

2025

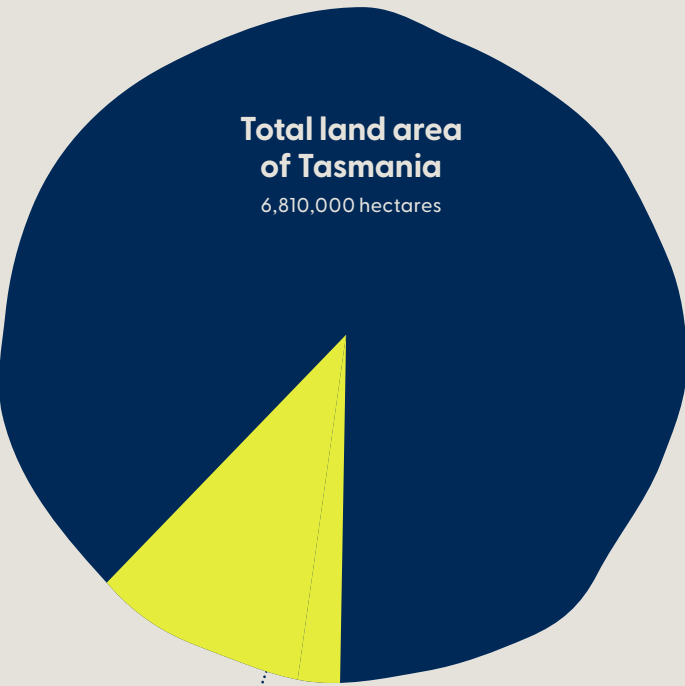
Annual Report



**Sustainable
Timber
Tasmania**



What we manage



Sustainable Timber Tasmania is responsible for managing **821,000 hectares of land** – just over 12% of Tasmania’s total land area (6.8 million hectares).

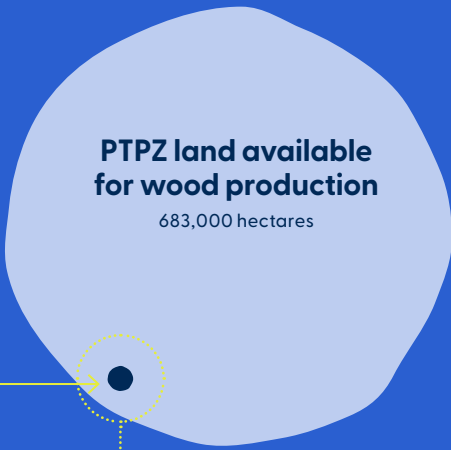
The majority of this area – 812,000 hectares – is classified as Permanent Timber Production Zone (PTPZ) land.

Within this land, we care for a variety of forest types, including:

- Native forests, some of which are old growth, and
- Plantation forests.

What we harvest and regenerate

We are committed to ensuring that harvested areas are regenerated or re-established so forests can regrow for future generations. In 2024–2025, harvesting operations occurred on less than 1% of the land we manage, with a total of 5,804 hectares of PTPZ land harvested for forest products during the year.



Total area harvested in 2024–2025
5,804 hectares

Native forest on PTPZ land **partially** harvested this year
4,503 hectares

Native forest on PTPZ land **clearfell** harvested this year
977 hectares

Hardwood plantation on PTPZ land **harvested** this year
324 hectares

Our Contribution

People and Culture

Investing in our people

New Enterprise Agreement successfully negotiated

1,506 employee training courses completed

Inclusive employer recognition received from the Diversity Council of Australia



Economic Contribution



Supporting regional economies

8 years of consecutive profitable results

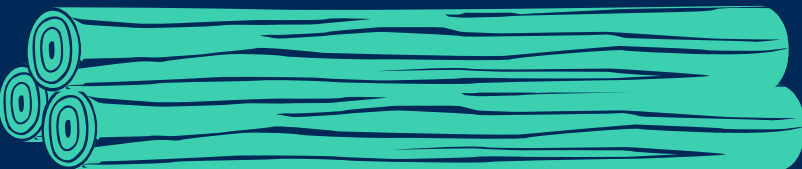
\$109m paid to **544** Tasmanian businesses

Supplying forest products

1.2m+ tonnes of forest products harvested and transported for Tasmanian processing

138,000m³ of eucalypt sawlog

6,859m³ of special species timbers



Community and Access

Enabling community use

24km of new forest roads constructed

3,040km of existing roads maintained

10,000+km total forest road network enabling community, industry, recreation and emergency use



Land access and recreation

704 leases, licences and easements managed

249 apiary sites supporting honey and pollination industries



102 forest activity assessments completed for safe and sustainable use

Bushfire Management

Responding to bushfires

500+ fires detected using AI technology

57 bushfires responded to across Tasmania

6,300km of land safeguarded by AI technology



123 fires escalated to fire agencies

13,900+ hours dedicated to firefighting

Reducing future fire risk

13 planned fuel reduction burns covering 2,000+ hectares

334 personnel days contributed to 23 interagency operations

Research and collaboration

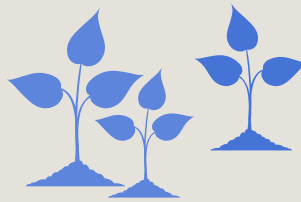
31 research projects led or supported, valued at \$14.2 million

25 leading organisations and ~100 national collaborators engaged

Carbon projects

4 carbon projects delivered, covering ~2,000 hectares

26,496 carbon credits generated



Innovation and Carbon

Forest Regeneration and Conservation

Regenerating forests

100m locally sourced native seeds sown

99.5% regeneration success rate achieved

Protecting natural and cultural values

161 giant trees verified and protected

37,000ha surveyed for eagle nest identification and protection





We sincerely thank and acknowledge our employees, contractors, customers, Shareholder Ministers, Board of Directors, and the broader Tasmanian community.

Together, we continue to manage Tasmania's public production forests with care, purpose, and a clear focus on the future.

Thank you for the dedication and support that have made this year's achievements possible.

Cover image: Grant, Senior Forest Officer and Julie, Forest Officer



Sustainable Timber Tasmania continues to support Tasmania in its contribution towards meeting the United Nations Sustainable Development Goals, and delivering climate-smart forests for future generations.

WORKING FORESTS



CLIMATE



COMMUNITIES



CIRCULARITY



PEOPLE



WATER



BIOECONOMY



PROCUREMENT



Sustainable Timber Tasmania acknowledges the **wbcsd** Forest Sector Sustainable Development Goals road map.

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Snapshot

Sustainable Timber Tasmania acknowledges and pays our deepest respect to the palawa and pakana people, the Traditional and continuing Custodians of the land, sky, and waters of lutruwita / trouwunna / Tasmania.

2025 Annual Report
ISSN 0918 4797
Published October 2025

Managing Tasmania's public production forests with care and purpose

At Sustainable Timber Tasmania, we are proud and committed land managers of approximately 812,000 hectares of public production forest across the state.

As a Tasmanian Government Business Enterprise, our role is twofold:

- To maintain and promote the health and resilience of Tasmania's production forests, and
- To supply high-quality timber to customers across Tasmania.

We approach this responsibility with care, respect, and a long-term view – ensuring that Tasmania's public production forests continue to support communities, industries, biodiversity, and the economy for generations to come.



Our core activities

- Land management
- Sale of forest products
- Fire management
- Forestry road construction and maintenance

Crispen, Forest Inventory Coordinator

Our corporate objectives

- Professionally manage public production forests to maintain wood resource and other environmental, cultural and economic values
- Achieve zero harm to our people and contractors
- Efficiently and effectively make available agreed wood volumes and other services to our customers
- Achieve and maintain financial sustainability

Our values

- Respect**
We create safe spaces
- Responsibility**
We take ownership
- Growth**
We create sustainable value
- Excellence**
We make it happen

What we do

- ✓ Sustainably **manage** the forest estate
- ✓ Sustainably **supply** timber
- ✓ Sustainably **grow** our business

How we do it



Delivering effectively

We are building a sustainable, effective and consistent business that is valued by our customers and stakeholders



Growing value

We focus on strategies that enhance the long-term value of Tasmania's public production forests and the broader environmental, social, and economic benefits they provide



Developing capability

We invest in our people, systems and contractor workforce – supporting the skills, safety and leadership needed for the future of forestry



Listening and engaging

We work to build trust by listening actively, communicating openly, and engaging meaningfully with our stakeholders, neighbours, and the wider Tasmanian community. Through transparent dialogue and responsible land stewardship, we ensure our actions reflect the values and expectations of those who depend on, access, and care for our forests



Leading and innovating

We embrace new ideas, technology, and data-driven approaches to support continuous improvement and sustainable innovation

This balanced approach ensures that Tasmania's public production forests are not only managed for today – but safeguarded and valued for tomorrow.

Dan, Senior Stewardship Advisor

From our Chair and CEO

Rob de Fégely AM and Steve Whiteley

We are pleased to present Sustainable Timber Tasmania's Annual Report for 2024–2025.

This year has once again demonstrated the strength, dedication and resilience of our people and the communities we work alongside.

Our achievements extend beyond financial results – they reflect the commitment of our employees, contractors, customers, Shareholder Ministers, our Board of Directors, and the broader Tasmanian community.

Together, we have supported and delivered a diverse range of forest values. These include recreation, tourism, public access, apiary, and the conservation of Tasmania's unique environment. These are outcomes the community has every right to expect – delivering lasting value that goes beyond financial returns.

We sincerely thank all those who have supported and engaged with us throughout the year. Your ongoing collaboration and trust have been instrumental in helping us deliver our goals and make meaningful progress.

Safety remains our top priority. This year, we introduced targeted initiatives in collaboration with both employees and contractors, reinforcing our shared commitment to ensuring that everyone goes home safe and well each day.

We are pleased to report a strong year – one that reaffirms our long-term commitment to sustainably managing Tasmania's public production forests, and to the people and industries that depend on them.

Strategic alignment and government priorities

The introduction of Sustainable Timber Tasmania's new Ministerial Charter has helped sharpen our strategic focus. It outlines clear government expectations, with a strong emphasis on:

- ✓ Supporting multiple uses of Permanent Timber Production Zone (PTPZ) land
- ✓ Delivering positive socio-economic outcomes
- ✓ Strengthening stakeholder engagement

We are actively aligning our operations with these priorities to ensure we continue to meet Tasmania's evolving needs.

Market conditions and financial outlook

Sustainable Timber Tasmania has now operated profitably for eight consecutive years. In the 2024–2025 financial year, we recorded a total comprehensive income of \$4.8 million, and a net profit after tax of \$5.8 million.

While market conditions remain challenging, particularly due to reduced demand for domestic sawlog and veneer logs – largely a result of a soft housing construction sector and broader economic uncertainty – we remain confident in our long-term strategy.

Looking ahead

This year marked an important milestone in bringing Sustainable Timber Tasmania's plantation solid wood resource to market, with the commencement of Stage 2 of the project. This provides the opportunity for industry to participate in a competitive process to secure a long-term supply of plantation logs for processing in Tasmania. This process is expected to conclude in the next financial year.

In parallel, we have engaged with industry to establish new contracts for native log supply, as most of the current agreements are set to expire in 2027. This will provide the continuity, certainty, and stability needed across the timber supply chain, and will be supported by our ongoing investment in advanced technologies to enhance operational efficiency.

We also anticipate a significant opportunity for private forest growers to participate in a more structured contribution to on-island processing.

Strengthening contractor capability and capacity remains a key strategic priority as we prepare for future demand and adapt to evolving market conditions.



Melody, Trainee

Investment and carbon mandate

The Government's confirmation of Sustainable Timber Tasmania's carbon mandate has already delivered tangible benefits – including increased revenue and a material uplift in the value of Tasmania's production forest estate.

To support long-term success, we are also investing in organisational capability and modernising our core business systems, with a particular focus on logistics and digital infrastructure.

As we transition to a new log supply mix – including a greater emphasis on plantation hardwood – these investments will be vital to strengthening our performance, resilience, and adaptability.

Research and innovation

Innovation and collaboration remain central to our approach to sustainable forest management.

In 2024–2025, Sustainable Timber Tasmania led or participated in 31 active research projects valued at \$14.2 million, in partnership with 25 leading organisations and supported by nearly 100 collaborators across Australia.

These projects demonstrate the strength of our national research network and our ongoing investment in innovation.

Together, they contribute to improved forest practices, product development, climate adaptation, and ecosystem resilience – helping shape the future of Tasmania's forests and the industry that supports them.

Managing fire, risk and community contribution

Protecting Tasmania's communities, forests and infrastructure from bushfire remains a core responsibility and a year-round focus.

In 2024–2025, Sustainable Timber Tasmania's trained firefighters attended 57 bushfires. More than 1,900 hectares of Permanent Timber Production Zone land was impacted by fire – a stark reminder of the importance of proactive fire management.

To reduce future risk, we completed 13 planned fuel reduction burns, covering more than 2,000 hectares. We also played a key role in supporting broader bushfire mitigation efforts, providing 334 person-days of skilled firefighting personnel to assist with 23 operations led by other agencies through the Tasmanian Fuel Reduction Program.

Our ongoing investment in AI fire detection cameras is delivering strong results, enabling us to detect and respond to fires more quickly, with positive outcomes for our resources, the climate, and the community.

These efforts reflect our deep commitment to fire preparedness, interagency collaboration, and protecting the landscapes and communities that we serve.

Regenerating and sustaining forests

Forest regeneration is fundamental to sustainable forest management – ensuring that harvested areas are returned to healthy, thriving forest landscapes that sequester and store significant amounts of carbon.

In 2024–2025, Sustainable Timber Tasmania sowed approximately 100 million locally sourced native seeds as part of our regeneration program. This extensive effort supports biodiversity, ecosystem resilience, and long-term forest productivity.

We achieved a 99.5% regeneration success rate across assessed areas – a strong result that reflects the skills and dedication of our teams, and our commitment to maintain the health and continuity of Tasmania's forests for future generations.

Sustainability reporting

In 2024–2025, climate and sustainability remained a key focus for Sustainable Timber Tasmania, with meaningful progress made towards establishing a clear roadmap for improved ESG (Environmental, Social and Governance) performance and future regulatory compliance.

Throughout the year, we concentrated on strengthening our governance frameworks, building internal capability in climate and sustainability, and improving how we identify, assess and report on climate-related risks and opportunities. Work has also commenced on defining our ESG priorities and setting measurable targets that align with our broader sustainability and decarbonisation goals.

While we are still in the early stages of this journey, the progress to date provides a strong foundation for continuous

improvement. These efforts are critical to ensuring our operations remain resilient, responsible, and aligned with the expectations of our stakeholders, the community, and future regulatory requirements.

Recognition

In 2024–2025, our team were honoured with several Forest Practices Awards and Tasmanian Timber Awards, recognising excellence in community engagement, innovation, and traineeship development. These accolades reflect the talent, commitment, and professionalism of our team, and the strength of our partnerships across the forestry sector.

We were proud to be formally recognised as an Inclusive Employer by the Diversity Council of Australia – a reflection of our commitment to building a respectful, supportive and inclusive workplace. In line with this, we established our first Inclusion and Wellbeing Committee, with representation from 19 employees across the organisation.

During the year, our people completed over 1,500 hours of training, supporting professional development and continuous learning. We are also pleased to report an average employee tenure of 12.8 years – a strong indicator of our positive culture and the long-term commitment of our workforce.

Steve Whiteley will retire as CEO of Sustainable Timber Tasmania in July 2025.

Steve has contributed more than four decades of service to the forest industry, including 12 years as our CEO.

The Board thanks Steve for his steady leadership through an era of transformation for our organisation and industry.

Thank you once again to everyone who contributed to our progress this year.

We look forward to continuing our work – managing Tasmania's public production forests with care, purpose, and a clear view to the future.



Codey, Forest Officer and Adam, Coordinator Harvesting, Rooding and Sales

Our Stories



West Coast bushfires 2025

A show of strength, teamwork, and determination

In early 2025, Tasmania’s rugged west coast faced a formidable challenge. The West Coast Complex bushfires – a series of large, fast-moving, and intense fires – threatening communities, forests, and infrastructure across the region.

Sustainable Timber Tasmania (STT) firefighters and contractors responded with strength and determination, alongside the Tasmania Fire Service and Tasmania Parks and Wildlife Service. Over more than two months, our crews worked around the clock to protect lives, property and Tasmania’s forests.

They navigated dense bushland to cut firebreaks, maintain fire lines, and conducted critical backburning operations – including what is understood to be one of the largest coordinated backburns in Tasmanian history.

This backburn was led by the Operations Team. With their leadership, the burn was executed safely and effectively within an extremely tight timeframe.

Contractors also played a vital role in the response. Many serve dual roles as experienced heavy machinery operators and trained firefighters. Their local knowledge, practical expertise and adaptability were essential to the firefighting effort.

The response to the West Coast Complex bushfires were a powerful demonstration of what’s possible when people come together under pressure. It highlighted the capability and resilience of our people – and our shared responsibility to protect Tasmania’s forests.

Area Impacted

101,000+
hectares burnt

2,000
hectares within PTPZ land

Roles on the ground

Division and Sector Commanders
Firefighters
Incident Management Team personnel

“When the call comes, we go – to protect our communities, our people, and our forests. Everyone pulled together. Contractors, crews, and agencies – we were one team out there.”

– Adam Hyland, STT Firefighter

Our people power

77
STT firefighters

6,700
total hours contributed

2,000 hours in Incident Management Teams

4,700 hours on the fireground

2+
months of active firefighting

Firefighting contractors contribution

1,200
total hours contributed

20
STT contractors

“We put in a 24 kilometre burn, with crews working across a 10 kilometre stretch. We only had two days to complete it, but it was critical to stopping the spread of the Mt Donaldson fire, which was directly threatening the Balfour township.”

– Jamie Haas, STT Firefighter



Trent, Campbell (contractor), Chris, Andrew, Jenna and Abbey



Protecting Tasmania's eagles

Each year, Sustainable Timber Tasmania invests significant time, expertise and resources into the protection of wedge-tailed eagles and white-bellied sea eagles.

As part of our extensive eagle management program, our operational teams carry out annual surveys across public production forests and adjacent areas. This includes checking the condition of existing nests identified during previous programs, searching for new nests and recording their locations.

This year, we:

Surveyed approximately
37,000
hectares

Discovered
16
new nests

Revisited 144 known nests

These surveys are essential in helping us protect nest sites, maintain habitat, and inform our operational planning. By monitoring the nests, we can mitigate potential disturbances, maximise the best outcomes for the breeding season and contribute to the long-term success of Tasmania's eagle populations.

Why it matters

Under the Tasmanian forest practices system, the protection of eagle species focuses on minimising the risk of disturbance to breeding birds and associated nest sites.

Wedge-tailed eagles and white-bellied sea eagles rely on mature eucalypt forests to breed. Areas sheltered from the strongest winds are almost always chosen as nesting sites by eagles.

Every year from July, Sustainable Timber Tasmania implements seasonal management restrictions developed using scientific research methods, to adapt harvesting activities where applicable.

On Permanent Timber Production Zone land, this includes implementing a designated 10 hectare reserve around trees with eagle nests. These reserves are required to minimise disturbance on nest sites and maintain their viability as breeding locations for eagles into the future.



Celebrating 40 years with our people

This year, we proudly celebrated a remarkable milestone: five of Sustainable Timber Tasmania's most experienced and dedicated team members each reached 40 years of service or more.

- **Dean Tuson** – Planning Coordinator
- **Peter Moore** – Nursery Seed Centre Manager
- **Steve Whiteley** – Chief Executive Officer
- **Phil Cole** – Forest Officer, Roding
- **Jono Rudd** – Senior Forest Officer, Harvesting

From their early days as trainees to leadership roles shaping our forests today, they represent the dedication, knowledge, and passion that make forestry such a rewarding career.

Their stories remind us that forestry is about people. From planting the first seedlings to mentoring the next generation, Dean, Peter, Steve, Phil, and Jono have made a lasting impact on the people around them – and on Tasmania's forests. Their commitment shows that a career in forestry is not just a job, but a lifelong journey of care and connection.



Reaching 40 years of service is an extraordinary achievement. On behalf of the Board, I thank Dean, Peter, Steve, Phil and Jono for their dedication and leadership. Your commitment to Sustainable Timber Tasmania and to the forest industry has shaped our organisation and the way Tasmanian forests are managed for generations to come."

– Rob de Fégely AM, Chair



People often ask me, 'What do you love about working here?' For me, every day I get to be part of something bigger. The best part about the job is the people. It's about working with great people and knowing that together we are making a positive contribution to Tasmania's forests and communities."

– Dean Tuson





A new life for the ‘Little Blue Boat’

This year, Sustainable Timber Tasmania was proud to support the restoration of *Sea Breeze* – the much loved wooden vessel know as the ‘Little Blue Boat’ – a familiar sight on the River Derwent for nearly 50 years.

The boat, moored near the Brooker Highway at Montrose Bay, has long been a local icon, capturing the hearts of many Tasmanians. But when powerful storms tore her from her moorings, *Sea Breeze* was left severely damaged and in need of major repairs.

Recognising the community value of the vessel and the importance of preserving Tasmania’s

maritime heritage, we partnered with the Wooden Boat Centre in Franklin to support the restoration effort.

Working closely with Head Shipwright Cody Horgan and his team, we supplied key timber for the rebuild – including locally sourced celery top pine for the deck and hull, and salvaged Oregon pine for the mast, which had been split in two during the storm.

For us, it’s been incredibly rewarding to see Tasmanian timber play a part in bringing this iconic vessel back to life. *Sea Breeze* is more than a boat – she’s a part of local history, and this restoration helps ensure her story continues for generations to come.



‘The Little Blue Boat’ is special to many Tasmanians. We’re thrilled to be able to restore *Sea Breeze* to original condition, with a celery top pine hull and an Oregon pine mast – along with other essential timber pieces. Sustainable Timber Tasmania’s support has helped us fast track the restoration.”

– Cody Horgan, Head Shipwright and Manager of the Workshop at the Wooden Boat Centre



David, Forest Operations Manager

Adam, Coordinator Harvesting, Rooding and Sales with Axeman Damien and Graham



Supporting woodchopping across Tasmania

Sustainable Timber Tasmania is proud to continue its longstanding partnership with the Tasmanian Axemen’s Association, supplying quality logs to support woodchopping events across the state.

These events are more than just competitions – they celebrate skill, tradition, and sportsmanship. They also play an important role in bringing communities together, especially in regional areas.

In the North West, we were especially delighted to sponsor the Penguin Woodchopping Carnival, a much-loved community event. As part of our support, STT’s Abbey Lewtas had the privilege of presenting the winning sashes to the day’s top competitors.

Through partnerships like these, we’re proud to help sustain a unique Tasmanian tradition – and to support the people and communities that are part of the fabric of our working forests.



Events like the Penguin Woodchopping Carnival bring together my work, the community, and friends – and are a wonderful reminder of how connected we all are to Tasmania’s forests.”

– Abbey Lewtas



Leading the way in fire detection

Sustainable Timber Tasmania is transforming how Tasmania detects and responds to bushfires – leading locally, nationally, and internationally with our AI enabled smoke detection network.

In partnership with Indicium Dynamics, we have expanded our smoke detection network across the state. We have deployed nine advanced cameras, designed to enable earlier detection and response to help protect forests.

These cameras use cutting-edge computer vision technology to detect smoke, even in Tasmania's most challenging terrain.

Since launching in November 2024, the system has:

Detected	Escalated
555	123
fires	incidents to Tasmania's firefighting agencies

Safeguarded more than 6,300km
of land across multiple tenures

Operating 24/7 throughout the fire season, this network delivers rapid, real-time alerts, enabling earlier response and more effective fire suppression. By containing fires before they escalate, we help protect Tasmania's valuable natural and community assets.

Combining our on-the-ground expertise with advanced technology, we are strengthening protection across Tasmania for our forests, our people, and our communities.

This year, we were honoured to receive a Tasmanian Timber Award for Excellence in Innovation – a well-deserved recognition of the innovation, commitment, and partnership that underpin this project.



Forest innovation informing adaptive management

Sustainable Timber Tasmania takes a data driven, science based, and technology forward approach to balancing conservation with wood production across Tasmania's public production forests.

A cornerstone of this work is our Acoustic Monitoring Program, now in its fifth year – a major initiative that demonstrates how innovative science can be embedded into everyday forest planning and operations.

Using machine learning and advanced acoustic technology, the program detects and identifies the calls of key bird species, including the swift parrot and the masked owl. This enables the collection and analysis of large volumes of data to better understand species presence, behaviour and breeding activity across a wide landscape.



Codey, Forest Officer

Understanding and protecting masked owl habitat

This year, we made significant progress in gathering information about masked owls, with acoustic monitoring playing a key role in our operational planning.

We deployed more than 50 acoustic recorders at 100 monitoring and surveying sites, collecting and processing over 20,000 hours of data across 33 forest coupes.

Our skilled team manages the full lifecycle of the program – from the deployment and monitoring of recorders in the field, through to precise processing and analysis of data.

The insights gained directly inform our forest operations, enabling us to adapt practices and better protect important habitat – while maintaining sustainable forest management.

This is a powerful example of how technology and environmental stewardship can work hand in hand to shape the future of Tasmania's forests.



Futureproofing Tasmania's forests from bushfire

As the impacts of bushfires and climate change intensify, the need to protect and restore Tasmania's forests has never been more important.

To help safeguard the future of these landscapes, Sustainable Timber Tasmania has made a long-term investment in the development of a strategic seed bank – a vital resource that enables large-scale forest regeneration when and where it's needed most.

A strategic reserve for a changing climate

Our seed bank is one of Tasmania's most important tools for futureproofing the state's forest estate. Built up over many years, it ensures we have access to a diverse and viable supply of native seed, ready to support recovery following bushfires, droughts, or other major environmental threats.

We focus on collecting seed from high-risk and vulnerable areas, particularly species and locations most exposed to climate threats. While much of the seed is collected during routine forestry operations, only carefully selected seed from key ecological zones is stored for long-term use.

Tasmania leading the way

While other Australian states are still in the early stages of developing large-scale seed reserves, Tasmania is well ahead – with a strategic stockpile that puts the state in a strong position to respond quickly and effectively to forest recovery needs.

To date, we've achieved nearly 72% of our strategic seed bank target, with around 2,000 kilograms of viable native seed now held in secure storage – equating to hundreds of millions of seeds.

A long-term investment in our forests

This seed bank represents a forward-thinking, science-led approach to forest management. It's not just about restoration – it's about building resilience into Tasmania's landscapes to ensure they continue to thrive in a changing world.

It's an investment in the future of Tasmania's forests, and the communities, wildlife, and industries that depend on them.



Emma, Coordinator Forest Management



Mitch, Communications Advisor



Next generation of foresters shaping Tasmania's landscapes

Across Tasmania, thousands of students rolled up their sleeves to take part in Schools Tree Day – a statewide initiative delivered in partnership between Sustainable Timber Tasmania and the Forest Education Foundation.

We believe this is where the forest – and the fun – begins.

Schools Tree Day gives young Tasmanians the chance to engage in hands-on environmental learning. It connects them to their local landscapes, communities, and the science behind sustainable forest management. By planting trees, students aren't just learning about the environment – they're actively shaping it.

This year, over 3,000 native seedlings, grown at our Perth Nursery, were gifted and delivered to schools across the state.

During July and August, students and teachers planted the seedlings in school grounds and local green spaces. Many schools hosted outdoor planting events, joined by STT foresters – digging holes, planting seedlings, sharing knowledge and having fun while helping students connect with nature.

Through programs like this, we're proud to help inspire the next generation of foresters, while growing a deeper understanding of the role trees and forests play in shaping Tasmania's future.



Schools Tree Day has become a real highlight on our school calendar. The planting day brings our school community together in the best possible way. Students, staff and foresters all have a hand in creating something lasting and learn so much along the way. Students experience the full journey from seed to tree, starting at the Perth Nursery and continuing into Tasmania's forests."

–Erika Boas, Principal, Bothwell District High School

Our Board



Rob de Fégely AM
Chair

BSc (Forestry), MSc (Forest Business Management), FFA, FAICD

Rob de Fégely has worked in the Australian forest industry for over 40 years. He is a Registered Professional Forester with a Bachelor of Science, Forestry from the Australian National University and a Master of Science, Forest Business Management from Aberdeen University in the United Kingdom.

Rob has worked in plantation development and forestry consulting and was a founding Director of Margules Groome Consulting Pty Ltd until he retired in 2024.

Rob is a Fellow of Forestry Australia and of the Australian Institute of Company Directors.

Rob is a non-executive director of Sustainable Timber Tasmania.



Kathryn Westwood
BCom, GAICD, FIPA, ASA, MRMIA

Kathryn Westwood is a highly experienced non-executive director, Chair and committee member with over 25 years' experience in commercial, finance and risk management roles within forestry, water, metals processing, insurance industries and government in Tasmania.

Kathryn is currently a non-executive director of TasWater and Chair of Catholic Education Commission Tasmania.

Kathryn has a Bachelor of Commerce from the University of Tasmania and is a Graduate of the Australian Institute of Company Directors.

Kathryn is a non-executive director of Sustainable Timber Tasmania.



Kathy Schaefer
PSM, GAICD, MBA

Kathy Schaefer has over 30 years' experience working across government portfolio areas of economic and industry development, infrastructure and major projects delivery, tourism, education, training and employment, land use planning and local government.

Kathy is currently a non-executive director of TasNetworks and Chair of the People and Remuneration Committee. She is also a non-executive director of the Tasmania Football Club (The Tasmania Devils) and Chair of the Finance, Risk and Audit Committee.

Kathy is also a Commissioner on the Tasmanian State Grants Commission.

Kathy holds a Master of Business Administration, a Bachelor of Education, and is a Graduate of the Australian Institute of Company Directors.

Kathy is a non-executive director of Sustainable Timber Tasmania.



Professor Rod Keenan
PhD, BSc (Forestry), GAICD

Professor Rod Keenan is an independent consultant with extensive experience in ecosystem science, forest management and resilience.

Rod has a Bachelor of Science, Forestry, from the Australian National University and a PhD in forest ecology from the University of British Columbia, with research interests in forests and climate change, forest ecosystem services and forest and environmental policy.

Previously, Rod has held positions as Professor and Chair of Forest and Ecosystem Sciences at the University of Melbourne, Director of the Victorian Centre for Climate Change Adaption Research (a research partnership between Victorian universities) and Program Leader in Forest and Vegetation Sciences at the Bureau of Rural Sciences (now ABARES) in the federal government.

Rod was a member and Chair of the United Nations FAO Advisory Group for the Global Forest Resource Assessment from 2003–2015.

Rod has worked as a research scientist and science adviser in several Australian states and with the Australian Government, and has undertaken research projects across Australia, Canada, Papua New Guinea and South-East Asia.

Rod is a non-executive director of Sustainable Timber Tasmania.



Jane Bennett
FAICD

Jane Bennett has extensive experience as a non-executive director and in building and nurturing premium Tasmanian food brands including Ashgrove Cheese, Meander Valley Dairy, Betta Milk and Pyengana Dairy.

Jane has over 30 years' experience working in agrifood businesses across Tasmania and the United Kingdom and was the Managing Director of Ashgrove Cheese and TasFoods Ltd.

Previously, Jane chaired the Tasmanian Food Industry Council for eight years and was a non-executive director at the Australian Broadcasting Corporation, CSIRO, Tasmanian Ports, and the Australian Farm Institute.

Currently, Jane chairs the Board of Hop Products Australia and Nuffield Australia and is a non-executive director of Grain Growers Ltd and TT-Line.

Jane was named 2010 Telstra Tasmanian Business Woman of the Year, 1997 Australian ABC Rural Woman of the Year, and 1994 Tasmanian Rural Achiever of the Year.

Jane is a non-executive director of Sustainable Timber Tasmania.



Therese Ryan
LLB, GAICD

Therese Ryan has extensive experience in commercial, legal and governance roles and has been a professional non-executive director for over 10 years. She has served on various ASX, superannuation, government, and not-for-profit boards.

Therese is currently the Chair of Hancock Victoria Plantations, Chair of Mine Lands Rehabilitation Authority and a non-executive director of listed entity Korvest Ltd.

Therese also serves on the Buxton Contemporary Museum Management Committee.

Therese has a Bachelor of Law from the University of Melbourne and is a Graduate of the Australian Institute of Company Directors.

Therese's second term as a non-executive director of Sustainable Timber Tasmania concluded on 30 July 2025.

Our Board

Board and committee composition and meeting attendance

As of 30 June 2025, the Board has three committees in operation:

Finance, Audit and Risk Management Committee (FARMC); People, Culture and Care Committee (PCCC); and the Environment and Social Impact Committee (ESIC). PCCC and ESIC were established in April 2024.

Meeting attendance during the year:

	July 2024 - June 2025							
	Board		FARMC		ESIC		PCCC	
	E	A	E	A	E	A	E	A
Mr Rob de Fégely AM	12	12	-	4	-	3	3	3
Ms Kathryn Westwood	12	12	5	5	-	2	3	3
Ms Therese Ryan	12	11	-	4	3	3	3	3
Ms Kathy Schaefer	12	12	5	5	-	3	3	3
Prof Rod Keenan	12	12	-	1	3	3	-	-
Ms Jane Bennett	12	12	5	5	3	3	-	-

E = eligible
A = attended

Ella, Forest Officer and
Errol, Coordinator Rooding

Corporate Governance

Sustainable Timber Tasmania is a government business enterprise with a board of directors responsible to Tasmania's Minister for Business, Industry and Resources and the Treasurer for the achievement of Sustainable Timber Tasmania's objectives.

The primary legislation governing Sustainable Timber Tasmania's management and operations are the *Government Business Enterprises Act 1995* and the *Forest Management Act 2013*.

The Board operates a governance framework that meets the Tasmanian *Government Corporate Governance Principles* and is consistent with the *ASX Corporate Governance Principles* (4th edition).

PRINCIPLE 1

Lay solid foundations for management and oversight

The Board is responsible for Sustainable Timber Tasmania's overall direction, management, operation, performance and corporate governance. The Board has an approved Charter which, together with the *Government Business Enterprises Act 1995*, describes the roles and responsibilities of the Board, Chair, individual directors, committees and the Chief Executive Officer. The content of the Board Charter meets the recommended content under Principle 1. An Authorisations Policy is in place to formalise delegations from the Board to the Chief Executive Officer and management.

Each year, through its People, Culture and Care Committee, the Board evaluates its own performance, and periodically seeks an independent review of its performance, the performance of the Chief Executive Officer and the performance of the General Management Team with the Chief Executive Officer.

PRINCIPLE 2

Structure the Board to add value

In line with the Tasmanian Government's *Board Appointments Guidelines* and Procedures, directors' terms are generally three years. Directors are appointed by the Shareholding Ministers on recommendation from the Board of Directors. The recommendation for appointment is made in line with the guidelines. The Board has a skills matrix and succession plan to achieve a Board with a range of skills that will add the best value.

The Chief Executive Officer is not a member of the Board, and the positions of Board Chair and Chief Executive Officer are held by different people.

The independence of each director was assessed against the recommended criteria in Principle 2 during the year, and the status of independence is recorded in each director's biography.

Sustainable Timber Tasmania's director induction and professional development programs are based on the Tasmanian Government's *Director Induction, Education and Training Guidelines*.

PRINCIPLE 3

Instil a culture of acting lawfully, ethically and responsibly

Sustainable Timber Tasmania has a Board approved People and Culture Strategy and Values which instil and reinforce a culture of acting lawfully, ethically and responsibly. The Board actively monitors the culture through reporting from the Chief Executive Officer.

The Board Charter commits the Board to acting with the highest ethical standards, and directors are expected to model both the spirit and intent of Sustainable Timber Tasmania's Code of Conduct. The content of the Code, combined with that of other charters and policies in place, enables Sustainable Timber Tasmania to meet the recommended content of ASX Principle 3.

Sustainable Timber Tasmania is also committed to complying with all relevant legislation, lawful directives of shareholders and company policies.

Sustainable Timber Tasmania is subject to the *Right to Information Act 2009* and the *Public Interest Disclosures Act 2002*. An Information Disclosure Policy is published on Sustainable Timber Tasmania's website which describes the policy and procedure for obtaining information in line with the requirements of both Acts.

Hayden, Forest Officer

PRINCIPLE 4**Safeguarding integrity of corporate reporting**

The Board Finance, Audit and Risk Management Committee comprises three members, all of whom are non-executive directors. The Committee Chair is not the Board Chair but is an independent non-executive director, and the Committee comprises members with financial qualifications. The qualifications, skills and expertise of Committee members meet the suggested ASX Corporate Governance Principles' criteria for an Audit Committee.

The Charter of the Committee is approved by the Board and meets the recommended content for audit committees. The process for approving the annual financial statements includes declarations from the Chief Executive Officer and General Manager Corporate Services (Chief Financial Officer equivalent) in relation to the proper maintenance of the financial records and the accurate representation of Sustainable Timber Tasmania's financial performance and position. Reference to these declarations is included in the Board's certification of financial statements at the end of the Annual Report.

Both internal and external auditors attend Committee meetings as necessary, and the Committee meets with both auditors without management present throughout the year.

Chris, Island Specialty
Timbers Manager

PRINCIPLE 5**Make timely and balanced disclosure**

Under its Charter, one of the Board's key functions is to engage and communicate effectively with shareholders. This is conducted in accordance with the *Tasmanian Government Businesses – Reporting Guidelines* published by the Department of Treasury and Finance. In addition, continual disclosures of material matters occur via routine briefings. The Board has processes in place to identify and escalate matters of significance, including those that may affect the value of Sustainable Timber Tasmania or may require shareholders to comment.

PRINCIPLE 6**Respect the rights of security holders**

The *Government Business Enterprises Act 1995* prescribes the rights and powers of shareholders while the Ministerial Charter specifies the shareholders' expectations of the Board and Sustainable Timber Tasmania, and the Statement of Corporate Intent summarises the key performance measures to be achieved each year. Requirements of the Tasmanian Government's *Reporting Guidelines* are incorporated into Sustainable Timber Tasmania's systems and processes so that shareholders are fully informed of financial and operating performance throughout the year.

Charlie, Forest Officer
and Abbey, Trainee



Abbey,
Communications
Advisor

PRINCIPLE 8**Remunerate fairly and responsibly**

The Board has a People, Culture and Care Committee comprising non-executive directors and is chaired by a non-executive director. The Committee's role is to assist the Board in relation to the executive remuneration strategies and policies, and to support both the Board and its Selection Advisory Panel in relation to Board appointments. The content of the Committee's Charter meets the relevant aspects of Principle 8.

Remuneration for non-executive directors is determined directly by shareholders in accordance with the *Tasmanian Government Board Fee Policy*. Sustainable Timber Tasmania's Executive Remuneration Policy is based on the Tasmanian Government's *Director and Executive Remuneration Guidelines*. The guidelines specify the permissible components of executive remuneration, incentive programs, links to performance, and reporting and disclosure requirements. The People, Culture and Care Committee reviews and recommends to the Board all matters related to the Chief Executive Officer's remuneration, and the remuneration of the General Management Team.

PRINCIPLE 7**Recognise and manage risk**

Risk management is monitored and overseen by the Finance, Audit and Risk Management Committee on behalf of the Board. The Committee's Charter meets the recommended content of Principle 7.

The Committee reviews the enterprise risk management framework to test whether it adequately identifies and mitigates actual and emerging risks for Sustainable Timber Tasmania, and reports to the Board on these issues at least annually.

Oversight of internal control systems, internal and external audit, and the insurance program also fall within the Finance, Audit and Risk Management Committee's responsibilities.

The Environment and Social Impact Committee assists the Board to manage Sustainable Timber Tasmania's social impact and environmental risks, including threats from climate change. This Committee works within the approved risk management frameworks to ensure that these important areas are sufficiently monitored, reviewed and controlled. The People, Culture and Care Committee assists the Board to manage Sustainable Timber Tasmania's culture, safety and wellbeing risks.

FINANCIAL SUMMARY

Statement of Corporate Intent

The Statement of Corporate Intent sets out the key financial and non-financial performance targets to be met by Sustainable Timber Tasmania in 2024–2025. The targets are agreed with Sustainable Timber Tasmania’s shareholders. The 2024–2025 results compared to targets are presented in the following table.

Financial and Non-Financial Performance Targets

Target	Target 2024–2025	Result 2024–2025	Comment
Underlying net profit ¹ (\$ million)	0.1 ²	0.8	Met target
Net cash flow from operations (\$ million)	3.5	1.8	Target not met
High quality eucalypt sawlog ³ (cubic metres)	120,000	100,562	Met customer demand
Special species sawlog (cubic metres)	8,400	6,636	Met customer demand
Native forest regenerated ⁴ (hectares)	4,700	5,566	Met target
Plantations re-established (hectares)	600	496	Met required needs
Forestry road construction to deliver customer commitments (kilometres)	Up to 55	24.2	Met target
Forestry road maintenance to deliver customer requirements, plus non-commercial maintenance to provide continued public access (kilometres)	Up to 4,000	3,040	Met target
Contribution to state prevention, preparation and detection of bushfires (percentage of employees trained and available)	>=70%	above 70%	Met target
Lost time injury frequency rate – employees	<=4	3.27	Met target
Lost time injury frequency rate – contractors	<=10	15.01	Target not met

1 Underlying net profit is defined as the operating revenue less the operating expenditure.
2 Refer to 'Investing for the Future' in the Statement of Corporate Intent on Sustainable Timber Tasmania’s website.
3 Supply chain impacts during the financial year.
4 Native forest regenerated is total site area prepared for regeneration.

Statement of Compliance

1 October 2025

The Hon Felix Ellis
Minister for Business, Industry and Resources
House of Assembly, Parliament House
Hobart TAS 7000

Statement of Compliance

Dear Minister,

In accordance with section 55 of the *Government Business Enterprises Act 1995*, we hereby submit for your information and presentation to Parliament, the Annual Report of Sustainable Timber Tasmania for the year ended 30 June 2025.

The Report has been prepared in accordance with the provisions of the *Government Business Enterprises Act 1995*.

Yours faithfully,

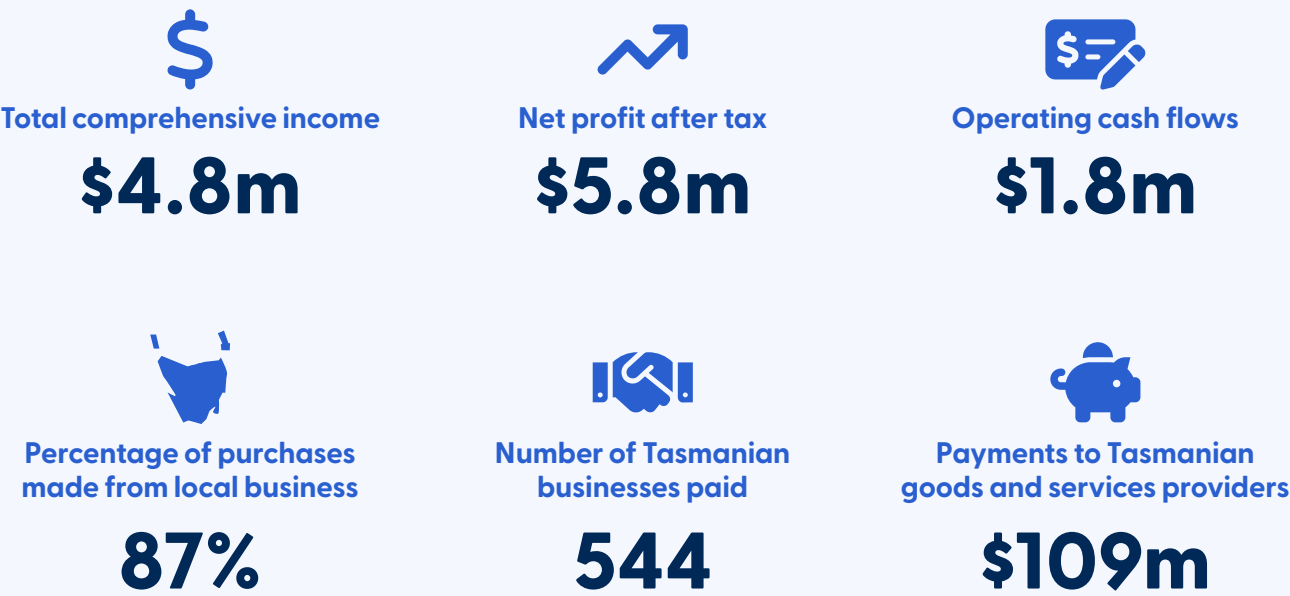


Rob de Fégely AM
Chair
Board of Sustainable Timber Tasmania



Greg Hickey
Acting Chief Executive Officer
Sustainable Timber Tasmania

Financial Summary



Financial Statements

2024–2025

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
AS AT 30 JUNE 2025

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Directors’ Report

The Directors’ Report for Forestry Tasmania trading as Sustainable Timber Tasmania (the “Organisation”) for the financial year ended 30 June 2025 has been prepared in accordance with the requirements of the *Government Business Enterprises Act 1995*.

The Directors’ Report should be read in conjunction with the Organisation’s audited financial statements.

Directors

The Directors of the Organisation at any time during or since the end of the financial year are:

Board Members	Position	Start Term	End Term
Rob de Fégely ^{AM}	Chair	1 June 2016	N/A
Kathryn Westwood	Director	1 August 2018	N/A
Therese Ryan	Director	1 July 2019	31 July 2025
Kathy Schaefer	Director	1 February 2020	N/A
Rod Keenan	Director	18 July 2022	N/A
Jane Bennett	Director	14 June 2023	N/A

Principal activities

The Organisation’s principal purpose is to be the Forest Manager, in accordance with the *Forest Management Act 2013*, for Tasmania’s Permanent Timber Production Zone land for the benefit of the multiple users of the land and resource to support economic growth and job creation in Tasmania.

Basis of presentation

The consolidated financial statements are presented in Australian dollars, which is the functional currency of the Group. All values are rounded to the nearest thousand unless otherwise stated.

The consolidated financial statements are compared to the consolidated financial statements for the prior 12-month period ended 30 June 2024.

Results

The Organisation recorded total comprehensive income of \$4,762,000 for the financial year ended 30 June 2025 as compared to the restated total comprehensive income of \$342,000 for the financial year ended 30 June 2024.

Going concern basis for the preparation of the annual financial statements

The Board has resolved that it is appropriate to prepare the financial statements on a going concern basis.

Director and executive remuneration

The Organisation has complied with the *Guidelines for Tasmanian Government Businesses – Director and Executive Remuneration*.

Dividends

The Organisation paid an ordinary dividend of \$250,000 under section 84 of the *Government Business Enterprise Act 1995* on 3 December 2024.

The Board will advise the Treasurer and the Portfolio Minister of its recommendation for a dividend payable by the Organisation in respect of the 2024–2025 financial year within 60 days of the end of the financial year.

Events subsequent to balance date

Steve Whiteley was the Organisation’s Chief Executive Officer at 30 June 2025. Greg Hickey was appointed Acting Chief Executive Officer of the Organisation on 1 July 2025 during the period that Mr Whiteley was on leave from 1 July 2025 until Mr Whiteley’s contract of employment expired on 28 July 2025. The Organisation is currently undertaking a recruitment process to appoint a Chief Executive Officer.

There have been no other matters or circumstances since the end of the financial year that have significantly affected or may have significantly affected the operations of the Organisation, the results of those operations or the state of affairs of the Organisation.

Indemnification and insurance of officers

The Organisation has paid insurance premiums in respect of directors’ and officers’ liability. The terms of the insurance policy prohibit disclosure of the total amount of the premiums and the nature of the liabilities covered.

Dated at Hobart, this 4th day of August 2025.

Signed in accordance with a resolution of directors:

Rob de Fégely ^{AM}
Chair
4 August 2025

Kathy Schaefer
Director
4 August 2025

Consolidated Statement of Comprehensive Income

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$'000	2024 \$'000
Revenue			
Revenue	B1(a)	138,608	142,207
Gain on sale of assets	B1(i)	591	839
Finance income	B1(h)	876	1,182
Biological asset valuation increment	C1	7,519	-
Total revenue		147,594	144,227
Expenses			
Expense from operations	B1(b), (e), (f), (g), C1	(137,474)	(141,608)
Finance expense	B1(h)	(1,808)	(1,823)
Biological asset valuation decrement	C1	-	(266)
Total expenses		(139,282)	(143,697)
Net profit/(loss) before tax			
		8,312	530
Income tax (expense)/benefit on net profit/(loss)	B2	(2,547)	(256)
Net profit/(loss) after tax		5,765	274
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Gain/(loss) on the revaluation of land and buildings	D4	(1,536)	597
Gain/(loss) on remeasurement of defined benefit liability	E4	(509)	(917)
Gain/(loss) on remeasurement of equity instruments designated at fair value	D6	571	387
Income tax on revaluation of land and buildings	B2	461	(179)
Income tax on remeasurement of defined benefit liability	B2	153	275
Income tax on remeasurement of equity instruments designated at fair value	B2	(143)	(96)
Total items that will not be reclassified to profit or loss		(1,003)	67
Total comprehensive income/(expense) for the year attributable to the equity holders of the parent		4,762	342

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the accompanying notes to the financial statements.

Consolidated Statement of Financial Position

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
AS AT 30 JUNE 2025

	Note	2025 \$'000	2024 \$'000
Current assets			
Biological assets	C1	15,195	13,109
Cash and cash equivalents	D1(a)	2,380	2,426
Trade and other receivables	D2	6,754	7,962
Inventories	D3	21,081	20,673
Financial assets	D6	2,568	10,079
Other assets	D7	1,661	1,867
Total current assets		49,639	56,116
Non current assets			
Biological assets	C1	204,653	197,283
Trade and other receivables	D2	155	60
Property, plant and equipment	D4	56,357	58,245
Intangible assets	D5	822	581
Financial assets	D6	8,974	6,983
Total non current assets		270,961	263,152
Total assets		320,600	319,269
Current liabilities			
Re-establishment provision	C2	2,458	2,989
Trade and other payables	D8	10,941	15,622
Lease liabilities	D9	1,109	1,204
Contract liabilities	D10	1,004	908
Employee benefits	E2	4,705	4,150
Total current liabilities		20,218	24,873
Non current liabilities			
Deferred tax liability	B2	35,158	33,082
Re-establishment provision	C2	4,543	5,516
Lease liabilities	D9	5,444	5,680
Contract liabilities	D10	6,002	6,068
Employee benefits	E3	24,580	23,907
Total non current liabilities		75,727	74,253
Total liabilities		95,946	99,126
Net assets		224,655	220,143
Equity			
Contributed equity		381,518	381,518
Reserves		8,195	8,842
Retained earnings/(accumulated losses)		(165,059)	(170,217)
Total equity		224,655	220,143

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes to the financial statements.

Consolidated Statement of Cash Flows

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Inflows:			
Cash receipts from customers		131,954	133,631
Government funding	B1(a)	12,000	12,128
Interest received	B1(h)	876	1,182
Outflows:			
Cash paid to suppliers and employees		(142,690)	(139,956)
Interest paid on leases	B1(h)	(389)	(459)
Net cash provided by/(used in) operating activities	D1(b)	1,751	6,526
Cash flows from investing activities			
Inflows:			
Proceeds from sale of property, plant and equipment	B1(i)	728	950
Proceeds from investment in financial assets	D5	7,500	1,800
Outflows:			
Payments to suppliers for biological assets	C1	(1,937)	(2,258)
Payments for property, plant and equipment and other assets		(5,723)	(11,043)
Payments for intangible assets	D5	(376)	(402)
Payments for investment in financial assets		(1,408)	(5,409)
Net cash provided by/(used in) investing activities		(1,215)	(16,363)
Cash flows from financing activities			
Inflows:			
Proceeds from sale of other financial assets		-	3,338
Outflows:			
Lease payments	D1(c)	(331)	(1,213)
Ordinary dividend	B3	(250)	(600)
Net cash provided by/(used in) financing activities		(581)	1,524
Net increase/(decrease) in cash and cash equivalents held		(45)	(8,313)
Cash and cash equivalents at the beginning of the year	D1(a)	2,426	10,739
Cash and cash equivalents at the end of the year	D1(a)	2,380	2,426

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes to the financial statements.

Consolidated Statement of Changes in Equity

Section A: Corporate Information and Basis for Preparation

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

	Contributed Equity \$'000	Asset Revaluation Reserve \$'000	Retained Earnings/ (Accumulated Losses) \$'000	Total Equity \$'000
Balance at 1 July 2023	381,518	8,133	(169,250)	220,401
Total comprehensive income for the year				
Profit or (loss)	-	-	274	274
Other comprehensive income				
Gain/(loss) on the revaluation of land and buildings	-	418	-	418
Gain/(loss) on remeasurement of defined benefit liability	-	-	(642)	(642)
Gain/(loss) on remeasurement of equity instruments designated at fair value	-	291	-	291
Total other comprehensive income	-	709	(642)	67
Total comprehensive income for the year	-	709	(367)	342
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Dividends to equity holders	-	-	(600)	(600)
Total transactions with owners	-	-	(600)	(600)
Balance at 30 June 2024	381,518	8,842	(170,217)	220,143
Balance at 1 July 2024	381,518	8,842	(170,217)	220,143
Total comprehensive income for the year				
Profit or (loss)	-	-	5,765	5,765
Other comprehensive income				
Gain/(loss) on the revaluation of land and buildings	-	(1,075)	-	(1,075)
Gain/(loss) on remeasurement of defined benefit liability	-	-	(356)	(356)
Gain/(loss) on remeasurement of equity instruments designated at fair value	-	428	-	428
Total other comprehensive income	-	(647)	(356)	(1,003)
Total comprehensive income for the year	-	(647)	5,409	4,762
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Dividends to equity holders	-	-	(250)	(250)
Total transactions with owners	-	-	(250)	(250)
Balance at 30 June 2025	381,518	8,195	(165,059)	224,655

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes to the financial statements.

A1 Details of reporting entity

The consolidated financial statements and notes thereto relate to Forestry Tasmania trading as Sustainable Timber Tasmania (the “Organisation”) and its subsidiaries (collectively referred to as the “Group”). For the purposes of preparing the consolidated financial statements, the Organisation is a for-profit entity.

The Organisation is a State-owned Government Business Enterprise. The Organisation’s principal purpose is to be the Forest Manager, in accordance with the *Forest Management Act 2013*, for Tasmania’s Permanent Timber Production Zone land for the benefit of the multiple users of the land and resource to support economic growth and job creation in Tasmania. The Organisation’s Head Office is located at 99 Bathurst Street, Hobart, Tasmania. The Organisation also has regional offices throughout Tasmania.

The accounting policies set out below, unless specifically noted otherwise in individual notes, have been applied consistently to all periods presented in these financial statements.

A2 Statement of compliance

The consolidated financial statements of the Group are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB), the *Government Business Enterprises Act 1995* (GBE Act) and applicable Treasurer’s Instructions. They have been prepared on the basis that the Group operates on a going concern basis.

The consolidated financial statements for the year ended 30 June 2025 were authorised for issue by the Board of Directors on 4 August 2025.

A3 Basis of preparation

The consolidated financial statements are prepared on the historical cost basis except for the following:

- Biological assets are measured at fair value less costs to sell in note C1;
- Land under buildings are measured at fair value in note D4;
- Investments in bonds, debentures and equities included in Financial assets are measured at amortised cost in note D6;
- Superannuation liabilities are included in Employee benefits in note E1 and E4.

The consolidated financial statements are presented in Australian dollars, which is the functional currency of the Group. All values are rounded to the nearest thousand unless otherwise stated.

The consolidated financial statements are compared to the consolidated financial statements for the prior 12-month period ended 30 June 2024.

A4 Basis of consolidation

The Group’s financial statements consolidate those of the parent entity and its controlled entities (Subsidiaries) as at 30 June 2025. All Subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group’s perspective.

Amounts reported in the financial statements of Subsidiaries have been adjusted where necessary for consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of Subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal as applicable.

The Group attributes total comprehensive income or loss of Subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

A5 Critical estimates, judgements and prior period errors

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. 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 revision and future periods if the revision affects both current and future periods.

Section A: Corporate Information and Basis for Preparation (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

A5 Critical estimates, judgements and prior period errors (continued)

Significant estimates and judgements

The following significant judgements, estimates and assumptions are included in the financial statements:

- Note B1 describes the process applied to determine the timing of satisfaction of performance obligations and recognition of revenue;
- Note C1 describes the methodology applied to estimate the value of Biological assets;
- Note C2 describes the basis applied to estimate the value of the Re-establishment provision;
- Note D4 describes depreciation, amortisation, impairment and revaluation of Property, plant and equipment;
- Note D5 describes amortisation and impairment of Intangible assets;
- Note D9 describes the process applied by the Group to satisfy the recognition of Lease liabilities;
- Note E4 describes the methodology applied to estimate the value of defined benefit obligations (employee benefits) and other employee benefits;
- Note F1 describes the use of judgement to assess indicators of impairment for Financial assets.

A6 New standards adopted as at 1 July 2024

Accounting pronouncements which have become effective from 1 July 2024 and have therefore been adopted do not have a significant impact on the Group’s financial performance or position.

A7 New standards not yet adopted

At the date of authorisation of the financial statements, there are no new or revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant or material to the Group’s operations and effective for the accounting period that commenced on or after 1 July 2024.

Similarly, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued, but are not yet effective:

Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending	Impact on financial report
AASB 2014-10 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> (as amended)	Limits the recognition of gain or loss arising from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or joint venture to the extent of the unrelated investors’ interest in that associate or joint venture. Similar limitations apply to remeasurements of retained interests in former subsidiaries.	1 January 2025	30 June 2026	These amendments may impact the Group’s consolidated financial statements in future periods should such transactions arise.
AASB 2023-5 <i>Amendments to Australian Accounting Standards – Lack of Exchangeability</i>	Specifies how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not.	1 January 2025	30 June 2026	These amendments may impact the Group’s consolidated financial statements in future periods in the unlikely event that foreign currency is not exchangeable at the measurement date.

Section A: Corporate Information and Basis for Preparation (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

A7 New standards not yet adopted (continued)

Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending	Impact on financial report
AASB 18 <i>Presentation and Disclosure in Financial Statements</i>	AASB 18 replaces AASB 101 <i>Presentation of Financial Statements</i> . It will not change the recognition and measurement of items in the financial statements, but will affect presentation and disclosure in the financial statements, including introducing new categories and defined subtotals in the statement of profit or loss, requiring the disclosure of management-defined performance measures, and changing the grouping of information in the financial statements.	1 January 2027	30 June 2028	The amendments will affect presentation and disclosure in the financial statements.
AASB 2024-2 <i>Amendments to Australian Accounting Standards – Classification and measurement of financial instruments</i>	Amends AASB 9 <i>Financial Instruments</i> to introduce an option to derecognise financial liabilities settled through electronic transfer before the settlement date, clarifies how contractual cash flows should be assessed for financial assets with environmental, social and governance (ESG) and similar features, includes additional guidance in respect of non-recourse features and contractually linked instruments and amends specific disclosure requirements.	1 January 2026	30 June 2027	The Group is currently evaluating the expected impact of these amendments on the financial statements.

Section B: Details on Financial Performance

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

B1 Operating profit

B1(a) Disaggregated revenue

Accounting policy

Revenue arises from the sale of forest products, lease agreements, licences and other forest management services and the performance of community service obligations.

To determine whether to recognise revenue, the Group follows a 5-step process:

- 1 Identifying the contract with a customer;
- 2 Identifying the performance obligations;
- 3 Determining the transaction price;
- 4 Allocating the transaction price to the performance obligations; and
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

The total transaction price for a contract is allocated to the various performance obligations based on their relative standalone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers. The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the Statement of Financial Position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its Statement of Financial Position, depending on whether something other than the passage of time is required before the consideration is due.

Sale of forest products

Revenue from the sale of forest products is recognised when the Group has transferred control of the assets to the customer. The transfer of control of the assets to the customer is deemed to be either when the timber is loaded at the landing or delivered to the mill door.

Revenue for products sold ‘Free on Board’ (FOB) is recognised when the ship departs port. Revenue for products sold ‘Cost and Freight’ (CFR) is recognised when the goods reach the destination port.

Sale of leases, licences and other forest management services

Revenue from leases, licences and other forest management services is recognised in proportion to the stage of completion of the transaction at the reporting date. The revenue received for the allocation of forestry rights are amortised over the term of the right and recognised in the period the obligation is performed.

Performance of Community Service Obligations

Government funding is received from the State to contribute towards the performance of Community Service Obligations. Revenue received for the performance of Community Service Obligations is recognised in profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the funding is intended to compensate.

Other government funding

The Group undertakes eligible activities as part of the Australian Government’s Australian Carbon Credit Unit (ACCU) scheme for which the Clean Energy Regulator grants the Group the respective number of emissions certificates (Australian carbon credit units).

The Group recognises an unconditional government grant upon receipt of each instalment of Australian carbon credit units. Grants of emissions certificates are recognised in profit or loss in the period in which they are received (see note D3).

Section B: Details on Financial Performance (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

B1 Operating profit (continued)

B1(a) Disaggregated revenue (continued)

During the year, the Group received sales revenue of \$16,953,000 from the sale of forest products pursuant to co-mingled sales agreements (2024: \$14,709,000). The revenue is included in Sale of forest products. The Group also incurred expenses of \$16,953,000 pursuant to the same sales agreements (2024: \$14,709,000). The expenses are included in Contractor and freight expenses at note B1(e).

Type of goods and services	Note	Sale of forest products 2025 \$'000	Sale of leases, licences, insurance proceeds and other forest management services 2025 \$'000	Performance of Community Service Obligations 2025 \$'000	Other Government funding 2025 \$'000	Total 2025 \$'000
		Geographical location				
Australia		119,771	5,887	12,000	950	138,608
		119,771	5,887	12,000	950	138,608
Timing of revenue recognition						
Goods transferred at a point in time		119,771	-	-	-	119,771
Certificates received at a point in time		-	-	-	942	942
Services transferred over time		-	5,887	12,000	8	17,895
Insurance proceeds	B1(d)	-	-	-	-	-
		119,771	5,887	12,000	950	138,608

Type of goods and services	Note	Sale of forest products	Sale of leases, licences, insurance proceeds and other forest management services	Performance of Community Service Obligations	Other Government funding	Total
		2024	2024	2024	2024	2024
		\$'000	\$'000	\$'000	\$'000	\$'000
Geographical location						
Australia		123,129	6,916	12,128	34	142,207
		123,129	6,916	12,128	34	142,207
Timing of revenue recognition						
Goods transferred at a point in time		123,129	-	-	-	123,129
Certificates received at a point in time		-	-	-	-	-
Services transferred over time		-	6,915	12,128	34	19,077
Insurance proceeds	B1(d)	-	1	-	-	1
		123,129	6,916	12,128	34	142,207

Section B: Details on Financial Performance (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

B1 Operating profit (continued)

B1(a) Disaggregated revenue (continued)

During the year, the Group received 26,496 emissions certificates amounting to \$942,000 (2024: \$Nil). The revenue is included in Other government funding. The emissions certificates are recognised at fair value in Inventory at note D3.

Performance of Community Service Obligations includes:

	2025 \$'000	2024 \$'000
Land management	8,000	8,000
Fuel reduction	2,000	2,000
Fire prevention	2,000	2,000
Reimbursement of net firefighting costs	-	128
Total revenue from the performance of Community Service Obligations	12,000	12,128

B1(b) Net expense incurred in implementing Tasmanian forestry initiatives

	2025 \$'000	2024 \$'000
State Government’s on-island processing program and physical upgrades to sawmills and timber companies	-	1,170
Net costs incurred in funding forestry-related election commitments	-	1,170

In 2021, the State Government implemented a range of initiatives relating to the Tasmanian forestry industry with a total estimated cost of \$11,700,000 over five years. The State Government directed the Group to contribute 50% of the estimated cost (\$5,850,000) and determined that the Group’s contribution would be paid to the Department of State Growth.

In 2024, the State Government extended the existing On-Island Processing Program for a further two years, at a total cost of \$5 million. The Government’s election costing for this measure noted that the Group would contribute 50 per cent (\$2.5 million) of this cost.

In 2025, the Department of State Growth advised the Group that it is not expected that the Group will be required to contribute further funding in financial year 2024–25.

B1(c) Net expense incurred in the performance of Fire Prevention Community Service Obligations

	2025 \$'000	2024 \$'000
Fire prevention	3,706	3,403
Net firefighting costs	1,007	3,573
Net costs incurred in the performance of Fire Prevention Community Service Obligations	4,713	6,976

Revenue received from performance of fire prevention community service obligations is included in revenue at B1(a). Expenses incurred in the performance of fire prevention community service obligations is included in expenses from operations at B1(e), B1(f) and B1(g).

Section B: Details on Financial Performance (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

B1 Operating profit (continued)

B1(d) Net income/(expense) from insurance proceeds

	2025 \$'000	2024 \$'000
Insurance proceeds	-	1
Expenses incurred in repairing and reinstating insured assets	-	(1)
Net income/(expense) from insurance proceeds	-	-

Revenue received from insurance proceeds is included in revenue at B1(a). Expenses incurred in repairing and reinstating insured and uninsured assets is included in expenses from operations at B1(e).

B1(e) Expenses from operations

	Note	2025 \$'000	2024 \$'000
Contractor and freight expenses		96,569	98,040
Vehicle lease and associated costs		628	853
Property and equipment rental		617	213
Professional services		2,204	3,259
Consultancies		188	154
Local government rates		2,070	1,922
Property management		1,372	1,084
Equipment purchases		1,117	847
Office expenses		987	1,079
Information technology expense		2,464	1,996
Travel and accommodation		284	350
Operating lease rentals		439	518
Expected credit losses/(reversal of prior period credit losses) – trade receivables	D2	(1,436)	(43)
Impairment of non current assets	D4, D5	-	455
Re-establishment provision increment/(decrement)	C2	(1,504)	(2,057)
Other expenses		1,957	2,238
		107,954	110,908

B1(f) Depreciation and amortisation expense

	Note	2025 \$'000	2024 \$'000
Roads	D4	3,409	3,342
Buildings	D4	422	380
Right-of-use assets	D4	866	815
Plant and equipment	D4	1,116	1,054
Vehicles	D4	1,522	1,682
Intangible assets	D5	135	16
		7,470	7,289

Section B: Details on Financial Performance (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

B1 Operating profit (continued)

B1(g) Employee benefits expense

	Note	2025 \$'000	2024 \$'000
Salaries and wages		19,023	19,393
Other employment related expenses		310	251
Contribution to accumulation superannuation funds		2,107	2,012
Employee service cost for defined benefit scheme	E4	610	585
		22,050	22,241
Total expenses incurred in implementing Tasmanian Forestry initiatives, operations, depreciation, amortisation and employee benefits expense		137,474	141,608

B1(h) Finance income and expense

Accounting policy

Finance income comprises gains on financial assets that are recognised in profit or loss (see notes D6 and F1). Finance income is recognised in profit or loss as it accrues using the effective interest method.

Finance expense comprises finance charges recognised on operating leases, interest costs associated with the defined benefit liability and losses on hedging instruments. All finance expenses are recognised in profit or loss using the effective interest method, unless they relate to a qualifying asset, in which case they are capitalised.

	Note	2025 \$'000	2024 \$'000
Recognised in profit or loss:			
Dividend income		242	151
Interest income		634	1,031
Total finance income		876	1,182
Foreign exchange losses		(82)	(111)
Defined benefit liability interest costs	E4	(1,325)	(1,251)
Finance charges – leased assets		(389)	(459)
Interest expense		(12)	(2)
Total finance expense		(1,808)	(1,823)

B1(i) Gain/(loss) on sale or disposal of assets

	2025 \$'000	2024 \$'000
Gain/(loss) on sale or disposal of assets	591	839
	591	839
Reconciliation of sale of assets		
Proceeds from sale	728	950
Written down value	(137)	(111)
Gain/(loss) on sale or disposal of assets	591	839

Section B: Details on Financial Performance (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

B2 Taxation

Accounting policy

Income tax expense/(benefit) includes current and deferred tax. Income tax expense/(benefit) is recognised in profit or loss except to the extent that it relates to items recognised directly in equity. The charge for current income tax expense is based on the profit/(loss) for the year adjusted for any non-assessable or non-deductible items or any adjustment to tax payable in respect to previous years. It is calculated using the tax rates that have been enacted or are substantively enacted by legislation at the balance date.

Deferred tax is calculated using the balance sheet liability method in respect of temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled.

Deferred tax is credited in the profit and loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Organisation and its wholly-owned Australian resident entities are members of a tax-consolidated group under Australian tax law. The Organisation is the head entity within the tax-consolidated group. In addition to its own current and deferred tax amounts, the Organisation also recognises the current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group.

Amounts payable or receivable under the tax-funding arrangement between the Organisation and the entities in the tax consolidated group are determined using a ‘separate taxpayer within group’ approach to determine the tax contribution amounts payable or receivable by each member of the tax-consolidated Group. This approach results in the tax effect of transactions being recognised in the legal entity where that transaction occurred, and does not tax effect transactions that have no tax consequences to the Group. The same basis is used for tax allocation within the tax-consolidated group.

B2(a) Current tax (expense)/benefit

	2025 \$'000	2024 \$'000
Increase/(decrease) in deferred tax asset	997	616
(Increase)/decrease in deferred tax liability	(3,073)	(871)
Movement posted direct to other comprehensive income	(153)	275
Movement posted direct to equity reserve	(318)	(275)
	(2,547)	(256)

Section B: Details on Financial Performance (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

B2 Taxation (continued)

B2(b) Reconciliation between tax (expense)/benefit and pre tax net profit/(loss)

	2025 \$'000	2024 \$'000
Profit/(loss) before tax	8,312	530
Income tax (expense)/benefit using the tax rate of 30% (2024: 30%)		
Expenditure not allowable for income tax purposes	(2,494)	(159)
Add prior year under/over provision	(4)	(3)
Other	2	(4)
Income tax (expense)/benefit on pre tax net profit	(52)	(88)
	(2,547)	(256)

B2(c) Deferred tax balances

	2025 \$'000	2024 \$'000
Assets		
Non current	30,311	29,314
Liabilities		
Non current	(65,469)	(62,396)
Net deferred tax asset/(liability)	(35,158)	(33,082)

Section B: Details on Financial Performance (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

B2 Taxation (continued)

B2(d) Reconciliation of deferred tax balances

	2025					
	Opening balance \$'000	Under/Over \$'000	Charged to Statement of Comprehensive Income \$'000	Transferred from subsidiary \$'000	Charged to equity \$'000	Closing balance \$'000
Deferred tax assets						
Employee benefits	8,344	-	347	-	-	8,691
Other	5,056	-	(217)	-	-	4,839
Property, plant, equipment and land	5,324	-	(149)	-	461	5,636
Deferred tax losses	10,130	2	984	-	-	11,116
Provision for doubtful debts	460	-	(431)	-	-	29
Transfer – deferred tax liability	(29,313)	-	(998)	-	-	(30,311)
Total	-	2	(464)	-	461	-
Deferred tax liabilities						
Biological assets	(60,073)	-	(2,837)	-	-	(62,910)
Accrued revenue	(2)	-	2	-	-	-
Inventories	(2,108)	-	(95)	-	-	(2,203)
Property, plant, equipment and land	(49)	-	-	-	-	(49)
Investment in equity instruments	(164)	-	-	-	(143)	(307)
Transfer – deferred tax asset	29,313	-	998	-	(2,076)	30,311
Total	(33,082)	-	(1,932)	-	(2,219)	(35,158)
Net deferred tax assets/(liabilities)	(33,082)	2	(2,396)	-	(1,758)	(35,158)

	2024					
	Opening balance \$'000	Under/Over \$'000	Charged to Statement of Comprehensive Income \$'000	Transferred from subsidiary \$'000	Charged to equity \$'000	Closing balance \$'000
Deferred tax assets						
Employee benefits	7,771	-	573	-	-	8,344
Other	5,826	-	(770)	-	-	5,056
Property, plant, equipment and land	5,226	(15)	243	-	(130)	5,324
Deferred tax losses	9,403	11	716	-	-	10,130
Provision for doubtful debts	473	-	(13)	-	-	460
Transfer – deferred tax liability	(29,147)	-	(166)	-	-	(29,313)
Total	(449)	(4)	583	-	(130)	-
Deferred tax liabilities						
Biological assets	(59,475)	-	(598)	-	-	(60,073)
Accrued revenue	(17)	-	15	-	-	(2)
Inventories	(1,965)	-	(143)	-	-	(2,108)
Property, plant, equipment and land	-	-	-	-	(49)	(49)
Investment in equity instruments	(68)	-	-	-	(96)	(164)
Transfer – deferred tax asset	29,147	-	166	-	-	29,313
Total	(32,377)	-	(560)	-	(145)	(33,082)
Net deferred tax assets/(liabilities)	(32,826)	(4)	23	-	(275)	(33,082)

Section B: Details on Financial Performance (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

B3 Dividends

Accounting policy

The Organisation may declare an ordinary dividend in accordance with its statutory requirements as determined under Part 11, Division 2 of the *Government Business Enterprises Act 1995*.

An ordinary dividend of \$250,000 was paid during the 2024–25 financial year in relation to 2023–24 results (2024: \$600,000).

The Board will advise the Treasurer and the Minister for Resources of its recommendation in respect of a dividend payable by the Organisation, if any, in respect of the 2024–2025 financial year within 60 days of the end of the financial year.

Section C:
The Forest Estate

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

C1 Biological assets

Accounting policy

The Biological asset comprises standing timber and the value of carbon arising from projects registered with the Clean Energy Regulator under the Australian Government’s Australian Carbon Credit Unit (ACCU) scheme located on Permanent Timber Production Zone (PTPZ) land and freehold land (Forest assets).

The Group does not hold freehold title over the majority of PTPZ land but is deemed to control the land pursuant to the *Forest Management Act 2013*. Any value attributed to PTPZ land is therefore discounted to a nil value.

The value of freehold land is measured at historical cost and included in note D4.

The value of roads is also measured at depreciated historical cost and is also included in note D4.

The Forest assets are measured at fair value less costs to sell, with any changes in value recognised in the Statement of Comprehensive Income under ‘Biological asset valuation increment/(decrement)’.

An independent market valuation is performed based on a net present value (NPV) calculation. NPV is calculated as the net of the future cash inflows and outflows associated with forest production activities discounted back to current values at the appropriate discount rate. Key assumptions underpinning the NPV calculation include:

- The valuation is based on the expected volumes of saleable timber that will be realised from existing stands having considered management strategies and estimated recovery rates.
- Only the current crop of standing timber and carbon projects registered with the Clean Energy Regulator are valued. The cash flow analysis for standing timber is based on the optimised timing of the harvest of existing stands which has been developed in the context of sustainable yield management and the quantities available for harvest under the *Forest Management Act 2013*. The cash flow analysis for carbon values is based on the expected timing of crediting reports being issued by the Clean Energy Regulator.
- Ancillary income earned from activities such as the leasing of land and other occupancy rights is added to the net harvest revenues.

A market derived discount rate is then used to discount the net annual income to determine a present value of the existing forest crop in accordance with the requirements of AASB 141 *Agriculture* to value the biological asset.

Significant unobservable inputs used in the valuation include:

Standing timber:

- market derived discount rate: 8.5% (2024: 8.5%).

Carbon values:

- estimated weighted average future ACCU price: \$63/ACCU (2024: N/A).

The estimated fair value would increase/(decrease) if the:

- discount rate was lower/(higher); and/or
- estimated future ACCU prices were higher/(lower).

Rights to plantations at harvest date pursuant to Tree Farm Agreements are valued using the same methodology.

Biological assets are classified as current if it is anticipated they will be harvested within 12 months from balance date.

Section C: The Forest Estate (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

C1 Biological assets (continued)

Biological assets

	2025 \$'000	2024 \$'000
Current		
Standing timber at valuation	14,641	13,109
Carbon values at valuation	554	-
	15,195	13,109
Non current		
Standing timber at valuation	203,212	197,283
Carbon values at valuation	1,442	-
	204,653	197,283
	219,848	210,392

Reconciliation of biological assets:

	Carbon values \$'000	Standing timber \$'000	Total \$'000
Carrying amount as at 1 July 2024	-	210,392	210,392
Additions	-	1,937	1,937
Transfers to inventory	(943)	-	(943)
Decrease due to harvest	-	(10,176)	(10,176)
Change in fair value	2,939	15,700	18,638
Biological asset valuation increment	1,996	5,524	7,519
Carrying amount as at 30 June 2025	1,996	217,852	219,848

Carrying amount as at 1 July 2023	-	208,400	208,400
Additions	-	2,258	2,258
Transfers to inventory	-	-	-
Decrease due to harvest	-	-	-
Change in fair value	-	(266)	(266)
Biological asset valuation increment	-	(266)	(266)
Carrying amount as at 30 June 2024	-	210,392	210,392

Biological assets are classified as Level 3 on the fair value hierarchy. There were no transfers between Level 1, 2 or 3 on the fair value hierarchy.

Section C: The Forest Estate (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

The following table summarises the sensitivity in relation to the significant unobservable inputs used in recurring Level 3 fair value measurement:

Description	Fair value at 30 June 2025 \$'000	Unobservable inputs	Inputs	Relationship of unobservable inputs to fair value
Standing timber	217,852	Price	5% increase	value increases \$61.9m
		Discount rate	1% increase	value decreases \$17.7m
		Discount rate	1% decrease	value increases \$14.9m
		Harvest and haulage cost	5% increase	value decreases \$18.2m
Carbon values	1,996	Price	5% increase	value increases \$0.1m
		Discount rate	1% increase	value decreases \$0.1m
		Discount rate	1% decrease	value increases \$0.1m
		Overhead costs	5% increase	value decreases \$0.1m

Description	Fair value at 30 June 2024 \$'000	Unobservable inputs	Inputs	Relationship of unobservable inputs to fair value
Standing timber	210,392	Price	5% increase	value increases \$65.8m
		Discount rate	1% increase	value decreases \$17.0m
		Discount rate	1% decrease	value increases \$19.9m
		Harvest and haulage cost	5% increase	value decreases \$37.8m

Section C: The Forest Estate (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

C2 Re-establishment provision

Accounting policy

The Group recognises an obligation to re-establish harvested coupes at the conclusion of harvesting activities by setting aside a provision equivalent to the expected costs of re-establishment. The provision is based on harvested area and estimated treatment costs. Re-establishment is assessed and costs are estimated during the 3-year period from completion of harvesting activities. A market derived discount rate of 8.5% is then used to determine the present value of the expected costs of re-establishment.

The provision is apportioned between current and non-current liabilities based on the expected timing of re-establishment activities. Any increase/(decrease) in the provision is recognised in note B1(e) Expenses from operations as a re-establishment provision (increment)/decrement.

The Group has also issued forestry rights and has an obligation to re-establish coupes when the land has been handed back at the expiry of the right.

	2025 \$'000	2024 \$'000
Current	2,458	2,989
Non current	4,543	5,516
	7,001	8,505

Reconciliation of movement through the year:

	2025 \$'000	2024 \$'000
Carrying amount as at 1 July 2024	8,505	10,562
Additional provision made during the year	5,505	2,017
Utilisation of provision	(3,034)	(221)
Unused amounts reversed during the period	(3,974)	(2,881)
Adjustment for change in discount rate	-	(971)
Carrying amount as at 30 June 2025	7,001	8,505

Section D:
Details on Financial Position Items

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

D1 Cash and cash equivalents

Accounting policy

Cash and cash equivalents are classified as available-for-sale financial assets and measured at fair value subsequent to initial recognition, which is the face value of the cash. Cash and cash equivalents comprise cash at bank, cash on hand and short-term deposits with an original maturity date of 90 days or less. Term deposits with an original maturity date of between 91 days and 365 days are included in other financial assets at D6. Bank overdrafts that are repayable on demand and form part of the Group’s cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

D1(a) Reconciliation of cash and cash equivalents

	2025 \$'000	2024 \$'000
For the purposes of the cash flow statements, cash and cash equivalents comprise the following as at 30 June:		
Cash at bank	2,375	2,270
Short-term deposits	2	153
Floats and advances	3	3
	2,380	2,426

D1(b) Reconciliation of comprehensive income/(expense) after tax to net cash flows from operations

	Note	2025 \$'000	2024 \$'000
Net profit/(loss) after tax		5,765	274
Add/(less) items classified as investing/financing activities:			
(Profit)/loss on disposal of non current assets	B1(i)	(591)	(839)
Add/(less) non-cash items:			
Biological asset valuation (increment)/decrement	C1	(7,519)	266
Depreciation and amortisation	B1(f)	7,470	7,289
Impairment of non current assets	B1(e)	-	455
Expected credit loss – trade receivables	B1(e)	(1,436)	(43)
Changes in assets and liabilities:			
Increase/(decrease) in deferred tax	B2	2,076	256
Increase/(decrease) in provisions	C2,E2,E3	(275)	97
(Increase)/decrease in trade and other receivables	D2	1,113	(2,083)
(Increase)/decrease in inventories	D3	(408)	(2,373)
(Increase)/decrease in other assets	D7	206	(243)
Increase/(decrease) in trade and other payables	D8	(4,681)	3,821
Increase/(decrease) in contract liabilities	D10	31	(350)
Net cash provided by operating activities		1,751	6,526

Section D: Details on Financial Position Items (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

D1 Cash and cash equivalents (continued)

D1(c) Reconciliation of liabilities arising from financing activities

Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Statement of Cash Flows as cash flows from financing activities.

	Note	Lease liabilities \$'000	Total \$'000
Carrying amount as at 1 July 2023		5,898	5,898
Changes from financing cash flows:			
Cash payments		(1,213)	(1,213)
Non-cash changes			
Lease additions		2,177	2,177
Lease disposals		-	-
Lease adjustments		21	21
Balance as at 30 June 2024	D9	6,884	6,884
		Lease liabilities \$'000	Total \$'000
Carrying amount as at 1 July 2024		6,884	6,884
Changes from financing cash flows:			
Cash payments		(331)	(331)
Non-cash changes			
Lease additions		-	-
Lease disposals		-	-
Lease adjustments		-	-
Balance as at 30 June 2025	D9	6,553	6,553

D2 Trade and other receivables

Accounting policy

Trade and other receivables are recognised on performance of the Group’s obligations and measured at fair value. The net carrying value of trade receivables is considered a reasonable approximation of fair value. Collection terms are generally between 30 and 60 days for trade receivables (2024: 30–60 days). The average debtor days at 30 June 2025 was 21 days (2024: 16 days).

The Group’s trade and other receivables have been reviewed for expected credit losses. Certain trade receivables were found to be impaired and a reversal of prior period allowances of \$1,436,000 (2024: allowance \$42,000) has been recognised within other expenses at note B1(b).

Additional information on the accounting policy for trade and other receivables and provision for expected credit loss is disclosed in Section F Financial Instruments and Risk Management.

Section D: Details on Financial Position Items (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

D2 Trade and other receivables (continued)

	2025 \$'000	2024 \$'000
Current		
Trade and other receivables	6,470	9,138
Less provision for expected credit loss	(97)	(1,534)
Accrued revenue	381	357
Less provision for expected credit loss	-	-
Total current receivables	6,754	7,962
Other	155	60
Total non current receivables	155	60
Reconciliation of movement in expected credit losses through the year:		
Carrying amount at 1 July	(1,534)	(1,576)
Amounts written off	-	-
Amounts recovered	1,523	613
Change in loss allowance due to new trade and other receivables originated net of those derecognised due to settlement	(86)	(571)
Carrying amount at 30 June	(97)	(1,534)

D3 Inventories

Accounting policy

Inventories are measured at the lower of cost and net realisable value. Net realisable value is determined based on each inventory line’s normal selling pattern. Costs of inventory include those expenses incurred in bringing inventory items to their present location and condition and include the following:

- Raw materials – purchase cost or costs of direct materials and labour and a proportion of overheads;
- Finished goods and work in progress – costs of direct materials and labour and a proportion of overheads; and
- Emissions certificates – fair value determined by the market price of certificates traded on the platform at the date the certificate is issued.

The Group undertakes eligible activities as part of the Australian Government’s Australian Carbon Credit Unit (ACCU) scheme for which the Clean Energy Regulator grants the Group the respective number of emissions certificates (Australian Carbon Credit Units (ACCU)).

The Group recognises emissions certificates as inventories. Emissions certificates received from the government are initially measured at deemed cost which is equal to fair value and is determined based on the market price of certificates traded on the platform at that date.

The cost of emissions certificates is based on the first-in, first-out allocation method. Emissions certificates are subsequently measured at the lower of cost and net realisable value.

During the year, the Group received 26,496 emissions certificates amounting to \$942,000 (2024: \$Nil).

Initial fair value of emissions certificates received from government are recognised in revenue as government funding (see note B1).

	2025 \$'000	2024 \$'000
Gravel stocks at cost	3,432	3,477
Seed and seedlings at cost	3,660	3,337
Harvested timber at cost	12,493	13,345
Stores general at cost	255	215
Australian carbon credit units	1,241	299
	21,081	20,673

Section D: Details on Financial Position Items (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

D4 Property, plant and equipment

Accounting policy

Freehold land

The Group does not hold freehold title over the majority of PTPZ land but is deemed to control the land pursuant to the *Forest Management Act 2013*. Any value attributed to PTPZ land is therefore discounted to a nil value.

The Group holds title to freehold land purchased between 1997 and 2004. The carrying value of freehold land is determined using the historical cost method.

Roads

The carrying value of roads is determined using the historical cost method.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each road. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The estimated useful life for the current and comparative periods for roads and road structures ranges between 1 and 20 years.

Land under buildings and buildings

Land under buildings and buildings are measured at fair value less accumulated depreciation and accumulated impairment losses recognised after the date of the revaluation. Land under buildings and buildings are classed as Level 2 assets under the fair value measurement standard.

Non-current assets measured at fair value are revalued with sufficient regularity to ensure the carrying amount of each asset does not differ materially from fair value at reporting date. Periodic reviews are completed for specifically identified land and buildings by an independent valuer. Other land and building assets are valued using Capital Value Adjustment Factors supplied from the office of the Valuer General. Revaluation increments are recognised in the asset revaluation reserve except for amounts reversing a decrement previously recognised as an expense, which are recognised as revenues in other comprehensive income. Revaluation decrements are only offset against revaluation increments relating to the same asset. Any excess is recognised as an expense.

Right-of-use assets

Right-of-use assets are recognised at cost less accumulated depreciation and accumulated impairment losses.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for

all leases conveying the right to control the use of an identified asset for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by the Group.

The right-of-use assets are initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives;
- any initial direct costs incurred by the lessee; and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

After the commencement date, the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

Plant and equipment, vehicles and capital work in progress

Plant and equipment, and vehicles and capital work in progress are recognised at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Borrowing costs related to the acquisition or construction of qualifying assets are included as directly attributable to the cost of the asset.

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

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 Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

The capitalisation threshold for plant and equipment is \$1,000 and \$5,000 for all other classes of non-current assets.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss (in other income) in the year the asset is derecognised. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Section D: Details on Financial Position Items (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

D4 Property, plant and equipment (continued)

Accounting policy (continued)

Impairment of property, plant and equipment

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

Depreciation of property, plant and equipment

Other than for vehicles, depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each part of an item of property and equipment. Depreciation of vehicles has been recognised in profit or loss on a diminishing value basis.

Assets under lease are amortised over the shorter of the lease term and the useful life unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The estimated useful lives for the current and comparative periods are as follows:

- Land is not depreciated
- Roads 1 to 20 years
- Buildings 10 to 40 years
- Right-of-use assets 3 to 20 years
- Plant and equipment 2 to 15 years
- Vehicles 3 years.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Section D: Details on Financial Position Items (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

D4 Property, plant and equipment (continued)
D4(a) Reconciliation of property, plant and equipment assets

	Freehold land \$'000	Roads \$'000	Land under buildings \$'000	Buildings \$'000	Right -of-use assets \$'000	Plant & equipment \$'000	Vehicles \$'000	Capital work in progress \$'000	Total \$'000
Carrying amount at 1 July 2023	10,791	13,489	3,130	11,235	4,885	4,104	1,678	3,969	53,281
Additions	-	6,012	250	4,403	2,177	629	1,944	5,240	20,655
Disposals	(94)	-	-	-	-	(11)	(6)	-	(111)
Reallocation – intangible assets	-	-	-	-	-	(195)	-	-	(195)
Other reallocations	1	-	2	-	22	6	-	(7)	24
Revaluation	-	-	1,096	(499)	-	-	-	-	597
Movement in work in progress	-	(1,181)	-	-	-	-	-	(7,098)	(8,279)
Impairment	-	-	-	(455)	-	-	-	-	(455)
Depreciation	-	(3,342)	-	(380)	(815)	(1,054)	(1,682)	-	(7,273)
Carrying amount at 30 June 2024	10,698	14,979	4,478	14,304	6,269	3,479	1,933	2,104	58,245
Carrying amount at 1 July 2024	10,698	14,979	4,478	14,304	6,269	3,479	1,933	2,104	58,245
Additions	-	3,752	-	1,002	-	2,393	1,905	2,977	12,030
Disposals	-	-	-	-	-	(5)	(134)	-	(140)
Reallocation – intangible assets	-	-	-	-	-	-	-	-	-
Other reallocations	-	-	-	-	-	(51)	(122)	-	(173)
Revaluation	-	-	-	(1,536)	-	-	-	-	(1,536)
Movement in work in progress	-	(756)	-	-	-	-	48	(4,029)	(4,737)
Impairment	-	-	-	-	-	-	-	-	-
Depreciation	-	(3,409)	-	(422)	(866)	(1,116)	(1,522)	-	(7,335)
Carrying amount at 30 June 2025	10,698	14,566	4,478	13,348	5,403	4,701	2,108	1,053	56,357
Carrying value of assets under the cost model at 30 June 2025	10,698	24,018	1,749	11,101	-	4,701	2,108	-	54,374

Section D: Details on Financial Position Items (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

D5 Intangible assets

Accounting policy

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between

the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of intangible assets

At each reporting date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase exceeding this amount is treated as a revaluation increase.

Section D: Details on Financial Position Items (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

D5 Intangible assets (continued)

	Note	2025 \$'000	2024 \$'000
Cost			
Cost at 1 July		597	-
Transfer from plant and equipment	D4	-	261
Additions from internal development*		376	402
Disposals		-	(66)
Cost at 30 June		973	597
Amortisation			
Amortisation at 1 July		(16)	-
Transfer from plant and equipment	D4	-	(66)
Charge for the year		(135)	(16)
Disposals		-	66
Amortisation at 30 June		(151)	(16)
Carrying amount			
Carrying amount at 1 July		581	-
Transfer from plant and equipment	D4	-	195
Movement for the year		241	386
Carrying amount at 30 June		822	581

*Internal development includes software that is separately identifiable and has been acquired, significantly modified, developed and tested for internal use by the Organisation. The software supports business operations and asset management.

Section D: Details on Financial Position Items (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

D6 Financial assets

Accounting policy

The accounting policy for financial assets is disclosed in note F1. A general description of each category of financial assets follows.

Prepayments

Prepayments represent amounts paid to suppliers for services that are delivered over a term of up to 12 months. Prepayments are measured at amortised cost.

Term deposits

Term deposits are fixed interest term deposits with an original maturity date of between 91 days and 365 days. Term deposits with an original maturity date 90 days or less are disclosed as cash and cash equivalents at note D1.

Term deposits are held-to-maturity assets and measured at amortised cost. Interest on term deposits is recognised in profit or loss as a gain on Financial assets at note B1(i) as it accrues using the effective interest method.

Bonds and debentures

Bonds and debentures include government and corporate issued debt instruments.

Bonds and debentures are held-to-maturity assets and measured at amortised cost. Interest is recognised in profit or loss as a gain on Financial assets at note B1(h) as it accrues using the effective interest method.

Other financial assets

	Note	2025 \$'000	2024 \$'000
Current			
Term deposits		-	7,500
Bonds and debentures		2,568	2,579
Total current financial assets		2,568	10,079
Non current			
Investments in equity instruments designated at fair value through profit or loss		5	5
Investments in equity instruments designated at fair value through other comprehensive income	D6 (a)	8,969	6,978
Total non current financial assets		8,974	6,983

D6(a) Reconciliation of movement in investments in equity instruments designated at fair value through other comprehensive income

	2025 \$'000	2024 \$'000
Carrying amount at 1 July	6,978	2,961
Additions	2,174	4,404
Disposals	(754)	-
Change in fair value	571	387
Carrying amount at 30 June	8,969	6,978

Other financial assets represent timber purchased under agreement where the seller has the enforceable option to repurchase the timber within 15 months of sale. The gain on financial assets is recognised in profit and loss at note B1(h) as it accrues using the effective interest method.

Equity investments measured at fair value through profit or loss

Equity investments measured at fair value through profit or loss represents an equity investment held in an Australian unlisted public company. Dividends are recognised in profit or loss as a gain on Financial assets at note B1(h) at fair value.

Equity investments measured at fair value through other comprehensive income

Equity investments measured at fair value through other comprehensive income include investments in real assets, domestic equities and international equities. Dividends are recognised in profit or loss as a gain on Financial assets at note B1(h) at fair value. Gains/(losses) that arise on measurement at fair value are recognised in other comprehensive income.

The accounting policy for financial assets is disclosed in Section F Financial Instruments and Risk Management.

Section D: Details on Financial Position Items (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

D7 Other assets

	2025 \$'000	2024 \$'000
Current		
Prepayments	1,661	1,867
	1,661	1,867

D8 Trade and other payables

Accounting policy

The accounting policy for trade and other payables is disclosed in Note F1.

Trade and other payables are stated at their amortised cost and are considered to be a reasonable approximation of fair value. Trade payables are short term, non-interest bearing and are generally settled within 30-day terms.

	2025 \$'000	2024 \$'000
Current		
Trade creditors and other payables	8,194	11,823
Accrued expenses	2,747	3,799
Total current payables	10,941	15,622

Section D: Details on Financial Position Items (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

D9 Lease liabilities

Accounting policy

The Group recognises a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified asset for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. These include:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments exclude variable elements which are dependent on external factors such as, for example, sale volume in the point of sale leased. Variable lease payments not included in the initial measurement of the lease liability are recognised directly in the profit and loss.

The lease payments are discounted using the Group’s incremental borrowing rate or the rate implicit in the lease contract. The lease term determined by the Group comprises:

- the non-cancellable period of lease contracts;
- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

After the commencement date the Group measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

	2025 \$'000	2024 \$'000
Current	1,109	1,204
Non current	5,444	5,680
	6,553	6,884
Reconciliation of movement through the year:		
Carrying amount at 1 July	6,884	5,898
Additions	-	2,177
Disposals	-	-
Adjustments	-	21
Interest expense	389	459
Payments	(720)	(1,672)
Carrying amount at 30 June	6,553	6,884

	2025 \$'000	2024 \$'000
Maturity analysis		
Year 1	1,161	1,204
Year 2	897	1,109
Year 3	823	897
Year 4	842	823
Year 5	861	842
Onwards	3,931	4,793
Less finance costs	(1,964)	(2,785)
Carrying amount at 30 June	6,553	6,884

Section D: Details on Financial Position Items (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

D10 Contract liabilities

Accounting policy

Contract liabilities include deferred income pursuant to forestry rights over a 99-year term where income is proportionally recognised in comprehensive income over the term of the right. The deferred income was received in October 2017.

Other contract liabilities generally include deferred income pursuant to property leases and rights where income is received in advance and proportionally recognised in comprehensive income over the term of the contract.

There were no significant changes in the contract liability balances during the reporting period.

	2025 \$'000	2024 \$'000
Current	1,004	908
Non current	6,002	6,068
	7,007	6,976

	2025 \$'000	2024 \$'000
Deferred income – forestry rights		
Opening balance	6,056	6,122
Receipts	-	-
Revenue recognised in comprehensive income	(66)	(66)
Closing balance	5,990	6,056
Other contract liabilities		
Opening balance	920	1,204
Receipts	336	440
Revenue recognised in comprehensive income	(239)	(724)
Closing balance	1,016	920
Closing balance 30 June 2025	7,007	6,976

Section D: Details on Financial Position Items (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

D11 Interest bearing liabilities

Accounting policy

The accounting policy for financial liabilities is disclosed in note F1.

Under the Tasmanian *Public Finance Corporation Act 1985*, the Government has provided a guarantee of the Organisation’s borrowings from the Tasmanian Public Finance Corporation. As at 30 June 2025, this support was limited to a maximum amount of \$5,000,000.

The facility is secured by a floating charge over the Group’s trade and other receivables.

The carrying amount of trade and other receivables which the Group has pledged as security is \$6,851,000 (2024: \$9,496,000).

The facility limit was undrawn and remains in place at 30 June 2025.

The Group also has a \$2,000,000 multi-currency overdraft facility to facilitate foreign currency transactions (2024: \$2,000,000) and a \$500,000 credit card facility limit.

The overdraft facility was undrawn at 30 June 2025 (2024: undrawn). The credit card facility was drawn in the amount of \$5,000 at 30 June 2025 (2024: \$137,000).

The full amount payable on credit cards is included in current liabilities as this is payable within 31 days before interest is charged. After this date, the payable bears interest at 12.65% pa (2024: 12.65% pa) payable monthly.

	2025 \$'000	2024 \$'000
Financing arrangements		
The Organisation has access to the following lines of credit:		
Total facilities available:		
Credit cards	500	500
Multi-currency overdraft facility	2,000	2,000
Loan facility – secured	5,000	5,000
	7,500	7,500
Facilities used at balance date:		
Credit cards	5	137
Multi-currency overdraft facility	-	-
Loan facility – secured	-	-
	5	137
Facilities not used at balance date:		
Credit cards	495	363
Multi-currency overdraft facility	2,000	2,000
Loan facility – secured	5,000	5,000
	7,495	7,363

Section E: Employee Entitlements

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

E1 Employee benefits

Accounting policy

Superannuation

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as a salary and wage expense in profit or loss when they are due.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is then discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted.

An independent actuarial assessment of the Group’s unfunded superannuation liability has determined the overall obligation to current and past employees. The actuary uses the ‘Projected Unit Credit’ method to determine the unfunded superannuation liability.

The discount rate is the yield at the reporting date based on AA credit-rated or government bonds that have maturity dates approximating the terms of the Group’s obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

The accounting standard states that the discount rate used to value employee benefit liabilities should be based on the yield on high-quality corporate bonds if a deep market for these bonds exists (if not, the discount rate should be based on government bond yields). It has been determined that a liquid market does exist. On this basis the Defined Benefit Obligation at 30 June 2025 is based on a corporate bond yield of 5.40% (2024: 5.55%).

The Group recognises as an expense in the current period the cost of contributions and the detailed expense figures as advised by the actuary. The actuarial gains and losses for the period are recognised in other comprehensive income.

The defined benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation, adjusted for unrecognised past service cost, net of the fair value of the plan assets. The superannuation liability is determined by Mercer (Australia) Pty Ltd who was appointed by the Department of Treasury and Finance.

Annual leave

Liabilities for annual leave expected to be settled within 12 months of the year end represent present obligations resulting from employees’ services provided to reporting date, calculated at undiscounted amounts based on wage and salary rates that the business expects to pay as at reporting date including related on-costs.

Long service leave

The provision for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees’ services provided up to balance date.

In calculating the liability, consideration has been given to future increases in wage and salary rates, including on-costs, and to the Group’s experience with staff departures. The discount rates utilised in the calculation of the liability are provided by Treasury and are equivalent to an Australian Government bond rate.

All vested long service leave is shown as a current liability.

Workers compensation

The Group is a self-insurer for workers compensation. The provision for workers compensation is set at a level to cover estimated medical expenses, compensation payments and likely common law settlements for reported claims as at 30 June 2025. The provision also includes an allowance for incurred but unreported claims at 30 June 2025.

Sick leave

No liability has been recognised for sick leave as any entitlement to sick leave is non-vesting.

Section E: Employee Entitlements (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

E2 Current employee benefits

	2025 \$'000	2024 \$'000
Annual leave	1,163	1,252
Long service leave	2,145	2,094
Superannuation defined benefit scheme	1,216	735
Workers compensation	181	69
	4,705	4,150

E3 Non-current employee benefits

	2025 \$'000	2024 \$'000
Long service leave	312	242
Superannuation defined benefit scheme	24,268	23,665
	24,580	23,907

Assumed rate of increase in wages and salaries	3.50%	3.50%
Discount rate used in the calculation of the long service leave provision ranges from 3.90% to 4.42% (2024 range 2.47% to 4.01%).		
Settlement terms (years) – long service leave	10 years	10 years

Section E: Employee Entitlements (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

E4 Superannuation liability

Key assumptions	2025 \$'000	2024 \$'000
Assumptions to determine defined benefit cost		
Discount rate (active members)	5.55%	5.70%
Discount rate (pensioners)	5.55%	5.70%
Expected rate of increase of compulsory preserved amounts	3.50%	3.50%
Expected salary increase rate	3.50%	3.50%
Expected pension increase rate	3.50%	3.50%
Assumptions to determine end of year defined benefit obligation		
Discount rate (active members)	5.40%	5.55%
Discount rate (pensioners)	5.40%	5.55%
Expected salary increase rate	3.50%	3.50%
Expected rate of increase of compulsory preserved amounts	3.50%	3.50%
Expected pension increase rate	3.00%	3.50%

Sensitivity analysis

- Scenario A – 1.0% pa lower than discount rate assumption
- Scenario B – 1.0% pa higher than discount rate assumption
- Scenario C – 1.0% pa lower than expected pension increase rate assumption
- Scenario D – 1.0% pa higher than expected pension increase rate assumption

	Base Case	Scenario A	Scenario B	Scenario C	Scenario D
Discount rate (pa)	5.40%	4.40%	6.40%	5.40%	5.40%
Pension increase rate (pa)	2.50%	2.50%	2.50%	1.50%	3.50%
Defined benefit obligation (A\$'000s)	30,927	35,269	27,409	28,381	34,005

Profit or loss impact	2025 \$'000	2024 \$'000
Current service cost	610	585
Net interest	1,325	1,251
Defined benefit cost recognised in profit or loss	1,935	1,836
Other comprehensive income		
Actuarial (gains) losses	902	795
Actuarial return on plan assets less interest income	393	(122)
Total remeasurements recognised in other comprehensive income	509	917
Reconciliation of the net defined benefit liability/(asset)		
Defined benefit obligation	30,927	29,240
Fair value of plan assets	(5,443)	(4,840)
Deficit/(surplus)	25,484	24,400
Net defined benefit liability/(asset)	25,484	24,400
Current net liability	1,216	735
Non-current net liability	24,268	23,665

Section E: Employee Entitlements (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

E4 Superannuation liability (continued)

	2025 \$'000	2024 \$'000
Reconciliation of the fair value of scheme assets		
Fair value of plan assets at beginning of the year	4,840	4,606
Interest income	272	266
Actual return on plan assets less interest income	393	(122)
Employer contributions	1,360	776
Contributions by plan participants	319	313
Benefits paid	(1,732)	(990)
Taxes, premiums and expenses paid	(9)	(9)
Fair value of plan assets at end of the year	5,443	4,840

	2025 \$'000	2024 \$'000
Reconciliation of the defined benefit obligation		
Present value of defined benefit obligation at beginning of the year	29,240	27,029
Current service cost	610	585
Interest cost	1,597	1,517
Contributions by plan participants	319	313
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	575	539
Actuarial (gains)/losses arising from liability experience	327	256
Benefits paid	(1,732)	(990)
Taxes, premiums and expenses paid	(9)	(9)
	30,927	29,240

Fair value of scheme assets	Quoted prices in active markets for identical assets – Level 1		Significant observable inputs – Level 2	Unobservable inputs – Level 3
Asset Category	Total			
Cash deposits	180	-	180	-
Australian equities	1,219	-	1,219	-
International equities	1,344	-	1,344	-
Infrastructure	664	-	-	664
Diversified fixed interest	1,421	-	1,421	-
Property	615	-	-	678
Total	5,443	-	4,164	1,342

The weighted average duration of the defined benefit obligation at 30 June 2025 is 14.5 years (30 June 2024: 14.6 years).

Expected employer contributions for the year ended 30 June 2025 are \$1,216,000 (30 June 2024: \$735,000).

Section E: Employee Entitlements (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

E4 Superannuation liability (continued)

	2025 \$'000	2024 \$'000
Current service cost		
1 Total current service cost at beginning of year	(872)	(841)
2 Interest for the year	(48)	(48)
3 Expected contributions tax and expenses	(9)	(9)
4 Expected employee contributions	319	313
5 Expected change in contributions tax provision	-	-
6 Accumulation contributions met from surplus	-	-
7 Current service cost	(610)	(585)
Interest expense		
1 Defined benefit obligation at beginning of year	29,240	27,029
2 Expected distributions	(937)	(821)
a. Weighted for timing	(469)	(411)
3 Average defined benefit obligation (1-2a)	28,771	26,618
4 Discount rate	5.55%	5.70%
5 Interest expense (3 x 4)	(1,597)	(1,517)
Interest income		
1 Fair value of plan assets at beginning of year	4,840	4,606
2 Expected employer contributions	735	643
a. Weighted for timing	368	322
3 Expected employee contributions	319	313
a. Weighted for timing	160	157
4 Expected distributions during year	937	821
a. Weighted for timing	469	411
5 Expected expenses, tax and insurance premiums	9	9
a. Weighted for timing	5	5
6 Average expected fair value of assets (1+2a+3a-4a-5a)	4,894	4,670
7 Discount rate	5.55%	5.70%
8 Interest income (6 x 7)	272	266
Net interest		
1 Interest expense	(1,597)	(1,517)
2 Interest income	272	266
3 Net interest (1-2)	(1,325)	(1,251)
Actuarial (gains)losses (recognised in other comprehensive income)		
1 Actuarial (gain)/loss on defined benefit obligation – experience	327	256
2 Actuarial (gain)/loss on defined benefit obligation – change in demographic assumptions	-	-
3 Actuarial (gain)/loss on defined benefit obligation – change in financial assumptions	575	539
4 Actuarial (gain)/loss (1+2+3)	902	795

Section E: Employee Entitlements (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

E5 Key management personnel compensation and other disclosures

Remuneration principles

Key management personnel are determined to be the Organisation’s directors and the members of the General Management Team.

Non-executive director remuneration

Non-executive directors are appointed by the Governor-in-Council on the joint recommendation of the Treasurer and Portfolio Minister. Each instrument of appointment is for a maximum period of three years and prescribes the relevant remuneration provisions. Directors can be reappointed in accordance with the relevant *Guidelines for Tasmanian Government Businesses – Board Appointments*. The level of fees paid to non-executive directors is determined by the Department of Premier and Cabinet, as are additional fees paid in respect of their work on Board committees.

Superannuation is paid at the appropriate rate as prescribed by superannuation guarantee legislation. No other leave, termination or retirement benefits are accrued or paid to directors. Directors are entitled to reimbursement of reasonable expenses incurred. Non-executive directors’ remuneration is reviewed periodically with increases subject to approval by the Treasurer and Portfolio Minister.

Executive remuneration

Remuneration levels for key management personnel are set in accordance with the *Director and Executive Remuneration* guidelines. Under these guidelines, remuneration bands for chief executive officers (CEOs) are determined by the Government Business Executive Remuneration Panel, reflect the principles outlined in the guidelines, and broadly align with State Service heads of agency. Positioning within the bands depends on the complexity and size of the business and the environment in which the business operates. Remuneration for other senior executives is set with reference to the CEO’s salary.

The CEO is appointed by the Premier and Portfolio Minister following selection and recommendation by the Board. The Board consults with the Government Business Executive Remuneration Advisory Panel when determining the CEO’s remuneration package.

Remuneration levels for the Organisation’s General Management Team are set to attract and retain appropriately qualified and experienced senior executives. The People, Culture and Care Committee obtains independent advice on the appropriateness of remuneration packages given trends in comparative entities both locally and interstate and the objectives of the Organisation’s remuneration policy.

The remuneration structures take into account the capability and experience of the General Management Team, the General Management Team’s ability to control the Organisation’s overall performance and the achievement of the Organisation’s strategic initiatives.

The employment terms and conditions of the General Management Team are contained in individual employment contracts and related documents which prescribe total remuneration, superannuation, annual and long service leave and vehicle and salary sacrifice provisions. In addition to their salaries, the Organisation may also provide non-monetary benefits and contributes to post-employment superannuation funds on their behalf.

The performance of each senior executive, including the Chief Executive Officer, is reviewed annually, which includes a review of the remuneration package. The terms of employment of each senior executive, including the Chief Executive Officer, contain a termination clause that requires the senior executive or the Organisation to provide a minimum notice of between 3 and 6 months prior to termination of the contract or make redundancy payments if relevant. Whilst not automatic, contracts can be extended.

Chief executive officer contracts for GBEs include a set term consistent with the requirements of the *Government Business Enterprises Act 1995*. Service contracts have duration not exceeding five years but can be extended based on the Organisation’s requirements.

No key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position. The Organisation has not made any loans with any member of the Board of Directors, the General Management Team or their related parties.

Key management personnel remuneration meets the Department of Treasury and Finance’s *Guidelines for Government Businesses – Director and Executive Remuneration* reporting requirements and is prepared in accordance with Treasurer’s Instruction GBE 08-55-06 Annual Report and Statement of Compliance for GBEs and the Member’s Direction of June 2014 to SOCs.

Other key management personnel are determined to be the members of the Organisation’s General Management Team. The Organisation’s General Management Team comprises 5 members at 30 June 2025 (2024: 5 members).

The People, Culture and Care Committee of the Board is responsible for reviewing compensation arrangements for members of the General Management Team.

Section E: Employee Entitlements (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

E5 Key management personnel compensation and other disclosures (continued)

When members of key management personnel are unable to fulfill 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.

There were no overseas trips completed by directors or senior management (members of the General Management Team) during the year (2024: Nil). During the year, one employee of the business travelled overseas to participate in an exchange program (2024: Nil).

The aggregate compensation to key management personnel of the Organisation is set out below:

	Director Remuneration		Executive Remuneration		Consolidated	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Short-term employee benefits	413	415	1,535	1,483	1,949	1,897
Post-employment benefits	46	44	182	170	228	213
Other long-term benefits	-	-	36	21	36	21
Termination benefits	-	-	-	-	-	-
	459	459	1,753	1,673	2,212	2,132

For director remuneration, Short-term employment benefits includes Director fees, Committee fees and Other benefits. Post-employment benefits represents superannuation contributions.

For Executive remuneration, Short-term employment benefits includes Salary, Short-term incentive payments, Other monetary benefits, Vehicle benefits and Other non-monetary benefits. Post-employment benefits represents superannuation contributions and Other long-term employee benefits includes leave movements. Termination benefits are as provided for below.

The following tables disclose the remuneration details for each person that acted as a director during the current and previous financial year:

2025 Director remuneration¹

Name	Position	Start Term	End Term	Directors Fees \$'000	Committee Fees \$'000	Other Benefits ² \$'000	Superannuation ³ \$'000	Total \$'000
Mr R de Fégely ^{AM}	Chair	01-Jun-2016		111	-	2	13	125
Mrs K A Westwood	Director	01-Aug-2018		52	7	2	7	68
Mrs T Ryan	Director	01-Jul-2019	31-Jul-2025	52	4	2	7	65
Ms K Schaefer	Director	01-Feb-2020		52	8	2	7	70
Prof. R Keenan	Director	18-Jul-2022		52	4	2	7	65
Ms J Bennett	Director	14-Jun-2023		52	5	2	7	66
Total				372	29	12	46	459

Section E: Employee Entitlements (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

E5 Key management personnel compensation and other disclosures (continued)

2024 Director remuneration¹

Name	Position	Start Term	End Term	Directors Fees \$'000	Committee Fees \$'000	Other Benefits ² \$'000	Superannuation ³ \$'000	Total \$'000
Mr R de Fégely ^{AM}	Chair	01-Jun-2016		110	-	2	12	124
Mrs K A Westwood	Director	01-Aug-2018		52	6	2	6	67
Mrs T Ryan	Director	01-Jul-2019	31-Jul-2025	52	3	2	6	63
Ms K Schaefer	Director	01-Feb-2020		52	9	7	7	75
Prof. R Keenan	Director	18-Jul-2022		52	5	2	6	65
Ms J Bennett	Director	14-Jun-2023		52	4	2	6	64
Total				371	27	17	44	459

Board remuneration notes and statements

- 1 Amounts are all forms of consideration paid, payable or provided by the entity, i.e. disclosure is made on an accruals basis as at 30 June.
- 2 Other benefits include mileage allowances paid to compensate directors for travel expenses incurred to attend Board meetings and the taxable value of meal entertainment expenses.
- 3 Superannuation means the contribution to the superannuation fund of the individual, including accrued superannuation.

The following tables disclose the remuneration details for each person that acted as a senior executive during the current and previous financial year:

2025 Executive remuneration

Name	Salary ¹ \$'000	Short-Term Incentive Payments ² \$'000	Other Monetary Benefits ³ \$'000	Vehicle Benefits ⁴ \$'000	Other Non-Monetary Benefits ⁵ \$'000	Superannuation ⁶ \$'000	Reported Remuneration ⁷ \$'000	Other Long-Term Benefits ⁸ \$'000	Termination Benefits ⁹ \$'000	Total \$'000
Mr S Whiteley – Chief Executive Officer	439	-	-	(1)	1	56	495	(3)	-	490
Mr C Brookwell – GM Corporate Services	329	-	-	-	1	38	368	13	-	381
Mr G Hickey – GM Operations	273	-	-	-	1	31	305	6	-	311
Mrs S Weeding – GM Conservation and Land Management	247	-	-	(1)	1	28	276	12	-	288
Mr D Bartlett – GM Commercial	245	-	-	-	1	28	274	8	-	282
Sub-total	1,533	-	-	(2)	5	182	1,718	36	-	1,752
Total	1,533	-	-	(2)	5	182	1,718	36	-	1,752

Section E: Employee Entitlements (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

E5 Key management personnel compensation and other disclosures (continued)

2024 Executive remuneration

Name	Salary ¹ \$'000	Short-Term Incentive Payments ² \$'000	Other Monetary Benefits ³ \$'000	Vehicle Benefits ⁴ \$'000	Other Non- Monetary Benefits ⁵ \$'000	Superannuation ⁶ \$'000	Reported Remuneration ⁷ \$'000	Other Long-Term Benefits ⁸ \$'000	Termination Benefits ⁹ \$'000	Total \$'000
Mr S Whiteley – Chief Executive Officer	423	-	-	(1)	1	54	476	(6)	-	471
Mr C Brookwell – GM Corporate Services	321	-	-	-	1	35	357	9	-	366
Mr G Hickey – GM Operations	259	-	-	3	1	29	292	8	-	300
Mrs S Weeding – GM Conservation and Land Management	238	-	-	1	1	26	266	6	-	272
Mr D Bartlett – GM Commercial	234	-	-	-	1	26	261	3	-	264
Sub-total	1,475	-	-	3	5	170	1,652	21	-	1,673
Total	1,475	-	-	3	5	170	1,652	21	-	1,673

Executive remuneration notes and statements

- Amounts are all forms of consideration paid, payable or provided by the entity, i.e. disclosure is made on an accruals basis and includes all accrued benefits at 30 June.
- Salary includes all forms of consideration paid and payable for services rendered and compensated absences during the period.
 - Short-term incentive payments are non-recurrent amounts paid or payable which depend on achieving specified performance goals within specified timeframes. These payments are capped at 15% of base salary as per the Guidelines for Tasmanian Government Businesses – Director and Executive Remuneration (Revised June 2021). There were no short-term incentive payments paid or payable to executives.
 - There are no other monetary benefits paid or payable to executives.
 - Vehicle benefits include the personal use component of the total cost of providing and maintaining a vehicle for an executive’s use, including registration, insurance, fuel and other consumables and maintenance costs and the reportable fringe benefits tax payable in relation to the vehicle.
 - Other non-monetary benefits paid or payable to executives includes the taxable value of car parking benefits and meal entertainment expenses. Executives also participate in further education in accordance with the Organisation’s Professional Development Guidelines. The cost of executives’ participation in further education is not included in Other non-monetary benefits. The guidelines are applicable to all employees of the Organisation.
 - Superannuation means the contribution paid or payable to the superannuation fund of the individual measured as follows:
 - for individuals in an accumulation superannuation scheme, the amount of superannuation contributions paid and accrued;
 - for individuals in a defined benefit superannuation scheme, superannuation includes the relevant notional employer contributions calculated using a notional cost base of salary.
 - Reported remuneration includes the individual’s salary, short-term incentive payments, other monetary benefits, vehicle benefits, other non-monetary benefits and superannuation. For the purpose of assessing compliance with the guidelines, Other long-term benefits and termination benefits are not included in the Reported remuneration amount.
 - Other long-term benefits include movements in annual and long service leave provisions.
 - Termination benefits include all forms of benefits paid or accrued as a consequence of termination.

Section F: Financial Instruments and Risk Management

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

F1 Financial assets and liabilities

Accounting policy

Financial assets

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset and the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (ii) below).

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative

amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the ‘Interest income’ line item (note B1(h)).

(ii) Equity instruments designated as at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments; instead, it is transferred to retained earnings.

Section F: Financial Instruments and Risk Management (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

F1 Financial assets and liabilities (continued)

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with AASB 9 *Financial Instruments* unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the ‘Dividend income’ line item (note B1(h)) in profit or loss.

The Group designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition (see note D6).

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) above) are measured at FVTPL. Specifically,

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is not held for trading as at FVTOCI on initial recognition (see (ii) above); and
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called ‘accounting mismatch’) that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the ‘Other financial income’ line item (Note B1(h)).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the ‘Other gains and losses’ line item (note B1(h));
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the ‘Other gains and losses’ line item as part of the fair value gain or loss (note B1(h)); and

- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered may include the future prospects of the industries in which the Group’s debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

Section F: Financial Instruments and Risk Management (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

F1 Financial assets and liabilities (continued)

In particular, the following information is considered when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of ‘investment grade’ in accordance with the globally understood

definition or, if an external rating is not available, the asset has an internal rating of ‘performing’. Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without considering any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event (see (ii) above);
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, have granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; and
- The disappearance of an active market for that financial asset because of financial difficulties.

Section F: Financial Instruments and Risk Management (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

F1 Financial assets and liabilities
(continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit loss

The measurement of expected credit loss is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets’ gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime expected credit loss in the previous reporting period, but determines at the current reporting date that the conditions for lifetime expected credit loss are no longer met, the Group measures the loss allowance at an amount equal to 12- month expected credit loss at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability

for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in an equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised as the proceeds received, net of direct issue costs.

Repurchase of the Organisation’s own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Organisation’s own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Section F: Financial Instruments and Risk Management (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

F1 Financial assets and liabilities
(continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

The Group uses derivative financial instruments including foreign exchange forward contracts to manage its exposure to foreign exchange rate risks. Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Hedge effectiveness is determined at inception of the hedge relationship and at every reporting period end through the assessment of the hedged items and hedging instruments to determine whether there is still an economic relationship between the two.

The critical terms of the foreign currency forwards entered into exactly match the terms of the hedged item. As such the economic relationship and hedge effectiveness are based on the qualitative factors and the use of a hypothetical derivative where appropriate.

Hedge ineffectiveness may arise where the critical terms of the forecast transaction no longer meet those of the hedging instrument, for example if there was a change in the timing of the forecast receipt of USD from what was initially estimated or if the volume of currency in the hedged item was below expectations leading to over-hedging.

The hedged items and the hedging instrument are denominated in the same currency and as a result the hedging ratio is ordinarily one to one.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the statement of financial position. To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued, and the related gain or loss is held in the equity reserve until the forecast transaction occurs.

Other forward exchange contracts are considered by management to be part of economic hedge arrangements but have not been formally designated.

Classes and categories of financial instruments and their fair values

The following table combines information about:

- Classes of financial instruments based on their nature and characteristics;
- The carrying amounts of financial instruments;
- Fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- Fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Section F: Financial Instruments and Risk Management (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

F1 Financial assets and liabilities (continued)

		Financial assets			Financial liabilities		Fair value				
		Amortised cost	FVTPL	FVTOCI – designated	Amortised cost	FVTPL	Total	Level 1	Level 2	Level 3	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Note											
As at 30 June 2025											
Financial assets											
Cash and cash equivalents	D1	2,380	-	-	-	-	2,380				
Trade and other receivables	D2	6,909	-	-	-	-	6,909				
Term deposits	D6	-	-	-	-	-	-				
Bonds and debentures	D6	2,568	-	-	-	-	2,568				
Investments in equity instruments designated at fair value through profit or loss	D6	-	5	-	-	-	5	-	-	5	5
Investments in equity instruments designated at fair value through other comprehensive income	D6	-	-	8,969	-	-	8,969	8,969	-	-	8,969
		11,857	5	8,969	-	-	20,831	8,969	-	5	8,974
Financial liabilities											
Trade and other payables	D8	-	-	-	(10,941)	-	(10,941)	-	-	-	-
		-	-	-	(10,941)	-	(10,941)	-	-	-	-
		11,857	5	8,969	(10,941)	-	9,890	8,969	-	5	8,974

Section F: Financial Instruments and Risk Management (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

F1 Financial assets and liabilities (continued)

		Financial assets			Financial liabilities		Fair value				
		Amortised cost	FVTPL	FVTOCI – designated	Amortised cost	FVTPL	Total	Level 1	Level 2	Level 3	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Note											
As at 30 June 2024											
Financial assets											
Cash and cash equivalents	D1	2,426	-	-	-	-	2,426				
Trade and other receivables	D2	8,022	-	-	-	-	8,022				
Term deposits	D6	7,500	-	-	-	-	7,500				
Bonds and debentures	D6	2,579	-	-	-	-	2,579				
Investments in equity instruments designated at fair value through profit or loss	D6	-	5	-	-	-	5	-	-	5	5
Investments in equity instruments designated at fair value through other comprehensive income	D6	-	-	6,978	-	-	6,978	6,978	-	-	6,978
		20,527	5	6,978	-	-	27,511	6,978	-	5	6,983
Financial liabilities											
Trade and other payables	D8	-	-	-	(15,622)	-	(15,622)	-	-	-	-
		-	-	-	(15,622)	-	(15,622)	-	-	-	-
		20,527	5	6,978	(15,622)	-	11,889	6,978	-	5	6,983

Section F: Financial Instruments and Risk Management (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

F2 Financial risk management objectives

The Group’s finance function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group may seek to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group’s policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The finance function reports periodically to the Group’s Finance, Audit and Risk Management Committee that monitors risks and policies implemented to mitigate risk exposures.

Market risk

The Group’s activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see below). The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk, including forward foreign exchange contracts to hedge the exchange rate risk arising on the sale of forest product where revenue is denominated in a foreign currency.

There has been no change to the Group’s exposure to market risks or the manner in which these risks are managed and measured.

(i) Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies and, consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group’s foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	2025 \$’000	2024 \$’000
Currency: United States Dollars (USD)	USD	USD
Financial assets		
Trade and other receivables	41	18
	41	18
Financial liabilities		
Trade and other payables	-	-
	-	-

Forward exchange contracts

It is the policy of the Group to enter into foreign exchange forward contracts to manage the foreign currency risk associated with anticipated sales out to 6 months for up to 100% of the exposure generated.

Section F: Financial Instruments and Risk Management (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

F2 Financial risk management objectives (continued)

(ii) Interest rate risk management

The Group is exposed to interest rate risk on financial assets.

The Group’s policy is to minimise interest rate cash flow risk exposures on long-term financing.

Term deposits are therefore usually at fixed rates for up to 12 months with diversification of maturity within the term.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/-0.5% (2024: +/-0.5%).

	Note	Fair value at 30 June 2025 \$’000	Unobservable inputs	Inputs	Relationship of unobservable inputs to profit and equity
Financial assets					
Term deposits	D6	-	Interest rate	0.5% increase 0.5% decrease	Profit and equity increases 0% Profit and equity decreases 0%
Bonds and debentures	D6	2,568	Interest rate	0.5% increase 0.5% decrease	Profit and equity increases 0% Profit and equity decreases 0%
		2,568			
		Fair value at 30 June 2024 \$’000	Unobservable inputs	Inputs	Relationship of unobservable inputs to Profit and Equity
Financial assets					
Term deposits	D6	7,500	Interest rate	0.5% increase 0.5% decrease	Profit and equity increases 0% Profit and equity decreases 0%
Bonds and debentures	D6	2,579	Interest rate	0.5% increase 0.5% decrease	Profit and equity increases 0% Profit and equity decreases 0%
		10,079			

(iii) Commodity price risk

Commodity price risk in the Group primarily arises from price fluctuations and the availability of wood products.

(iv) Other price risks

The Group is exposed to equity price risks arising from equity investments. Equity investments in unlisted entities are held for strategic rather than trading purposes. The Group does not actively trade these investments.

The Group invested in a portfolio which includes listed shares which are held with the objective to generate higher investment returns over a longer-term horizon (5–10 years).

Section F: Financial Instruments and Risk Management (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

F2 Financial risk management objectives (continued)

Credit risk management

In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Investments in financial instruments, bonds, debentures and redeemable notes as detailed in note D6, where the counterparties have a minimum BBB-credit rating, are considered to have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group’s exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Before accepting any new customer, a dedicated team responsible for the determination of credit limits uses external credit sources to assess the potential customer’s credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed monthly by the Debt Management Committee.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group reviews the recoverable amount of each trade debt and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts.

Trade receivables consist of a small number of customers in the forestry industry in Tasmania. Ongoing credit evaluation is performed on the financial condition of trade receivable where there is credit risk after considering the financial collateral and security in place. The Group has not procured any credit guarantee insurance in respect of trade receivables at reporting date.

Of the trade receivables balance at the end of the year \$811,000 (2024: \$1,084,000) is due from the Group’s sixth largest customer in 2025. Apart from this, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk related to the Group’s largest customer did not exceed 20% of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 5% of gross monetary assets at any time during the year. The concentration of credit risk is limited because the customer base is unrelated.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group’s maximum exposure to credit risk and the measurement bases used to determine expected credit losses is detailed at (ii) below.

(i) Collateral held as security and other credit enhancements

The Group holds collateral and other credit enhancements to cover its credit risks associated with its trade receivables. The Group is not permitted to sell or repledge the collateral in the absence of default by the debtor.

There have not been any significant changes in the quality of the collateral held for trade receivables.

The Group considers collateral held and other credit enhancements when evaluating any loss allowance for trade receivables.

(ii) Overview of the Group’s exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At reporting date, the Group’s maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is derived from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

Section F: Financial Instruments and Risk Management (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

F2 Financial risk management objectives (continued)

The Group’s current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit impaired.	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The tables below detail the credit quality of the Group’s financial assets as well as the Group’s maximum exposure to credit risk by credit risk rating grades where applicable.

	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$’000	Loss allowance \$’000	Net carrying amount \$’000
As at 30 June 2025							
Financial assets							
Cash and cash equivalents	D1	N/A	Performing	Lifetime ECL (not credit impaired)	2,380	-	2,380
Trade and other receivables	D2	N/A	Performing	Lifetime ECL (simplified approach)	6,625	(97)	6,528
Term deposits	D6	AA-	Performing	12 month ECL – low credit risk assets	-	-	-
Bonds and debentures	D6	BBB-	Performing	12 month ECL – low credit risk assets	2,568	-	2,568
Investments in equity instruments designated at fair value through profit or loss	D6	N/A	Performing	12 month ECL – low credit risk assets	5	-	5
Investments in equity instruments designated at fair value through other comprehensive income	D6	N/A	Performing	12 month ECL – low credit risk assets	8,969	-	8,969
					20,547	(97)	20,450

Section F: Financial Instruments and Risk Management (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

F2 Financial risk management objectives (continued)

	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
As at 30 June 2024							
Financial assets							
Cash and cash equivalents	D1	N/A	Performing	Lifetime ECL (not credit impaired)	2,426	-	2,426
Trade and other receivables	D2	N/A	Performing	Lifetime ECL (simplified approach)	9,198	(1,534)	7,665
Term deposits	D6	AA-	Performing	12 month ECL – low credit risk assets	7,500	-	7,500
Bonds and debentures	D6	BBB-	Performing	12 month ECL – low credit risk assets	2,579	-	2,579
Investments in equity instruments designated at fair value through profit or loss	D6	N/A	Performing	12 month ECL – low credit risk assets	5	-	5
Investments in equity instruments designated at fair value through other comprehensive income	D6	N/A	Performing	12 month ECL – low credit risk assets	6,978	-	6,978
					27,511	(1,534)	25,977

For trade receivables the Group has applied the simplified approach in AASB 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. Details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk are set out at note D11.

Section F: Financial Instruments and Risk Management (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

F2 Financial risk management objectives (continued)

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt and equity of the Group.

Debt is defined by the Group as long-and short-term borrowings and lease liabilities as disclosed in notes D8 and D9. Net debt is defined as debt after deducting cash and cash equivalents.

Equity includes capital, reserves and retained earnings as disclosed in the Consolidated Statement of Changes in Equity.

The Group is not subject to any externally imposed capital requirements. The Group’s risk management committee reviews the capital structure on an annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

	Note	2025 \$'000	2024 \$'000
Gearing ratio			
The gearing ratio at reporting date is as follows:			
Debt			
Lease liabilities	D9	6,553	6,884
		6,553	6,884
Cash and cash equivalents			
	D1	2,380	2,426
Net debt (debt less cash and cash equivalents)		4,172	4,458
Equity		227,673	220,143
Net debt to equity ratio		2%	2%

Section G: Other Disclosures

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

G1 Expenditure commitments

Capital expenditure commitments

The Group does not have any capital expenditure commitments at the reporting date.

G2 Contingent liabilities

Accounting policy

Indemnities have been provided to directors and senior management of the Group in respect of liabilities to third parties arising from their positions, except where the liability arises out of conduct involving a lack of good faith. No monetary limit applies to these agreements and there are no known obligations outstanding at 30 June 2025.

The Group has an obligation pursuant to a forestry right to purchase future standing timber at the fair market value in the year 2116. The obliging event is equally unperformed by both parties at balance date and the future obligation does not apply until the expiration of the forestry right the year 2116 and therefore it is difficult to reliably quantify any obligation.

At various anniversary dates of the Plantation sale and purchase agreement, the Purchaser is able to surrender the relevant part of the Forestry Right where they deem the land Unproductive Area (unsuitable and/or uneconomical for future commercial plantation forestry). The Group may be entitled to receive a Regeneration Payment from the Purchaser as part of the surrender where the Purchaser has harvested timber or the area is damaged by fire. The Group has an obligation to regenerate the Unproductive Area pursuant to the requirements of the *Forest Practices Code*. This is a legal obligation and the Group must complete the regeneration activity in accordance with contemporary forestry standards. There is no indication as to whether any Unproductive land will be handed back to the Group. An estimate of the financial effect is impractical having considered the uncertainties relating to the amount and timing of any outflow.

Section G: Other Disclosures (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

G3 Parent entity information

Accounting policy

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements except as set out below. See note A for a summary of the significant accounting policies relating to the Group.

Investments in subsidiaries are accounted for at cost. Dividends received from subsidiaries are recognised in profit or loss when a right to receive the dividend is established provided that it is probable that the economic benefits will flow to the Parent entity and the amount of income can be measured reliably.

Information relating to Sustainable Timber Tasmania:

	2025 \$'000	2024 \$'000
Statement of Comprehensive Income		
Revenue	147,433	143,505
Expenses	(140,556)	(142,899)
Net profit/(loss) before tax	6,877	606
Income tax (expense)/benefit	(2,117)	(189)
Net profit/(loss)	4,760	417
Other comprehensive income	(1,003)	(47)
Total comprehensive income	3,757	370
Statement of Financial Position		
Current assets	49,527	55,824
Non current assets	269,505	263,391
Total assets	319,032	319,215
Current liabilities	20,221	24,863
Non current liabilities	75,870	74,918
Total liabilities	96,091	99,781
Net assets/(liabilities)	222,941	219,434
Equity		
Issued capital	381,518	381,518
Retained earnings	(166,351)	(170,505)
Reserves:		
– Asset revaluation	7,774	8,421
Total equity	222,941	219,434

The parent entity has not guaranteed any debts of the controlled entities and does not have any capital expenditure commitments or contingent liabilities.

The Organisation and its wholly-owned Australian resident entities are members of a tax-consolidated group under Australian tax law. The Organisation is the head entity within the tax-consolidated group. In addition to its own current and deferred tax amounts, the Organisation also recognises the current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group.

Amounts payable or receivable under the tax-funding arrangement between the Organisation and the entities in the tax consolidated group are determined using a ‘separate taxpayer within group’ approach to determine the tax contribution amounts payable or receivable by each member of the tax-consolidated Group. This approach results in the tax effect of transactions being recognised in the legal entity where that transaction occurred and does not tax affect transactions that have no tax consequences to the Group. The same basis is used for tax allocation within the tax-consolidated group.

Section G: Other Disclosures (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

G4 Controlled entities

The controlled entities within the Group during 2024–2025 comprised:

	Percentage of Shares	
	2025	2024
Parent: Forestry Tasmania		
Newood Holdings Pty Limited (ACN: 103 220 426)	100%	100%
Parent: Newood Holdings Pty Ltd (ACN: 103 220 426)		
Newood Huon Pty Limited (ACN: 103 219 861)	100%	100%
Newood Smithton Pty Limited (ACN: 103 219 843) ¹	0%	100%
Newood Energy Pty Limited (ACN: 129 980 061) ²	0%	100%

1 Newood Smithton Pty Ltd was placed into Members Voluntary Liquidation on 17 June 2024. The liquidation has now concluded and the company was de-registered on 19 May 2025.

2 Newood Energy Pty Ltd was placed into Members Voluntary Liquidation on 12 March 2024. The liquidation has now concluded and the company was de-registered on 22 April 2025.

Each entity is domiciled and incorporated in Australia and is located at Level 1, 99 Bathurst Street, Hobart Tasmania. The principal activities of each entity include the management operation of the sites and necessary infrastructure required for the Huon Wood Centre and Smithton Wood Centre and to undertake Sustainable Timber Tasmania’s business development activities.

The controlled entities are members of the tax-consolidated group. Sustainable Timber Tasmania is the head entity within the tax-consolidated group. The controlled entities have entered into a deed of cross guarantee with Sustainable Timber Tasmania pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 and are relieved from the requirement to prepare and lodge an audited financial report.

Information related to Newood Holdings Pty Ltd:

	2025 \$’000	2024 \$’000
Statement of Comprehensive Income		
Revenue	246	807
Expenses	1,189	(586)
Net profit/(loss) before tax	1,435	222
Income tax (expense)/benefit	(430)	(66)
Net profit/(loss)	1,005	155
Other comprehensive income	-	-
Total comprehensive income	1,005	155
Statement of Financial Position		
Current assets	116	6,820
Non current assets	2,231	1,302
Total assets	2,347	8,123
Current liabilities	5	6,542
Non current liabilities	302	547
Total liabilities	307	7,088
Net assets/(liabilities)	2,040	1,035

Related party information:

	Sales to related parties		Purchases from related parties		Amounts owed by related parties		Amounts owed to related parties	
	2025 \$’000	2024 \$’000	2025 \$’000	2024 \$’000	2025 \$’000	2024 \$’000	2025 \$’000	2024 \$’000
Parent								
Newood Holdings Pty Ltd	-	-	12	12	292	7,065	-	-

Section G: Other Disclosures (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

G5 Auditors’ remuneration

	2025 \$’000	2024 \$’000
Amounts paid and payable to the Tasmanian Audit Office for auditing the financial statements of the Organisation	133	120
Amounts paid and payable to other service providers for internal and other regulatory audit services	163	257
	296	377

G6 Events subsequent to balance date
2025

Steve Whiteley was the Organisation’s Chief Executive Officer at 30 June 2025. Greg Hickey was appointed Acting Chief Executive Officer of the Organisation on 1 July 2025 during the period that Mr Whiteley was on leave from 1 July 2025 until Mr Whiteley’s contract of employment expired on 28 July 2025. The Organisation is currently undertaking a recruitment process to appoint a Chief Executive Officer.

There have been no other matters or circumstances since the end of the financial year that have significantly affected or may have significantly affected the operations of the Organisation, the results of those operations or the state of affairs of the Organisation.

G7 Operating segments

The Group does not have any reportable operating segments that meet the definition of AASB 8 *Operating segments*.

Revenues from major products and services

The Group’s revenues from its major products and services are disclosed in note B1(a).

Geographical information

The Group’s revenue from external customers by geographical location is detailed below:

	2025 \$’000	2024 \$’000
Revenue		
Australia	147,595	144,227
Total revenue	147,595	144,227

All non-current assets are located within Australia.

Information about major customers

Included in revenues arising from the sale of forest products, lease agreements, licences and other forest management services and the performance of community service obligations in 2025 are revenues of:

- \$45,214,000 (2024: \$49,445,000) which arose from the sale of forest products to the Group’s largest customer; and
- \$15,095,000 (2024: \$10,149,000) which arose from the sale of forest products to the Group’s second largest customer.

No other single customers contributed 10% or more to the Group’s revenue in either 2025 or 2024.

Section G: Other Disclosures (continued)

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

G8 Other accounting policies

Accounting policy

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Foreign currency transactions

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the date of the transactions.

Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling on that date.

Exchange differences relating to amounts payable and receivable in foreign currencies are recognised as finance income or expense as exchange gains or losses in the profit and loss in the financial year in which they occur. Foreign currency gains and losses are reported on a net basis.

Reserves

Property revaluation reserve – The Group’s land under buildings and building assets are valued at fair value with any changes in the values of the asset taken to the reserve.

Financial asset revaluation reserve – The Group’s equity investments designated at FVTOCI are valued at fair value with any changes in the values of the asset taken to the reserve.

Section H:
Certification of Financial Statements

SUSTAINABLE TIMBER TASMANIA AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE 2025

It is the opinion of the directors of Sustainable Timber Tasmania that:

- a) the financial statements and notes of the Group are in accordance with the *Government Business Enterprises Act 1995*, including:
 - I. giving a true and fair view of the results and cash flows for the financial year ended 30 June 2025 and the financial position as at 30 June 2025; and
 - II. complying with Australian Accounting Standards and Interpretations and with the Treasurer’s Instructions.
- b) there are reasonable grounds to believe that Sustainable Timber Tasmania will be able to pay its debts as and when they fall due.

This declaration has been made after receiving the following declaration from the Chief Executive Officer and the General Manager Corporate Services of Sustainable Timber Tasmania:

- a) the financial records of Sustainable Timber Tasmania for the financial year ended 30 June 2025 have been properly maintained in accordance with section 52 of the *Government Business Enterprises Act 1995*; and
- b) the financial statements and notes for the financial year ended 30 June 2025 give a true and fair view.

Signed in accordance with a resolution of the directors.



Rob de Fégely AM
Chair
4 August 2025



Kathy Schaefer
Director
4 August 2025



Independent Auditor’s Report

FOR THE YEAR ENDED 30 JUNE 2025

Independent Auditor’s Report

(continued)

Independent Auditor’s Report

To the Members of Parliament
Forestry Tasmania
Report on the Audit of the Financial Report

Opinion

I have audited the consolidated financial report of Forestry Tasmania, trading as Sustainable Timber Tasmania (STT) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated 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 signed by the directors.

In my opinion, the accompanying financial report is in accordance with the *Government Business Enterprises Act 1995*, including:

- (a) giving a true and fair view of the Group’s financial position as at 30 June 2025 and of its financial performance and its cash flows for the year then ended;
- (b) complying with 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 Group 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 confirm that the independence declaration provided to the directors of STT on 12 August 2024, would be in the same terms if provided to the directors at the time of this auditor’s report.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Why this matter is considered to be one of the most significant matters in the audit

Audit procedures to address the matter included

Forest Estate – Valuation of biological assets

Refer to notes A5, C1

STT relied upon the work of an independent valuation expert to value the forest estate asset at \$219.85 million as at 30 June 2025. This comprised standing timber at valuation of \$217.85 million, and carbon values at valuation of \$2.00 million.

The valuation methodology applied to value the forest estate involves an income capitalisation approach using a discounted cash flow model which estimates the net annual income derived from the existing native forest, hardwood plantation and softwood planation tree crops. A market derived discount rate is applied to discount the annual net incomes to arrive at a present value for the existing forest estate.

The calculation is complex and subject to numerous assumptions. Changes in market conditions, discount rate and key assumptions are inherently subjective and significantly impact the value of the forest estate.

- Assessing the scope of work, expertise, and independence of the expert engaged by STT to value the forest estate.
- Reviewing the validity of the valuation method used, including its compliance with the accounting framework, specifically AASB 141 Agriculture.
- Reviewing the basis of the underlying assumptions used.
- Validating the accuracy of data, including prices, volumes and costs provided by STT to the expert.
- Evaluating management’s and the director’s review and adoption of the valuation.
- Verifying the accounting treatment for changes in the value of biological assets and assessing the adequacy of relevant disclosures in the financial report.

Responsibilities of the Directors for the Financial Report

The directors of STT are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and the *Government Business Enterprises Act 1995* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group’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 directors either intend to liquidate the Group or 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 this 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.

Independent Auditor’s Report

(continued)

- 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 Group’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 Group’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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

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.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



David Bond
Assistant Auditor-General, Delegate of the Auditor-General, Audit Tasmania

7 August 2025, Hobart

Information Tables 2024–25

Table 1: Emissions

Direct and indirect greenhouse gas emissions from Sustainable Timber Tasmania

Scope	Description	Unit	Tonnes
Scope 1	Direct emissions from owned or controlled sources (petrol and diesel)	Carbon dioxide	1,027
Scope 2	Indirect emissions from the generation of purchased electricity	equivalents (tonnes)	177
Total			1,204

Table 2: Forest practices

All forest operations must be carried out according to a certified Forest Practices Plan. A proportion of these plans are independently audited by the Forest Practices Authority (FPA).

Forest Practices System requirements	Result
Submit the Three Year Wood Production Plan to FPA and make publicly available	Achieved
Forest Practices Plan reporting compliance	100%
Forest Practices Plans audited by the FPA:	6
• Number of individual questions	501
• % individual questions which achieved highest possible rating	98.3%

Table 3: Stakeholder engagement activity

Stakeholder groups*	Engagements	Number of individual stakeholders
Community	86	64
Tourism	67	41
Neighbour	93	58
Businesses	28	24
Environmental non-government organisation	31	14
Commercial users	9	6
Recreational users	18	13
Government	8	5
Other	26	18
Total	366	243

*Reported stakeholder groups do not include customers, contractors or regulatory bodies. These figures also do not reflect proactive communications by Sustainable Timber Tasmania.

Table 4: Education, research and community funding

	Amount (\$) ¹
Forest Education Foundation	315,100
Forestry Australia	27,175
Arbre Forest Industries Training and Careers Hub	20,650
University of Tasmania	15,200
Tasmanian Forests and Forest Products Network	1,204
Australia Forest Contractor Association	3,250
Australia Fire & Emergency Service Authorities	1,000
Forest Practices Authority	500
Total	397,125

¹ Figures are GST exclusive.

Table 5: Buy local and payment of accounts

Buy local	
Proportion of total purchases from Tasmanian businesses	87%
Value of purchases from Tasmanian businesses (\$ million)	109
Number of Tasmanian businesses paid	544
Payment of accounts	
Creditor days	18
Number of accounts due for payment	6,357
Number of accounts paid on time	5,158
Amount due for payment (\$ million)	125
Amount paid on time (\$ million)	101
Number of payments of interest on overdue accounts	-
Interest paid on overdue accounts	-

Table 6: Overseas travel

Number of overseas trips by directors or employees	1
Total cost of overseas trips (\$)	3,374

Table 7: Superannuation

Superannuation certification
Sustainable Timber Tasmania complied with its obligations under the <i>Superannuation Guarantee (Administration) Act 1992</i> in respect of employees of Sustainable Timber Tasmania who are members of complying superannuation schemes.

Table 8: Professional services and consultancies

Professional services valued at more than \$50,000 (excluding GST)				
Name	Location	Description	Period of Engagement	Amount (\$) ¹
Abetz Curtis	Tasmania	Legal services	Jul 2024– Jun 2025	525,894
Before Creative	Tasmania	Creative and graphic design services	Jul 2024– Jun 2025	176,578
Enabled Solutions Pty Ltd	South Australia	Development of plantation systems	Jul 2024– Jun 2025	137,688
Remsoft Inc	Canada	Development of plantation systems	Jul 2024– Jun 2025	120,634
Aurion Corporation Pty Ltd	Queensland	Payroll technical support	Jul 2024– Jun 2025	113,053
Safety Circle	Tasmania	Work health and safety programs	Jul 2024– Jun 2025	103,773
Indufor Asia Pacific (Australia) Pty Ltd	Victoria	Forest valuation	Jul 2024– Jun 2025	102,857
Trimble Forestry Corporation	New Zealand	Development of plantation systems	Jul 2024– Jun 2025	94,017
SBA Law	Victoria	Contract development	Jul 2024– Jun 2025	77,948
Deloitte Touche Tohmatsu	Tasmania	Internal audit services	Jul 2024– Jun 2025	75,483
JBWere Limited	Victoria	External investment advice	Jul 2024– Jun 2025	69,669
Peopleworks Pty Ltd	Tasmania	Employee assistance program	Jul 2024– Jun 2025	63,782
Healthy Business Performance Group Pty Ltd	Tasmania	Work health and safety programs	Jul 2024– Jun 2025	61,600
Total				1,722,976
Professional services valued at less than \$50,000 (excluding GST)				
Number				Total (\$) ¹
64				693,399
Consultancies valued at less than \$50,000 (excluding GST)				
Number				Total (\$) ¹
17				192,848

¹ This includes capital expenditure items.

Table 9: Information disclosures

Right to Information disclosure	Number
Applications for assessed disclosure received*	9
Applications for assessed disclosure refused	0
Applications for assessed disclosure relating to exempt information in full or part. Exempt information provisions: section 27 (1); section 35 (1); section 36 (4)	6
Applications reviewed internally and the outcome of the reviews upheld in full	0
Applications reviewed internally and the outcome of the reviews upheld in part	0
*3 proactive disclosures made	
Public interest disclosures	Number
Public interest disclosures	0
Assessed disclosures	0
Active disclosures	0
Required disclosures	0
Routine disclosures	0
Public interest disclosures investigated by Sustainable Timber Tasmania	0
Disclosed matters referred to the Ombudsman	0
Disclosed matters taken over by the Ombudsman	0
Disclosed matters that Sustainable Timber Tasmania decided not to investigate	0
Disclosed matters substantiated on investigation and action taken	0
Recommendations of the Ombudsman under this Act that relate to Sustainable Timber Tasmania	0

Table 10: Community Service Obligations

Obligation	Government revenue for services (\$ million)
Permanent Timber Production Zone land continues to be managed, accessible and available for multiple uses.	8
Contributing to statewide fuel reduction burning and fire management.	2
Provide assistance with state fire management in the prevention, preparation and detection of bushfires; supervising and conducting bushfire suppression on non-production forest and adjoining lands.	2

Table 11: Safety performance

Number of workers compensation claims	3
Cost of workers compensation claims	\$12,182
Cost of claims as a proportion of gross wages	0.0671
Lost time injury frequency rate (LTIFR)	3.27
Medical treatment injury frequency rate (MTIFR)	6.19
Harvesting contractors LTIFR	15.01

Table 12: Plantation area statement

Ownership at 30 June 2025	Area (hectares)	
	Softwood	Hardwood
Sustainable Timber Tasmania plantation on PTPZ land	2,511	24,352
Sustainable Timber Tasmania plantation on private land		165
Sustainable Timber Tasmania joint venture on PTPZ land	7,662	122
Sustainable Timber Tasmania joint venture on private land	97	152
Tassie Trees Trust plantation on PTPZ land	300	374
Private plantation on PTPZ land	43,948	28,985
Total	54,518	54,150

Table 13: Hardwood plantation thinning

Total area thinned (hectares)	Proportion meeting quality standard (%)
N/A ¹	N/A

¹ Sustainable Timber Tasmania’s statewide hardwood plantation thinning program is complete.

Table 14: Pesticide usage

Purpose of application	Area treated (hectares)
Plantation insect control	0
Plantation thinning	0
Plantation post-plant weed control	129
Plantation pre-plant weed control	562
Native forest pre-burn fine fuel treatment	0
Firebreak maintenance	0

Active ingredient	Amount applied (kilogram of active ingredient)
Aminopyralid	1.1
Clethodim	14.6
Clopyralid	28.7
Dicamba	0.3
Glyphosalte	1217.4
Haloxyfop methyl	14.1
MCPA	1.4
Mesulfuron methyl	7.3
Oxyfluorfen	3.7
Picloram	4.2
Sulfometuron methyl	3.4
Triclopyr	85.6

Note: Excludes nursery applications.

Water quality sampling	Number
Pesticide operations sampled	4
Water quality samples submitted for independent analysis	11
Exceedances of Australian Drinking Water Guidelines	0

Table 15: Fertiliser usage

Nutrient type	Amount applied (kilogram of active ingredient)
Nitrogen	229
Phosphorus	96
Potassium	9

Table 16: Fuel and chemical spills

Number of fuel or chemical spills	0
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Table 17: Forest health

Plantation area identified with moderate or severe impact	Area (hectares)	
	Moderate	Severe
Health issue		
Soil fertility/site	0	0
Insect damage ¹	450	66
Multiple causes ²	306	157
Climate/environmental ³	131	82
Silvicultural	0	0
Mammal damage ⁴	142	7
Fungal diseases ⁵	120	16
Weeds	29	0

1 Damage ascribed solely to leaf beetle (*Paropsisterna* spp) defoliation.

2 Defoliation due to the combined affects of leaf beetles (*Paropsisterna* spp) and fungal foliar pathogens (*Teratosphaeria* spp).

3 Primarily seedling desiccation and wind damage.

4 Bark stripping in young *P. radiata* plantation and shoot browsing of young eucalypts.

5 Mainly *Teratosphaeria* leaf disease, and localised native root rot pathogen *Armillaria*.

Leaf beetle IPM system	Area (hectares)
Area monitored ¹	0
Area monitored that was above control threshold	0
Area monitored above threshold and treated with alpha-cypermethrin	0
Total area treated	0
Area monitored above threshold with effective natural control	0
Area monitored above threshold and not treated	0
% monitored area sprayed	0

1 No monitoring was conducted this year due to the plantation estate being outside the target age range.

Table 17: Forest health (continued)

Long-term retention areas on PTPZ land health and integrity assessment	Presence of damage symptom (%)			
	None	Low	Moderate	Severe
Damage symptom				
Burnt – old/historical	37.5	54.2	8.3	0.0
Burnt – recent	70.8	6.3	10.4	12.5
Overstorey wind	89.6	10.4	0.0	0.0
Midstorey wind	54.2	35.4	10.4	0.0
Understorey wind	66.7	33.3	0.0	0.0
Weeds (incidence)	31.3	54.2	14.6	0.0
Illegal harvest	93.8	6.3	0.0	0.0
Other	91.7	6.3	2.1	0.0
Overstorey canopy/tree condition	20.8	72.9	6.3	0.0
Midstorey canopy/vegetation condition	58.3	37.5	4.2	0.0
Understorey vegetation condition	70.8	14.6	12.5	2.1
Average	62.3	30.1	6.3	1.3

Gross reserve area sampled (hectares)	3,127
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Table 18: Native forest harvested

Native forest type harvested	Harvest type	Area harvested (hectares)
Regrowth	Partial	4,143.0
Old growth	Partial	360.0
Regrowth	Clearfell	976.8
Old growth	Clearfell ¹	0.2

1 Total area is accounted for in the year each coupe is completed.

Table 19: Hardwood plantation production

Product	Quantity	Unit
Pruned and unpruned plantation log	8,028	tonnes
Pulpwood	160,200	tonnes
Export log	0	tonnes
Posts, poles and piles	319	tonnes

Table 20: Softwood plantation production

Product	Quantity	Unit
Sawlog	4,774	cubic metres
Pulpwood	158,069	tonnes

Table 21: Special species production

Species	Volume (cubic metres)
Blackwood	5,736
Celery top pine	26
Myrtle	29
Blackheart sassafras	4
Silver wattle	8
White sassafras	10
Other (incl. musk and tea tree)	801
Total	6,614

Note: Production figures do not include craftwood or Huon pine in stockpiles. Sustainable Timber Tasmania does not harvest live Huon pine.

Table 22: Special species production by grade and volume

Species	Grade	Volume (cubic metres)
Blackwood	Cat 4	2,307
	Utility	667
	Outspec	2,762
	Cat 4	2
Celery top pine	Utility	11
	Outspec	13
Myrtle	Cat 4	1
	Utility	2
	Outspec	26
	Cat 4	2
Blackheart sassafras	Outspec	2
	Cat 4	8
Silver wattle	Cat 4	8
Sassafras	Outspec	10
Other species (incl. musk, tea tree)	Outspec	801
Total		6,614

Note: Figures above do not include craftwood.

Table 23: Native forest wood production

Category	Subcategory	Quantity	Unit
High quality sawlog	Appearance grade sawlog (Cat 1 & 3)	95,391	cubic metres
	Construction grade sawlog (Cat 1 & 3)	5,613	cubic metres
	Sliced veneer grade	680	cubic metres
Total		101,684	cubic metres
Sawlog	Sawlog (Cat 2 & 8)	36,671	cubic metres
Posts, poles and piles		2,821	units
Export log		-	tonnes
Domestic peeler billets (incl pallet sawlogs)		25,581	tonnes
Pulpwood		748,486	tonnes
Firewood		11,639	tonnes
Other products (e.g. bark, sawdust)		19,489	tonnes
Special species timber and craftwood		6,859	cubic metres

Table 24: Regrowing native forest

Site preparation type	Area assessed (hectares)
Clearfell	995
Partial harvest	4,700
Total	5,695
Seed sown	
Area sown (hectares) ¹	1,048
Quantity sown (kilograms)	1,062
Proportion of seed collected from onsite %	34
Proportion of seed collected from in-zone %	66
Proportion of seed collected out-of-zone	0
Million	
Number of seeds sown	149

1 Seed is only applied to areas where natural seedfall is likely to be insufficient for regrowing the forest.

Regrowing success

Forest type	Area stocked (hectares)					Hectares
	0–9%	0–39%	40–64%	65–84%	85–100%	
Dry eucalypt ¹	0	0	441	446	42	929
Wet eucalypt ¹	0	0	26	471	669	1,166
High altitude <i>E. delegatensis</i> ¹	0	0	0	3,595	0	3,595
Total			467	4,512	711	5,690
						%
Proportion of area stocked						99.5

1 Reported at age three years.

Table 25: Access to production forests

Roading activity	Length (kilometres)
New roads constructed	24.2
Roads maintained	3,040
Leases and licences on PTPZ land	
Total leases, licences and easements	704
Leases, licences and easements currently subject to negotiation	81
Apiary sites on PTPZ land	
Forest Activity Assessments conducted	
102	

Table 26: Forest type (’000 hectares)

	Tasmania			Publicly managed land ²			Permanent Timber Production Zone land ³				
	Total (ha)	Area reserved (ha)	Area reserved (%)	Total (ha)	Area reserved (ha)	Area reserved (%)	Total	Area reserved (ha)	Area reserved (%)	Non-production (ha)	Production (ha)
Tall native eucalypt forest: Eucalypt forest with current or potential height of 34 metres or more	904	457	51	742	447	60	336	51	15	76	209
Short native eucalypt forest: Eucalypt forest with current or potential height of less than 34 metres	1,553	757	49	858	683	80	184	36	20	46	102
Rainforest: Cool temperate rainforest with no significant Eucalypt or Acacia spp.	568	494	87	540	490	91	61	17	28	26	18
Other native forest: Including Acacia, Melaleuca spp. etc	156	89	58	129	92	74	38	9	24	19	10
Hardwood plantation	112	0	0	54	0	0	54	0	0	3	52
Softwood plantation	82	1	1	57	1	1	55	0	0	1	55
Non forest ¹ : Including scrub, moorland farmland, rock and lakes	3,417	1,568	46	1,757	1,536	87	83	16	20	50	16
Total	6,792	3,366	50	4,139	3,249	78%	811	129	16	221	462

Note: Private property forest areas are as advised by Private Forests Tasmania (PFT), and generally reflect forest mapping as at December 2014.

1 This table is derived from spatial integration of independently compiled datasets and some spatial discrepancies have been inherited. Areas where neither Private Forests Tasmania nor Sustainable Timber Tasmania forest data extends to the Natural Resources and Environment Tasmania estimate of coastline are recorded as ‘Non forest’.

2 ‘Publicly managed land’ includes land owned by, or vested in, the HEC, Sustainable Timber Tasmania and the Australian and Tasmanian governments, municipal reserves, and municipal and private lands managed by the Wellington Park Management Trust.

3 Permanent Timber Production Zone land as defined under the Forest Management Act 2013.

Please be advised: All areas are rounded to thousands of hectares – figures in the ‘Total’ rows are not the sum of the columns but the rounded actual totals. The areas for forest are derived from detailed forest type mapping, which is continually updated; generally mapping on PTPZ land is updated annually, but remapping of other tenures is less frequent. Areas reported in this table include land, inland waterbodies and islands; Macquarie Island, sea and marine estuaries are excluded.

Table 27: Forest values management on Permanent Timber Production Zone land

Special Management Zone within wood production areas	Area (hectares)
Biodiversity	47,715
Cultural heritage	15,061
Geo-conservation	33,900
Landscape	63,175
Soil and geo-conservation management	
Designated unavailable for wood production due to erosion risk	38,695
Managed for soil and geo-conservation values	67,166

Table 28: Landscape Context Planning System performance

Metric	Achieved (%)
Coupes meeting dispersal metric prescription	98
Coupes meeting the long-term retention metric prescription	98
Average % of forest retained for the long-term within one kilometre radius surrounding harvested coupes	31

Table 29: Bushfire management

Bushfire	Area (hectares)
PTPZ land burnt by bushfires	1,983

Contribution to state bushfire fighting effort	Control effort (person hours)
General firefighting activities as crew members, strike team leaders, heavy tanker drivers and tree fallers	6,164
Incident management teams as incident controllers, and in planning roles such as mapping, resourcing and behaviour prediction	3,359
Divisional or sector command	2,432
Firefighting activities undertaken by forest contractors	1,989
Total	13,944

Table 30: Planned burning

Planned burns conducted on PTPZ land	Number	Area (hectares)
Fuel reduction and ecological	13	2,127
Low-intensity regeneration	41	3,448
High-intensity regeneration	52	1,216
High-intensity plantation	15	470

Air quality monitoring	Number
Planned burning season Autumn 2/4/25 – 16/6/25	
Smoke events above the PM2.5 air quality standard at BLANKeT sites during burning seasons	62
Smoke events above PM2.5 air quality standard that Sustainable Timber Tasmania planned burning may have contributed to	2
Air quality complaints received by Environmental Protection Agency (EPA) during planned burning season	12
Air quality complaints that Sustainable Timber Tasmania planned burning may have contributed to	1

Note: BLANKeT is the Base Line Air Network of EPA Tasmania.

Table 31: Carbon

Carbon	Number
Number of projects	4
Total project area (hectares)	1,218
Project ACCUs (including discount)	199,927
ACCUs issued to STT	26,496
Stock of ACCUs held by STT	36,165

Snapshot

	2024–25	2023–24
Forest estate ('000 hectares)		
Permanent Timber Production Zone land	812	811
Land available for wood production	462	462
Other areas of native forest ¹	221	219
Managed for reservation ²	129	129
Public land managed by Sustainable Timber Tasmania ³	8	8
Private land managed by Sustainable Timber Tasmania ⁴	1	1
Total Sustainable Timber Tasmania managed land	820	820
Forest types ('000 hectares)		
Native forest	703	711
Hardwood plantation ⁵	54	53
Softwood plantation ⁵	55	54
Area harvested (hectares)		
Native forest – selective harvesting	4,503	4,098
Native forest – clearfell harvesting	977	803
Hardwood plantation – clearfell harvesting	324	954
Wood production		
Total production (cubic metres and tonnes)	1,284,621	1,263,654
High quality sawlog (cubic metres)	101,684	107,927
Native forest sawlog Cat. 2 and 8 (cubic metres)	36,671	72,361
Native forest posts, poles and piles (units)	2,821	3,790
Native forest high grade domestic peeler logs (tonnes)	25,581	28,943
Native forest export peeler logs	-	-
Native forest pulpwood (tonnes)	748,486	681,624
Firewood (cubic metres)	11,639	9,707
Other products (e.g. bark, sawdust) (tonnes)	19,489	19,123
Special species timber and craftwood (cubic metres)	6,859	8,889

	2024–25	2023–24
Hardwood plantation (solid wood and pulpwood) (tonnes)	168,547	179,961
Softwood plantation (sawlog and pulpwood) (tonnes)	162,843	151,326
Fire management		
Number of bushfires attended	57	65
Permanent Timber Production Zone land burnt by bushfires (hectares)	1,983	4,251
Hours devoted to firefighting	13,994	16,894
Net cost of suppression (\$'000)	1,007	3,572
Fuel reduction burns completed on Permanent Timber Production Zone land (hectares)	2,127	1,063
Access to the forest (kilometres)		
New roads constructed	24.2	33.1
Roads maintained	3,040	3,177
Carbon		
Number of projects	4	4
Total project area (hectares)	1,218	1,218
Project ACCUs (including discount)	199,927	199,927

1 Areas not part of the eucalypt wood resource due to factors including non-commercial forest, excessive slope, streamside reserves, inaccessibility, etc.

2 Permanent Timber Production Zone land managed by Sustainable Timber Tasmania for conservation values as part of the Tasmanian Comprehensive, Adequate, Representative (CAR) system.

3 Areas on Buckland Military Training Area managed by Sustainable Timber Tasmania.

4 Plantations on private land fully or jointly owned by Sustainable Timber Tasmania.

5 Plantation figures include plantations over which Sustainable Timber Tasmania has no management control.

	2024–25	2023–24
Finance – Comprehensive income (\$'000)		
Revenue		
Revenue from sale of forest products	119,771	123,129
Government funding	12,000	12,128
Other income	7,428	7,788
Finance income	876	1,182
Forest valuation increase	7,519	-
Total revenue	147,594	144,227
Expenses		
Expenses from operations	(137,474)	(141,608)
Forest valuation decrease	-	(266)
Finance expense	(1,808)	(1,823)
Total expenses	(139,282)	(143,697)
Net profit/(loss) before tax	8,312	530
Income tax (expense)/benefit on net profit/loss	(2,547)	(256)
Net profit/(loss) after tax	5,765	274
Other comprehensive income	(1,003)	67
Total comprehensive income	4,762	342
Finance – Financial position (\$'000)		
Borrowings (net of cash)	-	-
Net assets	224,655	220,143
Finance – Cash flow (\$'000)		
Operating cash flows	1,751	6,526
Investing cash flows	(1,215)	(16,363)
Employment		
Number of employees (head count)	170	167
Number of employees (full time equivalents)	162	162
Lost time injury frequency rate (employees)	3.27	6.54
Tasmanian businesses		
Payments to Tasmanian businesses (\$ million)	109	139
Number of Tasmanian businesses paid	544	621
Payments to harvest and haulage contractors (\$ million)	54	65

