

FSC[®] AUSTRALIA

2016 Annual Report



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Forest Stewardship Council® (FSC®) licence code: FSC-F000201. Cover image of Forico Pty Limited's Forest Management Unit at Surrey Hills, North West Tasmania, courtesy of Forico Pty Limited.

MESSAGE FROM THE CHAIR



I am pleased to present to our members and stakeholders the 2016 Annual Report for FSC Australia (the trading name of Responsible Forest Management Australia Ltd). In the year past we shifted FSC Australia to more flexible structures and streamlined processes, freeing resources (budgets and people) for activities that have more impact in both the upstream (growing and processing) and downstream (manufacturing and retail) ends of the forestry and wood products industry.

Finalising the National Forest Stewardship Standard (NFSS) and Reconciliation Action Plan (RAP) were rightly our top priorities. Both are nearing completion. I wish to record my thanks to the dedicated Standards Development Group (SDG), Indigenous Working Group (IWG) and our professional staff who worked extremely hard to consult members, stakeholders and experts to creatively bring FSC's vision and values to life. We will soon have even clearer principles and commitments that make a real difference where it matters – in the ecosystems, landscapes, communities and towns where forestry is – in many cases - a way of life for many generations of forest families.

I am daily reminded that responsibly harvesting forest resources is both one of the oldest industries in the world and, at the same time, one of the newest in terms of our determined response to challenges across our supply chain to ensure sustainability.

Speaking as a service provider to forest managers, I can honestly say best practice in our industry racks up very well against other commodity markets, and other certification schemes. I am proud that Australia's approach to illegal logging imports is a recognised world leader. FSC Australia helped to establish the present restrictions on illegal timber imports and is forcefully arguing for even tighter rules. This is one of the reasons my company joined FSC Australia. I can sum up our attitude to FSC in one word: integrity.

We are not an easy industry. Our core business involves and invites a high degree of scrutiny, and no small amount of emotion.

One of the great strengths of the FSC system is that it facilitates and supports a true multi-stakeholder forum where we try to find consensus-led approaches; recognise the value of agreement ahead of arbitrage; and draw on the knowledge and expertise of the Members of our three Chambers – economic, environmental and social – to ensure that we genuinely have a triple-bottom-line approach. In that spirit, we should applaud FSC Australia for providing a space where we can all debate and discuss often challenging issues in an atmosphere of mutual respect.

We have a very good system; a platform for meaningful collaboration to deliver concrete change; and a shared willingness to put aside personal and sectoral differences to deal pragmatically with the world as it really is: often messy, rarely perfect, and never simple.

On a somewhat sad note, our CEO Adam Beaumont decided to resign. Adam feels that the skill set needed to take FSC Australia to the next stage – with a greater emphasis on brand, communication and marketing – would be best advanced by handing the baton to a new leader. On behalf of all Members, I want to extend my personal thanks to Adam for turning around FSC Australia and putting it on a sustainable footing. We are where we are today only because Adam took hard decisions while growing a culture which is the envy of other FSC offices worldwide.

On behalf of my fellow directors, our Members and our professional staff I invite and encourage you get involved in FSC Australia's activities – from policy to marketing, from engagement to advocacy. Help us make FSC Australia the trusted brand for 'Healthy Forests supporting Healthy Communities'.

Pat Groenhout

DIRECTORS REPORT

Your directors present this report on the company for the financial year ended 31 December 2016.

Directors and meeting attendance

The board of directors met five times in 2016 as follows;

- 26th February, Melbourne
- 8th April, via technology
- 27th May, Melbourne
- 26th August, Melbourne
- 16th & 17th November, Melbourne

Out of session motions

- 28th January 2016
- 21st October 2016
- 20th December 2016

Office Bearers

- Chair:
 - › Jacki Schirmer (until 27th May)
 - › Pat Groenhout (27th May to Current)
- Deputy Chair
 - › Cheryl Speechley (until 27th May)
 - › Jonathan La Nauze (27th May to Current)
- Company Secretary:
 - › Daniel Goldsworthy

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

The name of each person who was a director during the calendar year 2016 and their meeting attendance is show below. Director's details are shown in Appendix 1.

Director	Meetings attended	Meetings eligible to attend
La Nauze, Jonathan	5	5
Groenhout, Pat	5	5
Speechley, Cheryl	3	5
Morgan, Andrew	4	5
Schirmer, Jacki	5	5
Fienberg, Linda	5	5
Russell, Susie	5	5
Rees, Sarah	4	5
Murray, Helen	5	5



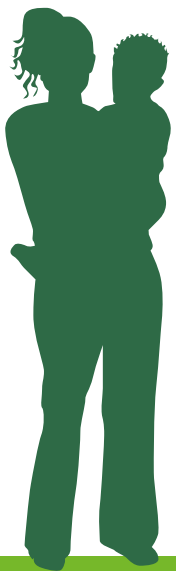
FSC AUSTRALIA HISTORY

FSC Australia is a National Office of FSC International. It ensures that the voice of Australian stakeholders is heard internationally through its membership in creating the standards and promoting the scheme.

Responsible Forest Management Australia Limited (RFMA) trades as FSC Australia (Victorian business name registration number B1937608F).

We have had a history since 2001. However, our mission remains to promote environmentally appropriate, socially beneficial and economically viable management of forests in Australia and countries supplying the Australian forest products market.

- 2001** - FSC establishes a presence in Australia as a contact person was appointed.
- 2006** - Responsible Forest Management Australia Limited was incorporated as a public company limited by guarantee (ABN 81 120 667 870) to promote FSC in Australia and seek accreditation as an FSC National Initiative.
- 2009** - FSC Australia's Public Fund registered, allowing tax-deductible donations to be made.
- 2011** - FSC Australia changes from an FSC National Initiative to an FSC National Office.
- 2014** - FSC Australia given Sub-Regional membership, Account Management, Marketing and trademark services to New Zealand on behalf of FSC International.



FSC AUSTRALIA GOVERNANCE

FSC has a unique governance structure that is built upon the principles of participation, democracy and equity. The governance structure of FSC Australia follows the standards set by FSC International, with members and directors split into three distinct chambers:



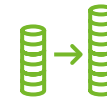
The Social Chamber

This includes non-profit, non-governmental organisations, indigenous peoples' associations, unions as well as research, academic, technical institutions and individuals that have a demonstrated commitment to socially beneficial forestry. This means that they support forest management and believe in delivering forest products to the market in a way that does not infringe on the rights of other stakeholders.



The Environmental Chamber

This chamber includes non-profit, non-governmental organisations, as well as research, academic, technical institutions and individuals that have an active interest in environmentally viable forest stewardship.



The Economic Chamber

This includes organisations and individuals with a commercial interest. Examples are employees, certification bodies, industry and trade associations (whether profit or non-profit), wholesalers, retailers, traders, consumer associations, and consulting companies. Applicants with economic interests must have demonstrated active commitment to implementing FSC Principles and Criteria in their operations.



ABOUT FSC AUSTRALIA

OUR VISION

FSC is the trusted brand for *'Healthy forests supporting healthy communities'*

OUR ROLE

We bring together people with economic, social and environmental interests in forests to drive improvement and shift the global forest trend toward conservation, restoration and respect for all. We partner with our members, certificate holders and companies across the supply chain to promote FSC's brand and value.

CONTEXT

FSC is a market-based eco-label that provides assurance that forest products are sourced in a way that balances environmental, social and economic needs.

FSC aims to improve on-ground forest management through encouraging purchase of certified products across the supply chain and driving improvement through consensus set forest practices standards.

FSC is a non-profit member organisation that through three equal chambers (social, economic and environment) develop standards that enable responsible forest practice to be measured. FSC Australia is a separate incorporated National Office of FSC International.



STRATEGIC FOCUS

STRATEGIC FOCUS FOR 2016

Short term outcomes (2015 – 2016)

Mission:

To make FSC publicly visible and known

Key Outcomes:

- 1. Standard: National standard** is complete & accredited internationally
- 2. Stability:** Key **3 year funding agreements** in place with sponsors and a dynamic & flexible organisation
- 3. Business Model:** Provide commercial **advice & training** on the FSC system to help diversify income streams
- 4. Engagement: Stakeholders are empowered** and have opportunities to engage with FSC & certification bodies
- 5. Promotion:** Promotion of **FSC brand** increases awareness amongst **consumers** and large retailers
- 6. Promotion: Certificate holders value certification** & label products, with increases in sawn timber markets
- 7. Advocacy:** FSC is **part of the dialogue** on the future of forestry including ecosystem services and conservation
- 8. Membership: remains stable, diverse,** broad in coverage and adds **values** to individuals, organisations & networks
- 9. Services:** FSC has a **presence in NZ**

Medium term outcomes (2016 – 2018)

Mission:

To make FSC valued and respected by stakeholders

Key Outcomes:

- 1. Standards: Controlled Wood Risk Assessment** identifies important values & controls in all key bioregions.
- 2. Supply: Supply of FSC material is not a barrier** to increasing the volume and range of FSC products
- 3. Promotion: High profile retailers & specifiers** understand FSC, source it & are confident to promote it
- 4. Advocacy: FSC's views sought on key policy & purchasing decisions** relating to forests & forest products
- 5. Certification:** Demand and customer relationships **drive more brands and product owners to seek certification**
- 6. Certification:** audits and audit outcomes are **consistently high quality**
- 7. Brand:** FSC brand is **recognised, valued and demanded** by consumers, stakeholders & procurement managers
- 8. Case Studies:** Clear examples where **FSC certification has led to onground management changes.**
- 9. Membership: Grows in diversity,** coverage, indigenous representation and actively support & value FSC

Long term outcomes (2018 – 2020)

Mission:

To make FSC trusted by consumers and stakeholders

Key Outcomes:

- 1. Standards:** FSC standards are **practical & able** to be implemented by smaller growers
- 2. Supply: Consumer and retailer demand** has resulted in more than 50% of production being FSC certified
- 3. FSC Products: A broad range of FSC products** are available in many stores for both fibre and timber products
- 4. Certified volumes: More forests and timber volumes are fully certified** and certification brings community support
- 5. Credibility:** People trust that their issues and concerns will be addressed in FSC forests, **trust our transparent processes**
- 6. Engagement:** Those engaged in certified forestry including indigenous people trust FSC, are **proud of what they do**
- 7. Outcomes:** FSC certified forests are healthy, productive and support and **sustain regional communities.** Poor forestry practices are less common.
- 8. Promotion: FSC is a sought after partner in campaigns** by brands and can secure funding beyond trade marks
- 9. Intelligence: FSC is the authoritative source** on FSC & responsible procurement

STRATEGIC FOCUS



2016 Year in review

In 2016 we came to the end of our short-term outcome ‘to make FSC publicly visible and known’.

Under the guiding focus of visible and known, the organisation has seen significant growth, including increases in consumer awareness and visibility. Market research identified that 70% of retailers now have KPI's on sourcing FSC certified material. Promotion of FSC products is further evident in the key partnerships with our Retail Supporters (see Growth & Insights below).

The 2016 stakeholder surveys showed great results from both Australian and New Zealand certificate holders showing overall satisfaction across the supply chain in both regions. Further, feedback from the surveys provided valuable stakeholder insights, requesting 'more marketing'. We have listened, and this will be part of our 2017 focus.

Membership continues to be stable, diverse and broad in coverage. Our membership survey came back with fantastic results showing high levels of satisfaction across all chambers. Such insights have provided the organisation with a better understanding of the needs of the membership, and areas for growth.

The FSC National Standard Development in Australia has been steady with the release of Draft 4 in October 2016. While the process saw delays, the continuing efforts of the Standards Development Group have pushed the process towards the finish line, with the SDG having progressed the Standard to the point of anticipated submission to FSC International in early 2017 for review.

Thank you to all our supporters who made 2016 such a success. It is with your support, input and participation that we continue to strive towards our vision, "FSC is the trusted brand for 'Healthy forests supporting healthy communities'".

Cheers,

A handwritten signature in black ink, appearing to read 'Adam Beaumont'.

Adam Beaumont

Former CEO

On behalf of all at FSC Australia & New Zealand

STRATEGIC FOCUS

Operations & Finance

2016 saw strong restructuring of the FSC Australia office. System changes included the implementation of automated finance system Xero and project management system WorkFlow Max.

In line with reducing administration with automated software, the office reduced overheads through moving to a new co-working space. As such, significant financial gains were made by reducing office expenditure to 6% of total expenditure.

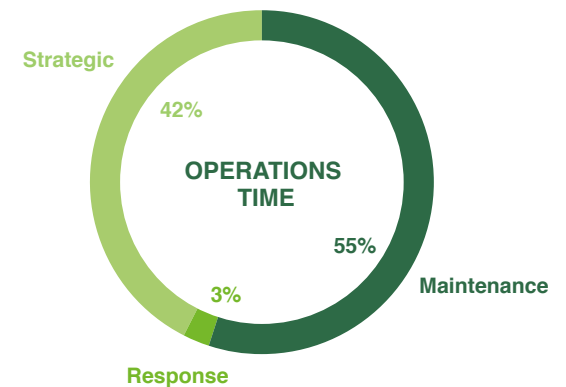
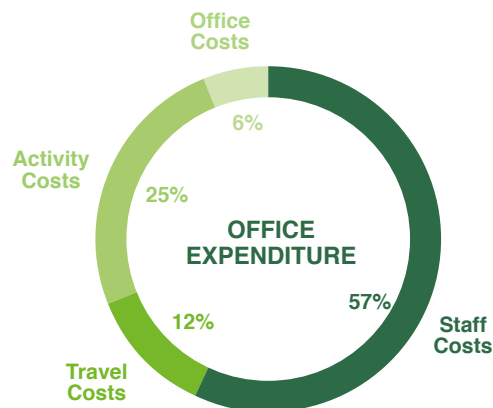
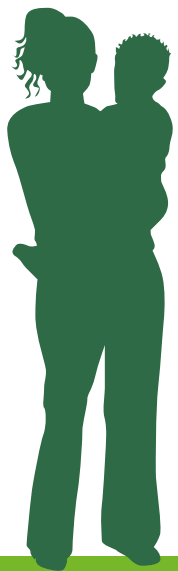
Independent income generation remains strong, with 41% of revenue coming from 'other' sources.

The result of the above income and expenditure was that FSC-Australia recorded a small deficit for the year. This was primarily

due to funding agreement timelines tied to the National Standard development. Our reserves remain strong and healthy.

In alignment with our strategic plan, we have distributed our time and salaries according to the project type; Reactive, Strategic or Maintenance work. The Transformation of the FSC Australia Office has maintained a strong focus on strategic project to achieve our goals.

It is noted that a comprehensive Budget and Work plan has been created for 2017 with all projects document and key services defined.



STRATEGIC FOCUS



FSC move to Framework

FSC Australia reduced overheads partially due to lower costs of working in a co-working space. Framework Melbourne is a co-working space for creative and sociable professionals. Located on the edge of the Melbourne CBD.

Since moving to the new space staff have had access to professional development evenings and the organisation has had networking opportunities with a series of different businesses.

Best of all the new workspace facilitates team collaboration, creativity and provides an enjoyable space to work in.





POLICY, STANDARDS & ENGAGEMENT

POLICY, STANDARDS & ENGAGEMENT

Indigenous engagement: indigenous working group & reconciliation action plan

FSC Australia is committed to recognising and advancing the rights, interests and values of Indigenous Australians through the development of FSC's Forest Stewardship Standard and the activities our Indigenous Working Group (IWG). 2016 saw the final stages of developing a Reconciliation Action Plan (RAP) to document and deliver our commitments.

Following the last year's Annual General Meeting, FSC Australia's Draft Reconciliation Action Plan was endorsed by the FSC Australia board on the 26th of August 2016 for submission to Reconciliation Australia for initial review and feedback.

The Draft was submitted on the 9th September and we are very proud to have received comment that it is one of the strongest first drafts they have ever received.

FSC Australia continued the process of reviewing and responding to Reconciliation Australia's feedback and is on track to receive endorsement and launch the RAP in 2017.

We would like to acknowledge the contribution of the Indigenous Working Group and give a special thank you to Phil Duncan and David Collard.

INAUGURAL INDIGENOUS WORKING GROUP MEMBERS

Mr David Collard	Aboriginal NRM Coordinator State, Western Australia. From the Ballardong region of the Nyungar Nation based in the southwest of Western Australia.
Mr Phil Duncan	Traditional Owner from Gamilaroi Nation, Moree in north western New South Wales.
Dr Sue Feary	Heritage Consultant, New South Wales
Dr Hilary Smith	Principle Latitude Forest Services Company, New South Wales



POLICY, STANDARDS & ENGAGEMENT

Developing the first FSC Australian Forest Stewardship Standard (FSCA-FSS)

2016 saw the Standard progress between Drafts 3 and 4, with stakeholder feedback equipping the Standards Development Group to reach agreement on a number of areas. These included the High Conservation Values Framework, a simplified approach to Scale Intensity and Risk, a refined approach around Sustainable Yield, and with the help of our Indigenous Work Group, culturally appropriate and robust controls around Indigenous Rights. The draft Standard also includes new requirements for social impact evaluation and refined provisions for engagement with stakeholders and local communities.

After three years of discussions and development, in December 2016 the Standards Development Group agreed on a draft to be submitted to FSC International. Whilst the SDG was unable to reach consensus on three important areas relating to workers' rights, riparian definitions and representative sample areas, their approval of the balance of the Standard is an amazing achievement.

Establishing the first FSC Australian Forest Stewardship Standard represents an important milestone in the history of FSC Australia and responsible forest management in Australia. We look forward to this being endorsed by FSC International and launching our national Standard in 2017.

FSC Australia acknowledges the tremendous efforts of the Standards Development Group and their work to date. We also want to thank members and stakeholders who took the time to provide feedback on drafts of the Standard and provide input over the last three years.



Thank you so much for remaining engaged and supporting us to create a Standard that truly reflects the aspirations of the Australian community.



POLICY, STANDARDS & ENGAGEMENT

National Standard Consultation

FSC Australia would like to make a special thank you to former staff members, Daniel Mackey and Jennifer Steinbach for their conscientious efforts on the project.

Standards Development Group

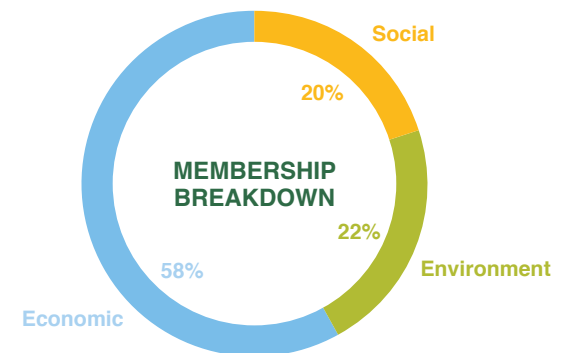
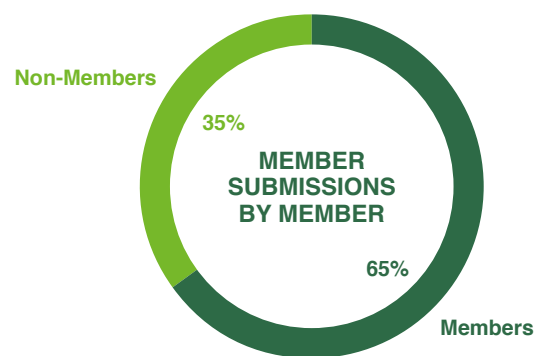
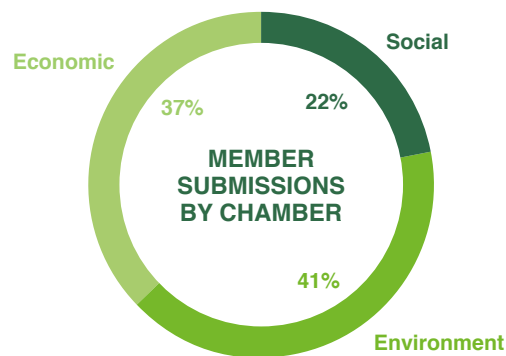
Thank you to the Standards Development Group for their continued efforts.

- Environment Chamber: Warrick Jordan, Paul Winn, David Blair
- Economic Chamber: Suzette Weeding, Amanda Naismith, Peter Grist
- Social Chamber: Travis Wacey, Tim Anderson, Mark Annandale

Throughout the standard development process, the SDG engaged the following technical experts:

- Aboriginal Carbon Fund – UNDRIP and ILO; Indigenous Engagement
- Biosis - Environmental Impact Assessment
- Rod Knight - Water and Riparian Protection
- Professor Breen Creighton – Workers’ Rights
- Indigenous Working Group - Indigenous Rights and Issues

Thank you for their expertise and involvement in the process.



POLICY, STANDARDS & ENGAGEMENT

What is Controlled Wood?

Controlled Wood is virgin wood or wood fibre that can be mixed with FSC certified material in the manufacture of FSC Mix products.

To qualify as controlled wood, material must be verified as avoiding FSC's five categories of unacceptable sources:

1. Illegally harvested wood;
2. Wood harvested in violation of traditional and civil rights;
3. Wood harvested in forests in which high conservation values are threatened by management activities;
4. Wood harvested in forests being converted from natural and semi natural forest to plantations or non- forest use;
5. Wood from forests in which genetically modified trees are planted.

Revision of FSC Australia's Controlled Wood National Risk

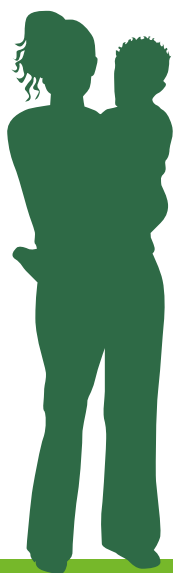
FSC Australia's National Risk Assessment (NRA) moves to a Centralised National Risk Assessment (CNRA) with FSC International

FSC Australia is required to replace its existing Controlled Wood National Risk Assessment (FSC-CWRA-001- AUS) to implement the revised Controlled Wood Standard Requirements for Sourcing FSC Controlled Wood (FSC-STD-40-005 V3-0).

FSC Australia ran a four-week Expression of Interest process for a Controlled Wood National Risk Assessment Working Group in October 2016. The Working Group was to be tasked with developing a new National Risk Assessment and overseeing its consultation nationally.

Due to a lack of Working Group applications, FSC Australia will no longer be coordinating a revised National Risk Assessment development process. Alternatively, FSC International's Centralised National Risk Assessment (CNRA) will replace FSC Australia's existing National Risk Assessment, which will remain effective until 31 December 2017 (this information has been updated, please see above).

FSC Australia and its stakeholders will be directly engaged in the development of the CNRA. National consultation will be undertaken on the CNRA outcomes for all five categories of controlled wood, with stakeholder feedback to inform further development and finalisation of the CNRA.





STRATEGIC PARTNERSHIPS & EVENTS

STRATEGIC PARTNERSHIPS & EVENTS

Previous page image courtesy of Phil Taylor

Future Generations

The Future Generations program, developed with Deakin University, was launched to Primary Schools during Term Two 2016 by FSC Australia with the support of Tork® Professional Hygiene.

Future Generations aims to bring the cross-curriculum priority of sustainability into every subject – from the Arts to Humanities and English.

Through consultation with Primary School teachers across the country, FSC Australia found that incorporating sustainability into subjects other than science was sometimes difficult and resources were limited or hard to find.

“We are a five-star sustainable school and sustainability is core to our values, but we still struggle to integrate sustainability into lessons. And it’s so important for the children to take an active interest in sustainability and the future of our world,”
said Stephen Rothwell, Principal, Chatham Primary School.

Future Generations includes six series of lesson plans and activity sheets. These free lesson plans are available for primary levels from one up to six and are in line with AusVELS curriculum.

Results of the campaign far exceeded targets and succeeded multiple industry benchmarks achieving;

- 5300+ impressions on LinkedIn alone.
- 10,000+ people reached through educational newsletters
- 100+ schools downloaded the materials during the campaign.

The Future Generations plans are available free to download online.

The joint campaign provided significant visibility for FSC. Further the lesson plans have spread important messages about sustainability and forests to the next generation.



STRATEGIC PARTNERSHIPS & EVENTS



Advocacy and Events

2016 saw a strong push in FSC advocacy through events.

We were hosted for presentations by the Corporate Environmental Managers Group in Victoria, for numerous lectures at Melbourne, Monash, and Latrobe University on FSC and private governance systems. Company Secretary, Dan Goldsworthy and CEO Adam Beaumont had the opportunity to present at the Victorian University Governance Conference.

In September Adam attended Sustainable Brands, an industry leaders event. Adam stated, *"I was amazed by the interest and collaboration between eco-labels."* FSC attended and spoke as part of a session on certification and assurance. It is through such opportunities and strategic partnerships that FSC continues to scale, spreading FSC's message, brand and value across the supply chain.



Further, Adam facilitated a panel discussion with politicians at the AusTimber conference in Gippsland, Victoria. The conference held every 4 years brings the timber industry together to discuss responsibly forestry, advancing manufacturing and host idea exchanges. This year's theme was 'Sustainable Supply Chains for the Timber Economy of the Future'. Beaumont co-facilitated a session on: 'Government influence on Supply Chain Sustainability'. The panel comprised of; Tony Pasin – Member for Barker, SA, Senator Ricky Muir – Senator for Victoria, Senator Janet Rice – Green Senator for Victoria, Cameron McDonald – COO HVP and Simon Dorries, AFS. AusTimber deemed the event a great success.

STRATEGIC PARTNERSHIPS & EVENTS

Forests For All Forever Branding

The Forest Stewardship Council® (FSC) has well and truly launched its new global brand: Forests For All Forever. In the past 20 years, FSC has become a well-trusted and established brand in sectors and markets around the world. With our new branding we plan to extend our reach by targeting consumers directly.

“The success of FSC has always depended on consumer awareness and demand for FSC-certified products. We have relied on our partners and certificate holders to spread the message of FSC on our behalf, and their success has been remarkable. But, we have also listened to their calls for more effective tools and materials that could inspire their customers to choose FSC – an identity that would connect with consumers and be memorable in the retail space. We believe the new branding and marketing toolkit will help them do this,”
said Kim Carstensen, Director General of FSC.

The new strapline - Forests For All Forever - reaffirms the FSC vision of saving the world's forests for future generations, while the visual identity, which includes the animals and people who live and interact in forests, reinforces the all-encompassing approach FSC takes to sustainable forest management.

“Forests are so much more than trees and timber. Our Principles and Criteria have always reflected our determination to protect forests and their inhabitants. Now, our commitment will also be expressed in our visual identity, and provide a clearer message to consumers of what it means when they buy an FSC-certified product,” stated Mr. Carstensen.

The online toolkit containing the new branding assets can be immediately accessed by certificate holders, and is now available online for trademark licence holders. “We want to make it simple for consumers to choose FSC® – and understand the benefits of choosing FSC. This brand toolkit will help us do that.”

Visit the marketing toolkit and you'll find:

- campaign material
- brand strategy
- guidelines
- campaigns

<https://marketingtoolkit.fsc.org/>

Made available early 2016 for trademark licence holders.



STRATEGIC PARTNERSHIPS & EVENTS

Brand Positioning

Following the successful launch of 'Forests For All Forever' FSC Australian engaged agency Pollinate, to workshop the FSC Brand for the Australian context. The workshop took a step back, and aimed to underline the benefits of FSC to different stakeholder groups.

Through exploring ideas and value propositions of FSC, significant progress was made to develop marketing and brand positioning for FSC in Australia.

Key outcomes include;

- To drive demand FSC needs to talk to 'consumers' with a compelling narrative
- Empower consumers... let them know that their demand for good wood forms part of a solution
- FSC celebrates better systemic behaviour. It is stronger than 'charitable donations'.
- The ability to tell an authentic story provides us with endless opportunities to produce engaging content
- Setup local purchase decisions as part of the solution to broad global problems.



STRATEGIC PARTNERSHIPS & EVENTS

The Shape Group Partnership

The Shape Group, a leading marketing and representation agency, has provided advocacy services to FSC Australia since 2010 on a pro bono basis. With The Shape Group, we have participated in a series of events to the construction industry.

2016 saw great events including information night, 'FSC certified product demand in the construction industry' plus and a series networking nights and presentations that have provided a platform for FSC to engage key specifiers in the architecture and construction industry in Australia.

Through our partnership with The Shape Group, FSC has seen a significant rise of request from architects to attend 1:1 presentation. Further, FSC has been represented approximately 2,400 times over the last 7 years to the construction industry with The Shape Group

Thank you to The Shape Group for their continued support.

the**SHAPE**group



*"FSC has been represented approximately **2,400 times** over the last 7 years to the construction industry with The Shape Group"*



STRATEGIC PARTNERSHIPS & EVENTS

Global Consumer Engagement Campaigns

FSC #ForestChampions Rio Olympics 2016

All products acquired by the Organizing Committee of the Rio 2016 Olympic and Paralympic Games were FSC certified, from structures to stationery.

Hundreds of organizations have obtained FSC certification to help with the creation of a more responsible Olympics. To commemorate the worldwide event, the FSC network ran a joint social media campaign. The results are in and FSC wins gold at Rio Olympics!

FSC Australia collaborated in the joint campaign with FSC offices across the world to raise the profile of FSC amongst consumers by highlighting that much of the forest product used at the Rio Olympic Games– from buildings to podiums to medal cases – was FSC certified.

The results were unprecedented: **we reached over 5 million people**, with almost 500,000 taking an active role in sharing or visiting our related information.



FSC Friday 2016

On 30 September 2016, FSC offices, certificate holders, members, and partners will host a series of events around the world designed to celebrate and raise awareness about responsible forest management and the role that FSC plays in it, all shared through social media #FSCFriday.

FSC Australia supported network events and promoted the global Thunderclap campaign.

*“Help take care of forests.
Choose FSC for
responsibly-sourced
products! #FSCFriday”*

Social Reach
732,396!

Despite being Grand Final day we had many supporters join us online. Thank you to all who participated.



STRATEGIC PARTNERSHIPS & EVENTS

Annual General Meeting

On Thursday 26th May 2016 FSC Australia held its 10th Annual General Meeting. The day was a great success, with overwhelmingly positive feedback from the 55 attendees.

In setting the direction for the day there was a clear theme from Members and stakeholder about openness, honesty, transparency and most of all, respect. The consistency of these views clearly demonstrates an alignment between the hopes of attendees in their interactions facilitated by FSC and the values that FSC Australia holds.

The event received overall positive feedback.

“Positive discussions, outcome focused”



“Well-designed participatory process. Excellent facilitation”

“Open and honest engagement”

Throughout the afternoon Policy Forum we tested levels of comfort on 5 key issues related to the National Forest Stewardship Standard including,

- Headwater Stream Protection
- Representative Sample Areas
- High Conservation Values - Old Growth Forests
- Non-Indigenous Customary Rights
- Workers' Rights

Across all 5 issues the comfort level was reasonably high amongst the attendees at the AGM.

Thank you to Keith Graves, who facilitated the event and produced the event report.



STRATEGIC PARTNERSHIPS & EVENTS

FSC International Partnerships – New Zealand

2016 has been a positive year where FSC New Zealand worked on making FSC publicly visible and known through event participation and engaging stakeholders.

As a result, an increase in the level of engagement from Certificate Holders has been observed during 2016, with more companies seeking advice from FSC to use the landmark on their website, speak to their team about what FSC means and promote their brand through the FSC newsletter.

Regarding FSC work on raising awareness, two main events are to be recalled:

- The ForestWood Conference, attended by national forest manager and wood manufacturer companies, where FSC presented their work and projects.
- The Waikato Show, consumer facing exhibition which gathered 15,000 visitors keen to know more about “green” products, where FSC was sponsored by Tetra Pak and explained what is behind the FSC label.

Overall, the fastest expansion of FSC interest is observed in the construction sector, with the emergence of the Living Building Challenge, led by the major NZ architect firm JasMax and accepting FSC certification only.

In terms of standards, while the Centralised National Risk Assessment has been delayed, the National Forest Management Standards are expecting a good level of consensus during the public consultation closing early January 2017.

FSC is also aware of the importance of a Pacific Asia regional collaboration, with five countries (China, Australia, Korea, Japan and India) counting for 80% of New Zealand forestry product exports. This is why it is important to keep working closely with the rest of the region by having annual meetings and regular communication.





GROWTH AND INSIGHTS

GROWTH AND INSIGHTS

In the Media - FSC Visible & Known

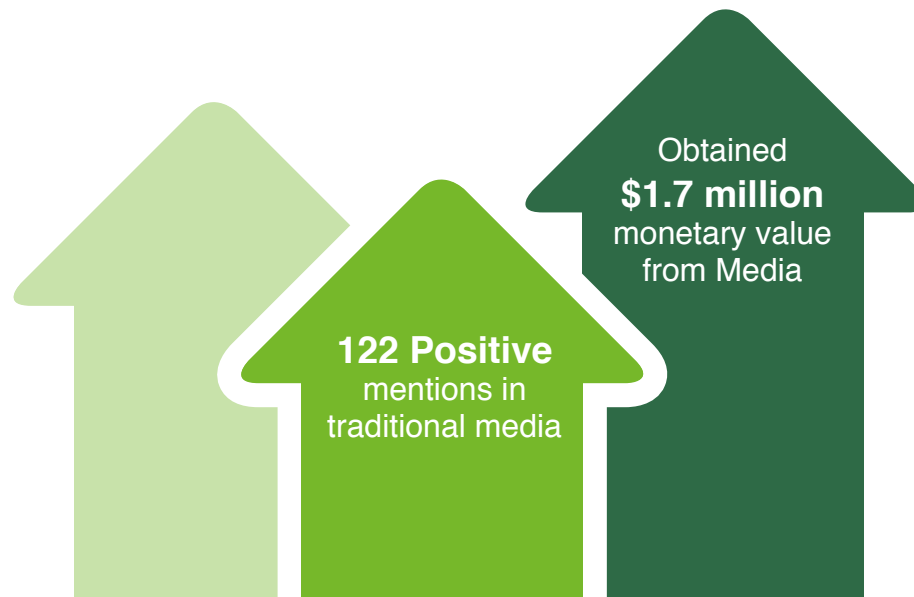
In 2016;

Respectively Australia & New Zealand achieved,

- 70% - 80% share of voice in traditional media, triple compared to other forest certification schemes.
- 70% - 90% share of voice in social media, compared to other forest certification schemes.
- 122 positive mentions in traditional media.
- Obtained \$1.7 million monetary value from Media

FSC Australia & New Zealand Top Headlines of 2016 by reach;

- 'Wear' we're going: smart fabric tech that will change the world
- The challenges of working in the Hunter Valley's sustainable timber industry
- Aged wine barrels produce vintage handcrafted furniture
- Exceptional Efforts by New Zealand Forester Rewarded
- Forester rewarded NZ Order of Merit



GROWTH AND INSIGHTS

Membership

Membership is an important part of FSC governance. Members have different interests, as such they are organised in the FSC system through sectoral chambers. Decision making is, wherever possible, by consensus. These processes ensure that no one sectoral interest controls FSC and that the system maintains its independence and credibility while finding solutions to conflict over forest issues.

FSC Australia welcomed two new members in 2016:

- Peter James Gunson (Social, Individual)
- Charters Paper Pty Ltd (Economic, MC)

In 2016, FSC Australia's membership remained stable.

National Members;

- 18 Environment
- 48 Economic
- 17 Social

The 2016 national membership survey showed strong support for FSC Australia. Overall the results showed FSC membership was found to add value to individuals, organisations & networks.

Key Highlights include:

- 81% are likely to maintain their membership
- 98% are members because this 'demonstrates their commitment to FSC'

The survey data provides a strong basis for developing a strategy to address the medium term outcome: that membership grows in diversity.



GROWTH AND INSIGHTS

QLD

HQPlantations Pty Ltd | 341,800 ha

WA

Albany Plantation Forest Company of Australia Pty Ltd | 19,199 ha

Bunbury Fibre Plantations Pty Ltd | 16,585.2 ha

WA Chip & Pulp Co. Pty Ltd trading as WAPRES | 29,453 ha

NSW

Australian Sustainable Timbers | 1,278 ha

VIC

Australian Bluegum Plantations Pty Ltd | 116,601 ha

Forest Strategy Pty Ltd | 348.13 ha

Hancock Victorian Plantations Pty Ltd | 240,357 ha

PF Olsen (Aus) Pty Ltd | 163,189 ha

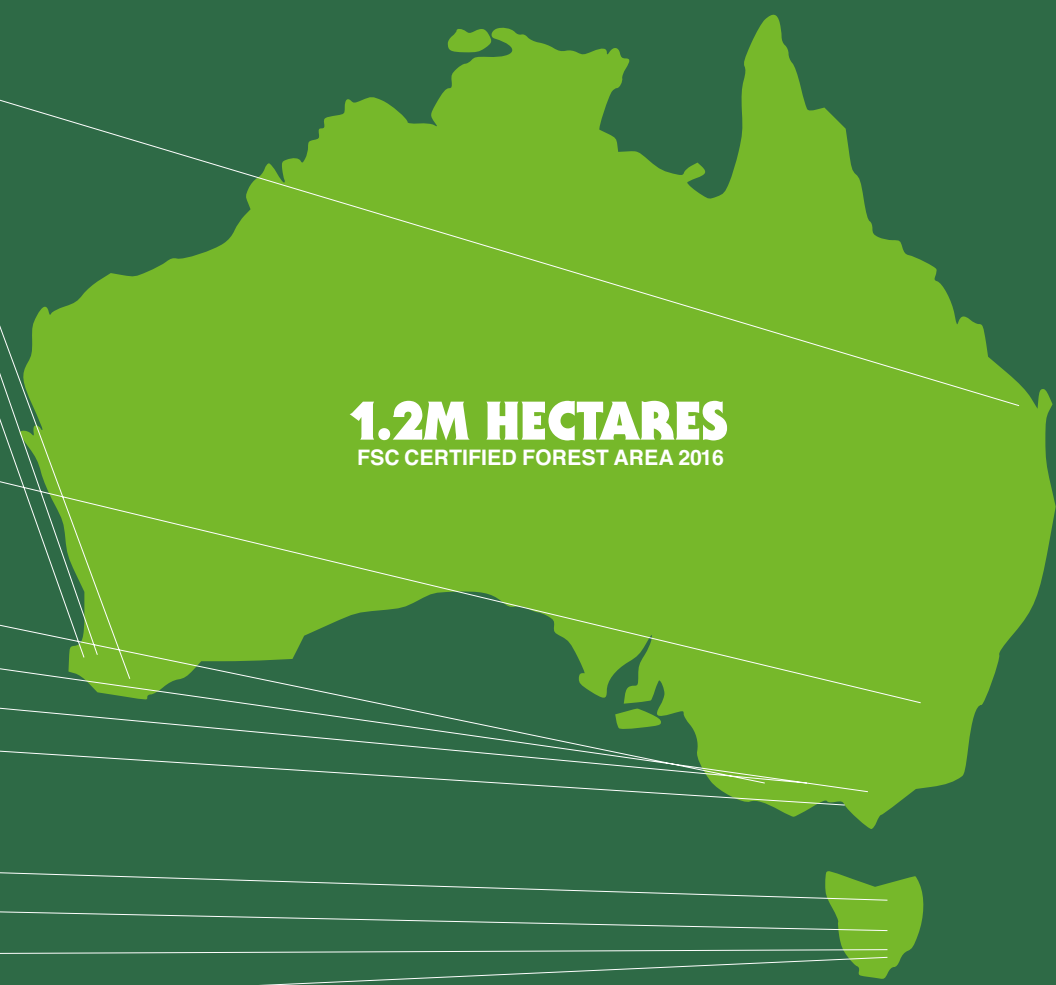
TAS

Timberlands Pacific Pty. Ltd. | 92,215 ha

Forico Pty Limited | 181,008 ha

Norske Skog Paper Mills (Australia) Ltd | 27,730 ha

SFM Environmental Solutions Pty Ltd T/A SFM Forest Products | 5,104.4 ha



1.2M HECTARES
FSC CERTIFIED FOREST AREA 2016

GROWTH AND INSIGHTS



Business Development

FSC Australia and New Zealand saw significant growth in 2016, highlights included;

For Retailers;



Bunnings introduced FSC certified Merbau to its in store range, opening the door for responsibly sourced hardwoods for consumers. Further, the retailer also announced that a third of their timber products are FSC certified.



Officeworks has committed to the responsible sourcing of paper, with a new target of increasing sales of office supplies products with 100 per cent recycled content or with Forest Stewardship Council (FSC) certification. During 2016 Officeworks partnered with Australian Paper to produce the Officeworks exclusive Keji and J.Burrows premium papers. These two paper products are the only Australian manufactured FSC certified papers sourced from local FSC certified forest.



Woolworths announced substantial progress in sustainably sourcing paper and timber products. In line with its commitment, that by 2020, our own brand products won't contribute to global deforestation; 100% of their own brand tissues, toilet paper and kitchen towels are sourced from third party certified sustainable sources. All outdoor furniture sold at BIG W is now sourced from responsibly managed sources certified by the Forest Stewardship Council (FSC).



In forestry;

Forico Pty Limited announced Forest Stewardship Council Forest Management Certification covering almost 180,000 hectares of forests under Forico management control in Tasmania. As Tasmania's largest private forestry management company, Forico Pty Limited represents the transition into a new era of plantation forestry in Tasmania.

Forestry Tasmania met the controlled wood standard for their plantation estate. Forestry Tasmania has now entered the FSC system, and FSC Australia are encouraged by their participation. FSC Australia encourages Forestry Tasmania and other Forest Managers to continue their pursuit of certification and appreciate their commitment and support of FSC's mission to promote environmentally appropriate, socially beneficial and economically viable management of the world's forests.



GROWTH AND INSIGHTS



40% of forest managers have become FSC certified to meet investor or owner requirements

Certificate Holders

The number of FSC Certificate Holders in Australia remains stable.

Breakdown for December 2016;

- 297 Chain of Custody Certificates
- 14 Forest Management Certificates
- 1,246,134 FSC Certified Hectares

New Certificate Holders for 2016

Controlled Wood

- Forestry Tasmania (CW Plantation Estate)

Chain of Custody

- Richard Fuller Nominees Pty Ltd
- Milton Tradings Pty Ltd
- Australian Char Pty Ltd
- Vertical Investment Group Pty Ltd
- Orora Limited
- Confoil Pty Ltd.
- Detmold Packaging Pty Ltd
- SE Commercial Pty Ltd.
- Pentarch Forest Products
- J A Wales Pty Ltd t/a J A Wales Printers

- Peri Australia Pty Ltd
- Paper Print Design Pty. Ltd. Incorporating
- Tecno Papers Australia Pty. Ltd
- Port Investments Pty Ltd trading as Metropolitan Paper

In 2016 we surveyed Certificate Holders to measure satisfaction and gain key insights from both Forest Management & Chain of Custody Certificate Holders in Australia and New Zealand.

The results showed that certificate holders value certification and label their products accordingly.

Key findings for Australian Chain of Custody Certificate Holders included;

- 81% of certificate holders are likely to maintain their certification
- 33% have marketing materials around there FSC certification
- 100% of all staff at Forest Management organisations understand FSC in general
- 40% of forest managers have become FSC certified to meet investor or owner requirements

We look forward to bringing more certificate holders into the system.

GROWTH AND INSIGHTS

Consumer Insights

2016 again saw consumer awareness on the rise for the FSC logo in Australia.

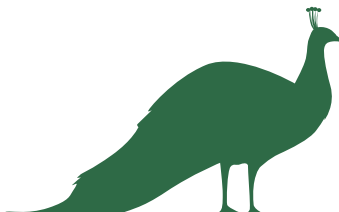
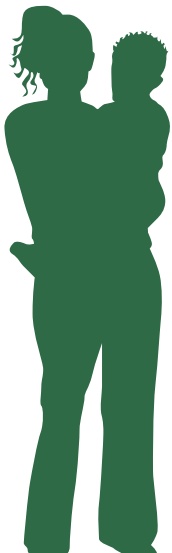
We primarily found that more Australians are familiar with the FSC logo, this has increased to 1/4 of people feeling very or somewhat familiar with the logo.

FSC Australia consumer research key highlights;

- Age Group 30-49 years saw the biggest increase in awareness 20 to 29%
- Younger/University students are most familiar at 31%
- 65+ yrs are least familiar dropping from 11 to 9%



“Two fifths of Australians familiar with FSC are more likely to buy a product if endorsed by the FSC logo”



THANK YOU!

Thank you to our valued members for your continued support.

It is through your commitment that we are to work towards our mission, to promote environmentally appropriate, socially beneficial and economically viable management of forests in Australia and countries supplying the Australian forest products market.



APPENDIX

DIRECTORS' PARTICULARS

Current Directors for 2016 are listed below

FIENBERG, Linda

Qualifications:

Master of Design, UTS; Bachelor of Arts, University of Sydney;

2-year full-time Fine Woodwork course at the Sturt School for Wood, Mittagong, Carpentry and Joinery Trade Certificate.

Experience:

Bush Regeneration; Carpenter, furniture designer/maker (including own business). Technical officer and Design tutor at the University of Sydney and UTS. Team Leader with Healthabitat, (housing in indigenous communities). Previously on the Committee of the Society for Responsible Design (7 years). On the FSC Board as a social chamber representative for 4 years - Currently on the Policy and Standards Committee, and champion for Indigenous action; Previously member/chair of Indigenous Engagement and Membership sub-committees.

Responsibilities:

Social Chamber Member

Director

Member of the Policy and Standards sub-committee

GROENHOUT, Patrick

Qualifications:

BSC (Forestry)(Hons), Australian National University
Grad Dip Resource Economics,
University of New England

Experience:

Pat is a forest industry executive with 25 years experience in sustainable management of native and plantation forests throughout Australia, in both the public and private sectors. Prior to joining the PF Olsen Group to run the Australian company, Pat held senior operational and executive positions in commercial forestry organisations in New South Wales and Victoria and has extensive networks throughout the Australian forest industries.

Pat's specific areas of expertise include; Timber resource, market and financial analysis, Forest management regulation, certification and quality systems, Forest management planning, management of forestry projects in complex and conflicted stakeholder environments, Australian forest policy.

Responsibilities:

Economic Chamber Member

Director

Member of the Finance, Risk & Audit Sub-Committee

January-May Deputy Chair

May-Current Chair of the Board of Directors

LA NAUZE, Jonathan

Qualifications:

Bachelor of Arts, University of Melbourne
Associate Diploma of Music
(Performance), Australian Musical
Examinations Board

Graduate Certificate of Business,
Queensland University of Technology

Experience: Australian Conservation Foundation (Healthy Ecosystems Campaigner 2012. Healthy Ecosystems Program Manager 2013 – present). Friends of the Earth Melbourne (Murray-Darling Campaigner) 2002 - 2012.

Responsibilities:

Environment Chamber Member

Director

Member of the Finance, Risk & Audit Sub-Committee

May-Current Deputy Chair of the Board of Directors



DIRECTORS' PARTICULARS

MORGAN, Andrew

Qualifications:

BSC (Hons), University of Tasmania; Forest Practices Officer (Planning)

Experience:

Andrew is the Managing Director of SFM Environmental Solutions Pty Ltd, a leading independent forestry company operating across Australia. Andrew is an experienced entrepreneurial business leader and is a respected member of the community maintaining a broad network across business, government and NGO platforms. Andrew sits on a several boards including Oak Tasmania, a not-for-profit providing services to people with disability and is the interim Chair of the Industrial Transformation Training Centre for Forest Value.

Andrew's specific areas of expertise include; Forest management and planning, Innovation and Business Development, Timber resource, market and financial analysis, Marketing and Communications, Forest management regulation, certification and quality systems.

Responsibilities:

Economic Chamber Member

Director

Member of the Policy and Standards Sub-Committee

Member of the Marketing & Communications Task Force

MURRAY, Helen

Qualifications:

Bachelor of Economics, University of Queensland
Practitioner's Certificate in Mediation, Institute of Arbitrators and Mediators Australia

Experience:

Helen is the National Coordinator for Timber Communities Australia, an umbrella network that links members of timber communities around Australia. Helen also operates a niche consultancy service as a specialist provider of project development and management, advocacy and stakeholder engagement, government liaison and professional writing services.

She has extensive experience in the agribusiness, rural health workforce and regional development arenas. Former roles include CEO of Pulse Australia and the Australian Lot Feeders' Association, Commercial Manager for Clyde Agriculture and Director of Future Workforce with Rural Health Workforce Australia. She's contributed in voluntary capacities including the Food and Agriculture Working Group at the China Australia Chamber of Commerce, whilst based in Beijing, the Bush Capital Club networking group in Canberra which she co-founded, the Cotton-Wool Committee at Bourke NSW and currently sits on the Friends Advisory Committee of the National Rural Health Alliance.

Responsibilities:

Social Chamber Member

Director

Member of the Finance, Risk and Audit Sub-Committee



DIRECTORS' PARTICULARS



REES, Sarah

Qualifications:

Currently studying: Post Graduate Degree in Business, Philanthropy and Social Investment

Experience:

Sarah Rees has worked on forest and water conservation programs since 1998 with local and national conservation organisations such as; The Wilderness Society, MyEnvironment Inc, The Central Highlands Alliance, The Australian Forests and Climate Inc., Friends of the Earth and Environment East Gippsland. Her priority focus are the forests in the Central Highlands of Victoria - Melbourne's water catchments. Sarah has worked with, and been a member of, FSC Australia, initially in 2003, then later from 2005 to strengthen forest stewardship through timber standards.

In 2013, Sarah participated in the scheme assessment of the Australian Forestry Standard, commenced a working group for the Great Forest National Park and commissioned the first national legal review of the Australian Regional Forest Agreements. Sarah is currently appointed to the Victorian Government - Forest Industry Taskforce.

President of MyEnvironment Inc. since 2008

President of The Central Highlands Alliance 2000-2008

Committee of Management - The Wilderness Society 2007

Committee of Australian Forests and Climate Alliance. 2010

Member of the Victorian Forest Alliance since 2002

Member of Friends of The Leadbeater's Possum.

Marketing consultant Icon Global Link Pty Ltd - Risk management and supply chain - from 2005 - 2011

Environmental and marketing consultant - Access Environment Pty Ltd 2006-2007

Marketing and design consultant since 2000 – 11 Butterflies Design Group

Responsibilities:

Environment Chamber Member

Director

Member of the Membership sub-committee

Member of the Marketing & Communications Taskforce

RUSSELL, Susan

Experience:

Office bearer on North Coast Environment Council since 1999, Regional Coordinator for the North East Forest Alliance since 1996. Formerly held positions on the NSW Government's Forest Advisory Council and Natural Resource Advisory Council. Holds Director position in several other companies.

Responsibilities:

Environment Chamber Member

Director

Member of the Policy and Standards sub-committee



DIRECTORS' PARTICULARS

SCHIRMER, Jacki

Qualifications:

Bachelor of Economics,
Bachelor of Science (Forestry) (Hons), PhD
All from the Australian National University

Experience:

Jacki has been conducting research into socio-economic dimensions of the forest and wood products industries since 1999. Her work has focused on understanding how change in the industries affects those who work in the industry, and the communities that depend on the industry; and on community engagement and conflict resolution approaches.

Responsibilities:

Social Chamber Member
Director
Member of the Membership sub-committee

SPEECHLEY, Cheryl

Experience:

Cheryl Speechley is Environment Manager of Tetra Pak Oceania, a position she has held since 2008.

Cheryl joined Tetra Pak in 1995, beginning a long and rewarding career with the packaging and processing company. During this time she has held positions across many parts of the company: processing, marketing, supply chain management and system implementation.

In her current role, she is responsible for leading the Environment function across Oceania, to drive and ensure compliance and active execution of Tetra Pak's environment strategy, corporate goals and business deployment plans and targets, especially with respect to recycling and environment communication.

Responsibilities:

Economic Chamber member
Director
Member of the Membership sub-committee
Member of the Marketing & Communications Task Force



THANK YOU

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