawyer with the University of Tasmania and has a strong interest in agribusiness as well as maintaining an active role in the management of a private forestry company with plantations in the north east of the State. Alice has assisted landowners on legal and strategic issues involving the collapse of forestry MIS schemes, negotiations in the forestry sector with property access arrangements and the drafting of documents for the sale and purchase of agricultural operations, produce, harvest, supply and management agreements. With a long family history in agriculture and a natural understanding of the sector, Alice has been able to develop and maintain longstanding relationships with a number of stakeholders by assisting growers with a broad range of legal issues.

Mr Jim Wilson

Member representing industrial private forest growers. Jim was appointed 1 August 2021 for a period of 3 years.

Jim is the General Manager – Enterprise Performance at Forico Pty Limited, Tasmania's largest private forest management company. Jim is recognised as an industry leader during the establishment of institutional investment in Tasmania's forests and has been instrumental in building new linkages between the forest and agricultural sector. In addition to Jim's role as a Director of Private Forests Tasmania, he is a Director and Vice President of Forestry Australia, and Director of the Tasmanian Agricultural Productivity Group. Jim has a strong interest in collaboration and was most recently the Conference Convenor for the National Conference of Forestry Australia, hosted in Launceston during 2021.

Dr Joanna Jones

Member with practical knowledge of and experience in industry, commerce or economic development. Joanna was appointed 27 June 2022 for a period of 3 years.

Jo is a senior consultant with Pinion Advisory and

an adjunct senior researcher with the University of Tasmania. Jo has extensive farm-focused agricultural research, development, extension, and communication skills. She is an experienced project manager and has decade-long board experience. She co-owns and manages Fidelity Peonies and, with her husband, runs a family-owned dairy farm in the Derwent Valley. Jo is passionate about innovation across the agricultural sector and building resilience in rural communities.

Mr Andrew Morgan

Member with practical knowledge of and experience in industry, commerce or economic development. Andrew was appointed May 23, 2016 and served on the Board until 26 June, 2022.

Andrew is the Managing Director at SFM Environmental Solutions Pty Ltd and Hydrowood. Andrew has overseen the diversification and growth of SFM into a national forest management company and through Hydrowood has actively promoted the use of sustainably sourced Tasmanian timber in construction across Australia. In addition to Andrew's role as a director of Private Forest Tasmania, he is a Director of the Tasmanian Forest and Forest Products Network, and committee member of the Tasmanian Forest Products Association. Andrew was formerly a Director of the Forest Industry Association of Tasmania, Oak Tasmania, Forest Stewardship Council of Australia and a member of the Forest Practices Advisory Council.

Ms Penny Wells

Chief executive officer

Penny has more than 30 years' experience in the forestry sector in Tasmania, having been involved in forest planning, policy and management with both the Tasmanian Government and forest industry since the late 1980s. During this time she has been joint owner of a small family sawmill (processing special species timbers), has worked with land management and development agencies within the Tasmanian Government, and worked with Forestry Tasmania as a forest planner. Penny was part of the team who negotiated the original Regional Forest Agreement (RFA) for Tasmania in 1997, led the negotiations to extend the RFA in 2017 and worked with the forest industry to develop the 2017 forest industry growth strategy. She has experience on the Board of the Forest Practices Authority, is currently a member of the national Forestry and Forest Products Committee and the Forest Industries Advisory Council, and for the four years prior to her appointment as PFT CEO in 2018, was the Director of Forest Policy in the Department of State Growth.

Audit & Risk Committee

Under section 12 of the *Private Forests Act 1994*, the Board must establish an audit committee and the committee:

- (a) must provide the Board with advice on any matter referred to it by the Board; and
- (b) must perform any functions, and may exercise any powers, delegated to it by the Board.

In addition to the above, the audit committee must provide the Board with advice on–

- (a) the internal audit charter of the Authority;
- (b) monitoring the Authority’s systems of financial reporting and internal control; and
- (c) the resources necessary for the performance of the internal audit function of the Authority.

The Committee operates under a charter that has been approved by the Board.

The Committee will consist of at least two members, of which at least two, including the chair, must be members of the Board. The chief executive officer may not be a member of the audit committee but may be present at and provide advice to the committee.

The Committee will meet at least two times a year.

Director Meetings

The following table sets out the number of directors’ meetings, including meetings of Audit and Risk Committee, held during the financial year and the number of meetings attended by each director:

Directors	Meetings		Audit & Risk Committee
	Held	Attended	Attended/Held
Mr Evan Rolley	6	6	
Mr Andrew Morgan	6	6	2/2
Mr Michael Kelly	6	5	
Ms Alice Herbon	6	6	2/2
Mr Jim Wilson	6	6	
Ms Penny Wells	6	6	

Right to Information Statistics

The Authority has a legal duty to respond to requests for information in accordance with the *Right to Information Act 2009* (the RTI Act), which commenced on July 1, 2010.

The RTI Act:

- authorises and encourages disclosure of information without the need for formal requests or applications;
- gives members of the public an enforceable right to information; and
- provides that access to information is restricted only in the limited circumstances defined in the RTI Act.

During the 2021-22 year, PFT received no requests under the *Right to Information Act 2009*.

Public Interest Disclosure

The purpose of the *Public Interest Disclosures Act 2002* (the Act) is to encourage and facilitate the making of disclosures about the improper conduct of public officers or public bodies.

The Act provides protection to persons who make disclosures in accordance with the Act and establishes a system by which the matters disclosed can be investigated and action to rectify any deficiencies can be taken.

PFT is committed to the aims and objectives of the Act. It does not tolerate improper conduct or detrimental action by the Authority or its officers or employees. The procedures for reporting disclosures are available on the department's website www.nre.tas.gov.au.

During 2021-22 there were no Public Interest Disclosure reports.

Integrity Commission

The Integrity Commission is an independent body established on October 1, 2010 by the *Integrity Commission Act 2009* (the Act).

The three primary objectives of the Integrity Commission are to:

1. improve the standard of conduct, propriety and ethics in public authorities in Tasmania;
2. enhance public confidence that misconduct by public officers will be appropriately investigated and dealt with; and
3. enhance the quality of, and commitment to, ethical conduct by adopting a strong, educative, preventative and advisory role.

PFT is committed to upholding the aims and objectives of the Act. It strives to ensure that staff meet high standards of conduct and receive ongoing training in relation to ethical conduct in accordance with section 32 of the Act.

Personal Information Protection

Under the *Personal Information Protection Act 2004* (the PIP Act), PFT is the custodian of personal information related to its functions and activities.

PFT is committed to protecting each individual's privacy in the way it collects, uses or discloses personal information. PFT also ensures that individuals have some control over their personal information.

PFT deals with personal information in accordance with the PIP Act. There were no requests in the reporting period under the PIP Act for people seeking access to, or update of, personal information held by PFT about them.

Workplace, Health and Safety

PFT is committed to ensuring that workplace health and safety is appropriately managed by identifying risks and addressing problems. There were no workplace health and safety incidents received during the reporting period.

Legislation Administered

The Department of State Growth was responsible for administering the *Private Forests Act 1994* until 31 March, 2022. The Department of Natural Resources and Environment Tasmania is responsible for administering the *Private Forests Act 1994* from 1 April, 2022.

PFT undertakes the functions of this Act and also has delegated authority under the *Forest Practices Act 1985* to undertake processing of Private Timber Reserve applications.

All Tasmanian legislation is available at: www.legislation.tas.gov.au

Resource statistics

Table 1: Composition of privately owned/managed forests at December 31, 2021 (and December 31, 2020)

Forest Group	Privately owned/ managed forest on private land	Privately owned/ managed forest on crown land	Total privately owned/ managed forest on all tenures
	Area ('000 hectares)		
Eucalypt low forest	636 (641)*	0 (0)	636 (641*)
Eucalypt tall forest	154 (155)	0 (0)	154 (155)
Temperate Rainforest	17 (17)	0 (0)	17 (17)
Other native forest	31 (31)	0 (0)	31 (31)
Total native forests	838 (844*)	0 (0)	838 (844*)
Plantation - hardwood**	143 (144)	30 (30)	173 (174)
Plantation - softwood**	28 (26)	49 (50)	77 (76)
Total Plantations**	171 (170)	79 (80)	250 (250)
Total native forests and plantations	1009 (1014)	79 (80)	1088 (1094)

*This figure differs from the 2020-21 annual report due to a discrepancy in tenure allocation between public and private at the time the 2020-21 report was completed.

**These figures include fallow plantation areas awaiting replanting on the company managed industrial estates based on the assumption that there is a very high likelihood of re-establishment on such land.

Table 2: Private forests harvest quantity 2017-18 to 2021-22 (tonnes)

	2017-18	2018-19	2019-20	2020-21	2021-22
NATIVE HARDWOOD					
Native sawlog, veneer & ply	22,731	46,899	25,528	63,789	18,634
Hardwood pulpwood	100,503	94,899	246,423	211,999	194,599
Minor log products	58	59	25	23	23
Fuel wood	11,950	12,513	22,204	7,909	12,928
Total NF including fuel wood	135,241	154,370	294,179	283,720	226,184
Total NF excluding fuel wood	123,291	141,857	271,976	275,811	213,256
PLANTATION HARDWOOD					
Hardwood, sawlog, veneer & ply	643,437	617,739	259,696	467,927	426,546
Hardwood pulpwood	2,208,720	2,337,202	2,099,427	1,559,854	1,949,862
Minor log products	65	476	0	0	0
Fuel Wood	661	0	450	7,029	1,967
Total HW including fuel wood	2,852,883	2,955,416	2,359,572	2,034,810	2,378,375
Total HW excluding fuel wood	2,852,222	2,955,416	2,359,122	2,027,781	2,376,408
PLANTATION SOFTWOOD					
Softwood sawlog, veneer & ply	688,636	649,761	736,432	630,936	556,230
Pulpwood	565,704	592,190	672,822	512,699	719,073
Minor log products	2,685	1,956	3,555	7,503	4,491
Fuel wood	0	0	50	180	300
Total SW including fuel wood	1,257,025	1,243,906	1,412,859	1,151,318	1,280,094
Total SW excluding fuel wood	1,257,025	1,243,906	1,412,809	1,151,138	1,279,794
GRAND TOTAL including fuel wood	4,245,149	4,353,693	4,066,611	3,469,848	3,884,653
GRAND TOTAL excluding fuel wood	4,232,539	4,341,180	4,043,907	3,454,730	3,869,458

Table 3: PTR Applications 2021-22

Period	July 1, 2021 to June 30, 2022	Progressive total to June 30, 2022*
Applications advertised	9	2,166
Applications approved by the Board of the Forest Practices Authority	6	2,107
Private timber reserves revoked	43	599
Total area gazetted (hectares)	332 ha	433,034 ha

* Progressive total contains adjustments to figures in previous periods. Progressive totals are adjusted primarily because original applications to declare areas as private timber reserves have been followed in later years with an application to revoke part or all of the area declared as a private timber reserve. When part of a private timber reserve is revoked the original application is split and recorded as two applications in the database, hence inflating the progressive totals of the number of applications advertised, approved by the Board of the Forest Practices Authority and the number revoked.

Figure 1: Private Timber Reserve declared 1988-89 to 2021-22

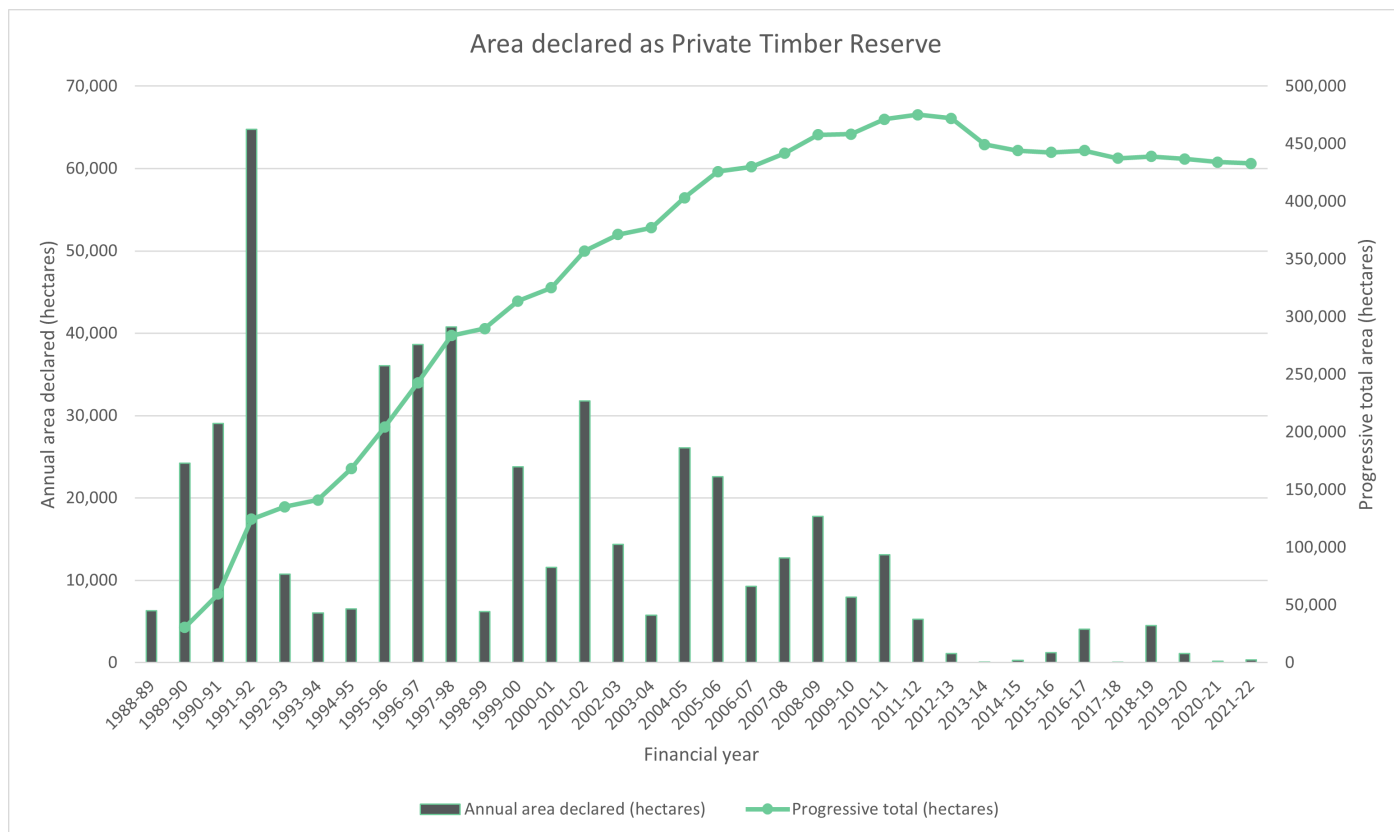


Figure 2: Private forest harvest volumes (including fuel wood) 1994-1995 to 2021-22

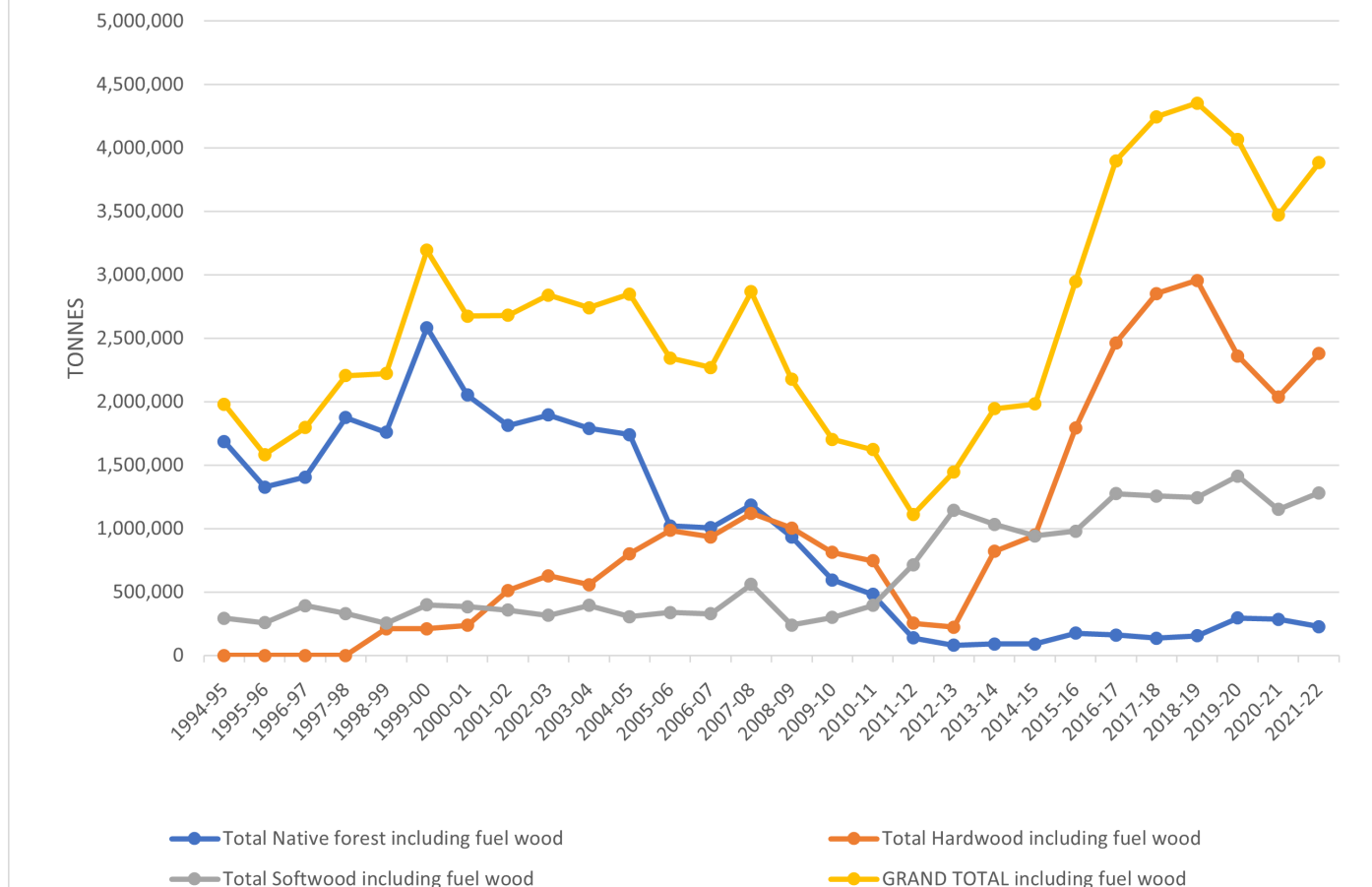
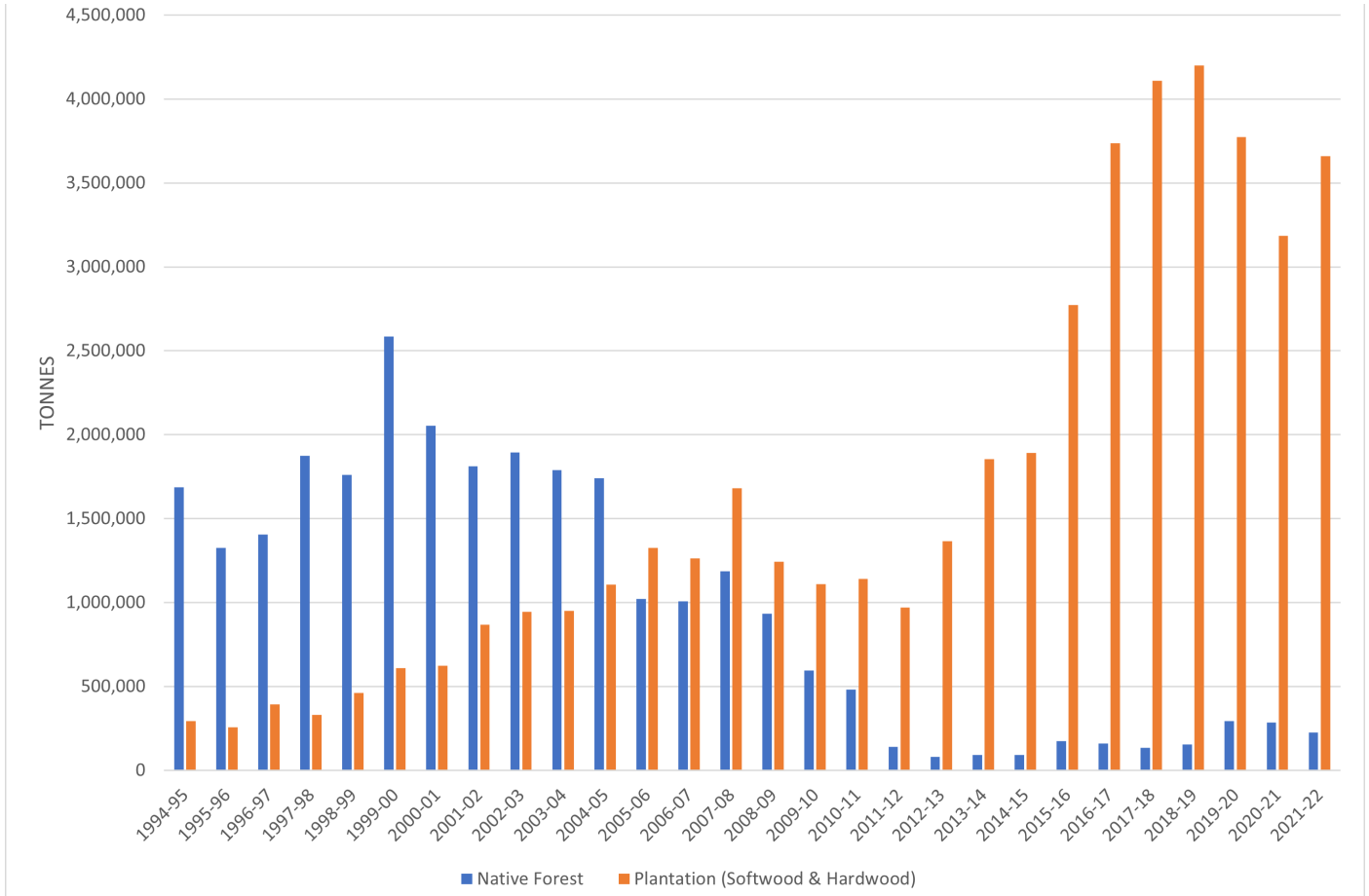


Figure 3: Native forest and plantation (softwood and hardwood) harvest from private forests



Private **Forests**
Tasmania

Financial Statements

For the year ended 30 June, 2022

Directors Declaration

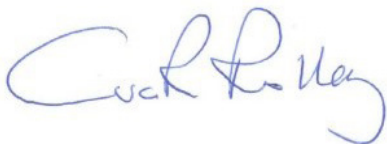
In the opinion of the Directors of Private Forests Tasmania:

- a) the financial statements are drawn up so as to give a true and fair view of the results and cash flows for the year ended June 30, 2022 and the financial position at June 30, 2022 of Private Forests Tasmania;
- b) the accounts are drawn up in accordance with the provisions of the *Private Forests Act 1994*;
- c) as at the date of this statement, there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due.

The financial statements are drawn up in accordance with the applicable Australian Accounting Standards including Australian Accounting Interpretations.

Signed in accordance with a resolution of the Directors.

On behalf of the directors:



Evan Rolley
Non-executive director and chairman
October 14, 2022



Jim Wilson
Non-executive director
October 14, 2022

Statement of Comprehensive Income

For the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Income from continuing operations			
Revenue from Government			
State grants - operating	1.1	1,680	1,647
Commonwealth grants	1.2	504	0
Private Forest Service Levy	1.3	190	196
Industry contributions		90	7
Interest revenue	1.4	9	15
Other income		8	19
Total revenue from continuing operations		2,481	1,884
Net gain (loss) on financial instruments	2.1	8	(2)
Total income from continuing operations		2,489	1,882
Expenses from continuing operations			
Employee benefits	3.1	1,356	1,369
Grants	3.2	376	0
Consultancy & contracts	3.3	200	489
Travel and transport		74	57
Marketing, events & sponsorship		55	81
Property expenses		47	43
Communications & information technology		45	56
Insurance		29	24
Depreciation	3.4	70	83
Finance costs	5.3	1	2
Other expenses	3.5	93	126
Total expenses from continuing operations		2,346	2,330
Net result from continuing operations		143	(448)
Comprehensive result		143	(448)

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Current assets			
Cash & cash equivalents	6.1	1,345	1,100
Financial Investments	4.1	900	900
Receivables	4.2	99	123
Other assets		8	13
Total current assets		2,352	2,136
Non-current assets			
Property, plant & equipment	4.3	2	4
Right-of-use assets	4.4	328	108
Total non-current assets		330	112
Total assets		2,682	2,248
Current liabilities			
Payables	5.1	88	56
Employee benefits	5.2	206	182
Lease liabilities	5.3	60	70
Total current liabilities		354	308
Non-current liabilities			
Employee benefits	5.2	16	0
Lease liabilities	5.3	271	42
Total non-current liabilities		287	42
Total liabilities		641	350
Net assets		2,041	1,898
Equity			
Accumulated funds		2,041	1,898
Total equity		2,041	1,898

This Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
<u>Cash Flows from operating activities</u>			
Cash inflows			
Receipts from Government		2,184	1,647
Receipts from customers		239	228
Interest received		7	15
GST receipts		101	90
Other cash receipts		78	7
Total cash inflows		2,609	1,987
Cash outflows			
Employee benefits		(1,314)	(1,391)
Payments to suppliers		(876)	(881)
GST payments		(103)	(90)
Finance costs		(1)	(2)
Total cash outflows		(2,294)	(2,364)
Net cash from / (used by) operating activities		315	(377)
<u>Cash flows from investing activities</u>			
Transfer from financial investments		0	1,450
Net cash from / (used by) investing activities		0	1,450
<u>Cash flows from financing activities</u>			
Repayment of lease liabilities (principal repayments)	6.3	(70)	(82)
Net cash from / (used by) financing activities		(70)	(82)
Net increase / (decrease) in cash and cash equivalents		245	991
Cash and cash equivalents at the beginning of the reporting period		1,100	109
Cash and cash equivalents at the end of the reporting period	6.1	1,345	1,100

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2022

Accumulated funds	\$'000
Balance as at 1 July 2021	1,898
Comprehensive result	143
Balance as at 30 June 2022	2,041
Balance as at 1 July 2020	2,346
Comprehensive result	(448)
Balance as at 30 June 2021	1,898

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 1: Revenue

Income is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

1.1: State grants

State grants revenue, whether operating or capital, is recognised as revenues in the period in which the Authority gains control of the funds where they do not contain enforceable and sufficiently specific obligations as defined by AASB 15.

1.2: Commonwealth Grants

Grants revenue without a sufficiently specific performance obligation are recognised when the Authority gains control of the asset.

1.3: Private Forest Service Levy

Revenue from the private forest service levy is recognised when an obligation to pay arises, pursuant to the issue of an assessment.

1.4: Interest Revenue

Interest on funds invested is recognised as it accrues.

Note 2: Net Gains/(losses)

2.1: Net gain/(loss) on financial instruments

Financial assets are impaired under the expected credit loss approach required under AASB 9 Financial Instruments. The expected credit loss is recognised for all debt instruments not held at fair value through profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

	2022	2021
	\$'000	\$'000
Impairments losses	0	(5)
Amounts written off during the year	(1)	0
Amounts recovered during the year	9	3
Total gain/(loss) on financial instruments	8	(2)

Note 3: Expenses

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

3.1: Employee Benefits

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation, and any other post-employment benefits.

<i>Employee Expenses</i>	2022	2021
	\$'000	\$'000
Wages & salaries	900	896
Board fees	141	112
Annual leave	81	76
Superannuation	155	138
Long service leave	38	6
Termination benefits	0	101
Other employee expenses	41	40
Total	1,356	1,369

Superannuation expenses relating to defined benefit schemes relate to payments into the Public Account. The amount of the payment is based on a contribution rate determined by the Treasurer, on the advice of the State Actuary. The current contribution is 12.95 per cent (2021: 12.95 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 10.0 per cent (2021: 9.5 per cent) of salary. In addition, the Authority is also required to pay into the Public Account a "gap" payment equivalent to 3.45 per cent (2021: 3.45 per cent) of salary in respect of employees who are members of contribution schemes.

Remuneration of Key Management Personnel	2022	2021
	\$'000	\$'000
Non-Executive Directors		
Short-term benefits – Directors Fees	141	112
Long-term benefits – Superannuation	14	10
Other benefits	0	0
Termination benefits	0	0
Total	155	122
Chief Executive Officer		
Short-term benefits		
- Salary	173	165
- Other benefits	21	21
Long-term benefits		
- Superannuation	22	21
- Other benefits and long service leave	2	1
Total	218	208

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Authority, directly or indirectly.

Remuneration during 2021-22 for key personnel is set by the *State Service Act 2000*. Remuneration and other terms of employment are specified in employment contracts. Remuneration includes salary, motor vehicle and other non-monetary benefits. Long term employee expenses include long service leave and superannuation obligations.

When members of key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence. Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

Related Party Transactions

AASB 124 Related Party Disclosures requires related party disclosures to ensure that the financial statements contain disclosures necessary to draw attention to the possibility that the Authority's financial results may have been affected by the existence of related parties and by transactions with such parties.

There are no significant related party transactions requiring disclosure.

3.2: Grants

Grant expenditure is recognised to the extent that:

- the services required to be performed by the grantee have been performed; or
- the grant eligibility criteria have been satisfied.

A liability is recorded when the Authority has a binding agreement to make the grants but services have not been performed or criteria satisfied. Where grant monies are paid in advance of performance or eligibility, a prepayment is recognised.

	2022	2021
	\$'000	\$'000
Integrated Farm Forestry Demonstration Sites program – round 1	376	0
Total	376	0

Commitments discloses amounts payable to clients over a period of one year or greater, where the actual amount payable is dependent upon expenditure being incurred and certain conditions being met by these clients and a claim submitted and approved for payment. The estimated commitment as at 30 June has been included in these cases in Note 5.4.

3.3: Consultancy & Contracts	2022	2021
	\$'000	\$'000
Farm forestry engagement plan delivery, including marketing & delivery services	15	222
Resource information services (GIS)	117	120
Forest safety code review delivery	0	62
Research support contributions	0	21
Five-year resource review delivery	0	37
Five-year State of the Forest reporting	27	0
Planning tools development	29	19
Other	12	8
Total	200	489

3.4: Depreciation

All applicable non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential.

Depreciation is calculated on a straight-line basis to write off the net cost of items of property, plant and equipment over their expected useful lives. The expected useful lives by asset class are as follows:

- Plant & equipment 3 – 10 years
- Right-of-use assets 4 – 10 years

The useful lives of assets are reviewed and adjusted if appropriate at the end of each reporting

period. An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than the estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

	2022	2021
	\$'000	\$'000
Plant & equipment	3	3
Right-of-use assets	67	80
Total	70	83

3.5: Other Expenses	2022	2021
	\$'000	\$'000
Training & employee costs	21	20
Private Timber Reserve expenses	5	10
Audit fees – Financial audit	12	11
Subscriptions	12	13
Administration & supplies	5	36
Departmental overheads	20	20
Work, Health & Safety	4	6
Miscellaneous expenses	14	10
Total	93	126

Note 4: Assets

Assets are recognised in the Statement of Financial Position when it is probable that future economic benefits will flow to the Authority and the asset has a cost or value that can be measured reliably.

4.1: Financial Investments

Financial investments include term deposits held with maturities greater than 3 months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Term deposits are held to maturity and are measured at amortised cost using the effective interest method.

4.2: Receivables

Receivables are held with the objective to collect the contractual cash flows and are subsequently measured at amortised cost using the effective interest method. Any subsequent changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process. An allowance for expected credit losses is recognised for all debt financial assets not held at fair value through profit and loss. The expected credit loss is based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

The Authority applies a simplified approach in calculating expected credit losses. The Authority recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Authority has adopted a Departmental provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivables.

	2022	2021
	\$'000	\$'000
Receivables	59	108
Less: Expected credit loss	(1)	(10)
	58	98
Other Receivables	41	25
Total	99	123

Reconciliation of movement in expected credit loss	2022	2021
	\$'000	\$'000
Carrying amount at 1 July	10	8
Amounts recovered during the year	(9)	0
Increase/(decrease) in provision recognised in profit or loss	0	2
Carrying amount at 30 June	1	10

For an ageing and expected credit loss analysis of receivables, refer to note 7.2.

4.3: Property, Plant & Equipment

Valuation basis

Property, plant and equipment is recorded at historic cost less accumulated depreciation. All other non-current physical assets, including work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses. All assets within a class of assets are measured on the same basis.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Authority and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Asset recognition threshold

The asset capitalisation threshold adopted by the Authority is \$10,000. Assets valued at less than \$10,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current and previous financial year are set out below:

2021/22	Plant & Equipment	Office Equipment	Total
	\$'000	\$'000	\$'000
Gross Value as at 1 July	19	18	37
Additions	0	0	0
Disposals, Written Off	0	0	0
Gross Value as at 30 June	19	18	37
Accumulated Depreciation as at 1 July	15	18	33
Depreciation Expense	2	0	2
Accumulated Depreciation – Disposals/ written off	0	0	0
Accumulated Depreciation as at 30 June	17	18	35
Carrying value at 30 June	2	0	2

2020/21	Plant & Equipment	Office Equipment	Total
	\$'000	\$'000	\$'000
Gross Value as at 1 July	19	18	37
Additions	0	0	0
Disposals, Written Off	0	0	0
Gross Value as at 30 June	19	18	37
Accumulated Depreciation as at 1 July	12	18	30
Depreciation Expense	3	0	3
Accumulated Depreciation – Disposals/ written off	0	0	0
Accumulated Depreciation as at 30 June	15	18	33
Carrying value at 30 June	4	0	4

4.4: Right-Of-Use Assets

AASB 16 requires the Authority to recognise a right-of-use asset, where it has control of the underlying asset over the lease term. A right-of-use asset is measured at the present value of initial lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The Authority has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and rental arrangements for which the Department of Treasury and Finance has substantive substitution rights over the assets and leases for which the underlying asset is of low-value. Substantive substitution rights relate primarily to office accommodation. An asset is considered low value when it is expected to cost less than \$10,000.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the term of the lease. Where the Authority obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the Authority will exercise a purchase option, the Authority depreciates the right-of-use asset over its useful life.

Property	2022	2021
	\$'000	\$'000
Carrying value at 1 July	108	184
Additions	286	0
Depreciation	(67)	(80)
Other movements – annual rent adjustments	1	4
Carrying value at 30 June	328	108

Note 5: Liabilities

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

5.1: Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised costs, which due to the short settlement period, equates to face value, when the Authority becomes obliged to make future payments as a result of a purchase of assets or services.

	2022	2021
	\$'000	\$'000
Creditors	53	26
Accrued expenses	35	30
Total	88	56

5.2: Employee Benefits

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other employee benefits are measured as the present value of the benefit at 30 June, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

A liability for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

No liability for sick leave is recognised as it is probable that sick leave expected to be taken in the future will be less than entitlements which are expected to accrue in those periods, and entitlements provided are non-vesting.

	2022	2021
	\$'000	\$'000
Current		
Annual Leave	63	62
Long Service Leave	143	120
	206	182
Non-current		
Long Service Leave	16	0
	16	0
Total	222	182

5.3: Lease Liabilities

A lease liability is measured at the present value of the lease payments that are not paid at that date. The discount rate used to calculate the present value of the lease liability is the rate implicit in the lease. Where the implicit rate is not known and cannot be determined the Tascorp indicative lending rate including the relevant administration margin is used.

The Authority has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases, rental arrangements for which Department of Treasury and Finance has substantive substitution rights over the assets and leases for which the underlying asset is of low-value. Substantive substitution rights relate primarily to office accommodation. An asset is considered low value when it is expected to cost less than \$10,000.

The Authority has entered the following leasing arrangements:

Class of right-of-use asset	Details of leasing arrangements
Hobart office lease	The lease is a non-cancellable lease with a 5-year term and due to expire in October 2022.
Launceston office lease	The lease is a non-cancellable lease with a 7-year term and due to expire in February 2023. We have an intention to extend the lease to 2028.

	2022	2021
	\$'000	\$'000
Current		
Lease liabilities	60	70
Non-Current		
Lease liabilities	271	42
Total	331	112

Maturity analysis of lease liabilities	2022	2021
	\$'000	\$'000
One year or less	74	72
From one to two years	66	43
From two to three years	67	0
From three to four years	69	0
From four to five years	70	0
More than five years	48	0
Total	394	115

The lease liability in the maturity analysis is presented using undiscounted contractual amounts before deducting finance charges.

The following amounts are recognised in the Statement of Comprehensive Income:

	2022	2021
	\$'000	\$'000
Interest on lease liabilities (Finance costs)	1	2
Net expenses from leasing activities	1	2

5.4: Commitments

Commitments represent those contractual arrangements entered by the Authority that are not reflected in the Statement of Financial Position.

Leases are recognised as right-of-use assets and lease liabilities in the Statement of Financial Position, excluding short term leases and leases for which the underlying asset is of low value, which are recognised as an expense in the Statement of Comprehensive Income.

	2022	2021
	\$'000	\$'000
By Type		
Grant commitments	869	623
Vehicle lease commitments	57	38
Total	926	661

By Maturity		
One Year or Less	279	392
From one to five years	647	269
More than five years	0	0
Total	926	661

Commitments are shown as GST exclusive.

There were no contingent assets or liabilities at year end.

Note 6: Cash Flow Reconciliation

6.1: Cash and cash equivalents

Cash and cash equivalents includes cash held, any deposits held at call with a bank or financial institution, and the balance of any funds held with the Authority's parent Department, being short term of three months or less and highly liquid. Deposits are recognised at amortised cost, being their face value.

	2022	2021
	\$'000	\$'000
Funds held with Department	0	150
Bank deposits	1,345	950
Total cash and cash equivalents	1,345	1,100

6.2: Reconciliation of net result to net cash from operating activities

	2022	2021
	\$'000	\$'000
Net result from continuing operations	143	(448)
Depreciation	70	83
Expected credit losses	(8)	2
Changes in assets and liabilities		
(Increase) decrease in receivables	33	15
(Increase) decrease in other assets	5	(4)
Increase (decrease) in creditors & accrued expenses	32	(3)
Increase (decrease) in provisions	40	(22)
Net Cash from (used by) operating activities	315	(377)

6.3: Reconciliation of liabilities arising from financing activities

Lease Liabilities	2022	2021
	\$'000	\$'000
Balance as at 1 July	112	190
New leases	288	0
Cash repayments	(70)	(82)
Remeasurement following annual rent increase	1	4
Balance as at 30 June	331	112

Note 7: Financial Instruments

7.1: Risk Management Policies

The Authority has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

The Board has overall responsibility for the establishment and oversight of the Authority's risk management framework. Risk management policies are established to identify and analyse risks faced by the Authority, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

7.2: Credit risk exposures

Credit risk is the risk of financial loss to the Authority if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing, and certainty of cash flows)
Receivables	Collectability of overdue accounts is assessed on an ongoing basis. A provision for impairment is recognised when there is objective evidence that an impairment loss will occur.	Normal credit terms are 30 days. General debtors are unsecured, and arrears do not attract interest.
Cash and investments	Surplus funds are invested with financial institutions in accordance with the provisions of the <i>Private Forests Act 1994</i> . Cash on hand, at bank and in term deposits accounts are valued at face value. Interest is recognised as it accrues. Investments are held to maximise interest returns of surplus cash.	Term deposit average interest rate at balance date was 1.41% (0.17% in 2020/2021). Term deposit average investment term at balance date was 4.6 months, with funds available if required with 31 days' notice.

The carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents the Authority's maximum exposure to credit risk without taking into account any collateral or other security.

There has been no change to credit risk policy since the previous reporting period.

The Authority has no major customers and thus the credit risk is low.

Expected credit loss analysis of receivables

The simplified approach to measuring expected credit losses is applied, which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June is as follows:

2022	Not past due	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate (A)	0.00%	0.00%	0.00%	0.00%	52.43%	
Total gross carrying amount (B)	56	1	0	0	3	59
Expected credit loss (A x B)	0	0	0	0	1	1

2021	Not past due	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate (A)	0.00%	0.00%	0.00%	26.89%	64.15%	
Total gross carrying amount (B)	84	6	1	2	15	108
Expected credit loss (A x B)	0	0	0	1	9	10

7.3: Liquidity Risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing, and certainty of cash flows)
Payables (amortised cost)	Liabilities are recognised at amortised cost, for amounts to be paid in the future for goods and services provided to the Authority as at balance date whether invoices have been received. The Authority expects that all payables accrued as at 30 June will be paid within 30 days.	The Authority pays within suppliers' credit terms. Where there are no credit terms specified payment is made within 30 days.

The following tables detail the undiscounted cash flows payable by the Authority by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

2022						
Maturity Analysis for financial liabilities - \$'000						
	1 Year	2 Years	3 Years	3 + Years	Undiscounted Total	Carrying amount
Payables	88	0	0	0	88	88
Total	88	0	0	0	88	88

2021						
Maturity Analysis for financial liabilities - \$'000						
	1 Year	2 Years	3 Years	3+ Years	Undiscounted Total	Carrying amount
Payables	56	0	0	0	56	56
Total	56	0	0	0	56	56

7.4: Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk, that the Authority is exposed to, is interest rate risk.

Investment of surplus funds is made with approved financial institutions in accordance with the provisions of the *Private Forests Act 1994*. The Authority manages interest rate risk by adopting an investment policy that ensures:

- conformity with State and Federal regulations and standards,
- capital protection,
- appropriate liquidity,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

At the reporting date, the interest rate profile of the Authority's interest-bearing financial instruments was:

Fixed rate instruments	2022	2021
	\$'000	\$'000
Financial assets	900	900
Total	900	900

Categories of Financial Assets and Liabilities	2022	2021
	\$'000	\$'000
Financial assets		
<u>Amortised cost</u>		
Cash and cash equivalents	1,345	1,100
Financial investments	900	900
Receivables	99	123
Total	2,344	2,123

Financial liabilities		
<u>Amortised cost</u>		
Payables	88	56
Total	88	56

Net fair values

The net fair values for financial assets and liabilities approximates their carrying value.

The Authority does not recognise any financial assets or financial liabilities at fair value.

The carrying amount of these financial assets and liabilities approximates their fair value.

Note 8: Summary of Significant Accounting Policies & Judgements

8.1: Objectives and Funding

Private Forests Tasmania is an independent statutory authority established in 1994 under the *Private Forests Act 1994*.

We work to facilitate and expand the development of the private forest resource in Tasmania in a manner that is consistent with sound forest and land management practices. This includes advising and assisting private landowners in the management of native forests and the establishment and management of plantations on private land. These activities involve working closely with private landowners and land managers, along with other major stakeholders, to develop and deliver a wide range of services to ensure sustainable forest use.

Section 6 of the *Private Forests Act 1994* lists our statutory functions, while Schedule 1 of the Act outlines our statutory objectives.

8.2: Basis of Accounting

The Financial Statements are a general-purpose financial report and have been prepared in accordance with:

- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board; and
- *Private Forests Act 1994*.

Compliance with the Australian Accounting Standards may not result in compliance with International Financial Reporting Standards, as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. The Authority is not-for-profit and has adopted some accounting policies under the AAS that do not comply with IFRS.

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year except for those changes outlined in Changes in Accounting Policies.

The Financial Statements have been prepared as a going concern. The continued existence of Private Forests Tasmania in its present form, undertaking its current activities, is dependent on annual grants from the Parliament of Tasmania and external funds.

The Authority has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

8.3: Changes in Accounting Policies

Impact of new and revised Accounting Standards

In the current year, the Authority has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period, none of which have had any material financial impact on the Authority.

8.4: Functional and Presentation Currency

These financial statements are presented in Australian dollars, which is the Authority's functional currency.

8.5: Rounding

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. As a consequence, rounded figures may not add to totals. Amounts less than \$500 are rounded to zero.

8.6: Taxation

The Authority is exempt from all forms of taxation except Fringe Benefits Tax and the Goods and Services Tax.

Revenue, expenses, and assets are recognised net of the amount of Goods and Services Tax, except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated exclusive of GST. The net amount recoverable or payable to the ATO is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing, or financing activities which is recoverable from, or payable to the ATO is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

8.7: Judgements and Assumptions

In the application of Australian Accounting Standards, management is required to make judgments, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods.

Judgments made in the application of Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable in the relevant notes to the financial statements.

Note 9: Events Occurring After Balance Date

The directors are not aware of any significant events since the end of the reporting period.

Independent Auditor's Report
To the Members of Parliament
Private Forests Tasmania
Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Private Forests Tasmania (the Authority), which comprises the statement of financial position as at 30 June 2022, statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the statement of certification by the directors.

In my opinion, the accompanying financial report:

- (a) present fairly, in all material respects, the financial position of the Authority as at 30 June 2022 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Private Forests Act 1994* and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the financial reporting requirements of the *Private Forests Act 1994* and for such internal control as determined necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Authority'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 the Authority is to be dissolved by an Act of Parliament, or the directors intend to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the

date of my auditor's report. However, future events or conditions may cause the Authority 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 represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Jeff Tongs
Assistant Auditor-General
Delegate of the Auditor-General
Tasmanian Audit Office

14 October 2022
Hobart

Private **Forests**
Tasmania