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Congratulations and welcome to the team at FSC Australia.

As a not for profit, your decision to contribute your time, energy and passion to us and our cause is appreciated. FSC relies on its people, volunteers, members, supporters and stakeholders to drive responsible forest management. Ours is not just a technical endeavor but one aimed at contributing to ensuring forests in our stewardship are healthy and support healthy and vibrant communities.

FSC Internationals mission is to promote environmentally appropriate, socially beneficial, and economically viable management of the world’s forests. Our vision is Healthy forests supporting healthy communities. We have two key roles. The first is to empower our partners from across the supply chain to promote FSC’s brand and value. The second is to be a thought leader on what’s good forest management and bring together diverse views to drive improvement. Our 5-year strategic plan has a series of short, medium and long term mission statements.

You have been hired, joined the Board or have agreed to volunteer for us because you are an important part of us achieving our vision and mission. Thank you for choosing to work with us.

2.1.1 Purpose of this Document

This manual has been developed as a resource and reference for Directors and employees.

The purpose of this manual is to promote the good governance of the Organisation. It seeks to reflect best practice governance, finance and risk management where practicable and is designed to capture current ‘as is’ processes. All substantive changes are captured in the document control table at the end of the manual.

This manual has been developed by FSC staff, Company Secretary and Board. Sections of the manual are drawn from different sources including legislation, best practice guides, FSC Australia’s constitution, FSC Internationals governance documents and research from other organisations.

The manual also serves to introduce new starters to FSC Australia, provide information about our history, what we do and how we do it.

This Manual will be updated as required as the business evolves. If you have any questions about the content please contact FSC Australia’s Company Secretary or CEO.

2.1.2 Changes to this document

This document is designed to periodically change and be updated as required.

All changes to the document, outside of grammatical corrections, must be captured in the Version Control section of the document. As good practice, any updates to this document must be reported to the Board as part of the standard Governance Manual agenda item.

Where changes are substantive such that they: limit the power or authority of the CEO, impact compliance obligations under state or federal legislation or significantly impact the resourcing or direction of the Organisation – then Board approval is required. The CEO is able to approve all non-substantive changes.
2.1.3 What is FSC?

Globally FSC is an international, non-profit organisation founded in 1993 by environmentalists, social interest groups, responsible retailers and leading forest companies to develop standards based on the ‘10 Principles for Forest Stewardship’ by which responsible forest practice can be measured. These standards ensure that environmental, social, and economic needs are balanced, and that long-term forest management plans are implemented. On the ground, this means real benefits so that:

- Waterways are protected.
- Wildlife habitat and species are protected.
- High conservation value forests are preserved.
- Forest management practices are monitored annually.
- Pesticide use is reduced.
- Worker safety and wellbeing is enhanced
- The rights of Indigenous People are respected.
- Communities are respected and valued.

FSC certification is internationally recognised as the most trusted and credible environmental and social standard for responsible forest management. Its great strength lies in its ability to encourage dialogue between various sectoral interests. This partnership among business, the public sector, and civil society provides a unique tool for dealing with the issues surrounding forestry.

2.1.4 Our History

The establishment of FSC Australia began in 2006, when the Economic, Social and Environmental organisations saw that there was a need for FSC to be represented in Australia. Initially, FSC Australia was established with 6 Directors, 10 Economic, 3 Social and 6 Environment Chamber Members. Today, we have well over 80 Members across all three Chambers, under the direction of 9 Board Members, 3 from each Chamber.

FSC has had a presence in Australia since 2001 when a contact person was appointed. In 2006, Responsible Forest Management Australia Limited was incorporated as a public company limited by guarantee (ACN 120 667 870/ABN 81 120 667 870) to promote FSC in Australia and seek accreditation as an FSC National Initiative. Responsible Forest Management Australia Limited (RFMA) trades as FSC Australia (Victorian business name registration number B1937608F). Its mission is to promote environmentally appropriate, socially beneficial and economically viable management of forests in Australia and countries supplying the Australian forest products market.

2.2 Chamber Balanced 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. Membership of each chamber is guided by the requirements of the RFML Constitution and by Membership Guidelines issued by the Board. Those guidelines carry greater weight than the summary shown below.

### 2.2.1 The Social Chamber

The Social Chamber 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 social stakeholders.

### 2.2.2 The Environmental Chamber

The Environmental 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 management.

### 2.2.3 The Economic Chamber

The Economic Chamber 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.

FSC Australia has come a long way since its establishment, from an entirely volunteer run based organisation, to an organisation that is able to support a vibrant team of staffs across Australia and New Zealand in 2019. FSC Australia continues to strive toward its mission of ensuring responsible forest management in Australia, and in November 2018, launched the FSC Australian National Forestry Standard– an essential project that will assist in promoting harmony, demonstrate and increase the sustainability of forest management practices and result in increasing the access of Australian products in international markets.

### 2.3 Global mission statement

The following mission statement reflects FSC Internationals statutes and structures.

- FSC shall promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.
- Environmentally appropriate forest management ensures that the harvest of timber and non-timber products maintains the forest's biodiversity, productivity, and ecological processes.
Socially beneficial forest management helps both local people and society at large to enjoy long term benefits and also provides strong incentives to local people to sustain the forest resources and adhere to long-term management plans.

Economically viable forest management means that forest operations are structured and managed so as to be sufficiently profitable, without generating financial profit at the expense of the forest resource, the ecosystem, or affected communities. The tension between the need to generate adequate financial returns and the principles of responsible forest operations can be reduced through efforts to market forest products for their best value.

### 2.4 Guiding Principles

There are two main tenets or guiding principles of FSC:

1. FSC’s Principles and Criteria apply without discrimination to all tropical, temperate and boreal forests worldwide which are managed for the production of forest products and for the provision of ecosystem service over the long term. The Organisation shall value equally the environmental, social and economic aspects of forest management included in the Principles and Criteria. The Organisation shall be a non-profit non-governmental organisation, and shall remain independent from control by commercial interests, and government, multilateral and bilateral agencies, although collaboration with such entities will be sought. Government owned or controlled entities will only be admitted as Members of the Organisation under specific conditions set forth by the Board of Directors.

2. The Organisation shall seek to compliment national legislation and international treaties and agreements promoting environmentally appropriate, socially beneficial and economically viable forest management. FSC shall promote equitable access to accreditation and certification, and shall avoid discrimination against small-scale Certification Bodies of forest operations.²

² FSC International Statute 8
3 GOVERNANCE STRUCTURE

FSC is an international membership association, governed by its Members. FSC espouses the principles of participation, democracy and equity. Members may be either organisations or individuals.

Members are from diverse backgrounds and include representatives of environmental and social non-governmental organisations, the timber trade, forestry organisations, indigenous people’s organisations, community forestry groups, retailers and manufacturers, and forest certification organisations, as well as individual forest owners and interested parties.

Members apply to join one of three Chambers – Environmental, Social and Economic – which are further sub-divided into Northern and Southern Sub-Chambers. Each Chamber holds 33.3% of the weight in votes; and within each Chamber votes are weighted to ensure that North and South each hold 50% of the votes. This guarantees that influence is shared equitably between different interest groups and levels of economic power.

The Governance structure in Australia is similar. We however do not need to represent the global North and South.

3 Chambered Governance
3.1 FSC Australia

3.1.1 Our objectives

The objects of FSC Australia are to promote environmentally responsible, socially beneficial and economically viable management of forests consistent with the Forest Stewardship Council Principles and Criteria for responsible forest management.

Specifically, the Company strives to achieve these objects through:

- Developing and maintaining Australian national standards for responsible forest management that are accredited internationally by FSC;
- Educational activities with forests including forest management companies, organisations involved in the processing, manufacture, trade, sale or use of products that include material originating in forests and forest communities, consumers and even children;
- Promoting the FSC system to consumers of forest products in Australia and the promotion of products that carry the FSC trademark;
- Relationship building activities with governments, industry groups, companies, educational bodies, trade unions, community groups, indigenous peoples' organisations, environmental and social non-governmental organisations. The encouragement of FSC accredited certification bodies to become active in the Australian market; and
- The establishment and maintenance of the Public Fund in accordance with the rules set out in Rule 19 of the FSC Australia Constitution.
3.1.2 Our role

FSC Australia is a separately incorporated National Office of FSC International. It ensures that the voices of Australian stakeholders are heard internationally through its membership, inputting into the standards development process and promoting the scheme.

It implements a number of related programs in the region on behalf of FSC International. Nationally it ensures the trademark use is enforced and ensures the public understands and can engage in FSC processes. In addition it provides accurate policy, training, market support and media liaison to cement the brand in Australia and New Zealand.

Globally FSC certification is carried out by FSC accredited certification bodies (auditors). These are internationally accredited and managed by an independent accreditation body: Accreditation Services International (ASI). FSC itself does not certify forest operations or manufacturers. This maintains FSC’s independence between its standards and requirements and operations seeking certification.

3.2 Legal Status

3.2.1 Company

FSC Australia was incorporated as Responsible Forest Management Australia Limited (RFMA) as a public company limited by guarantee (ACN 120 667 870). The principal governing document is the Constitution and it must always be publicly available on our website.³

RFMA trades as FSC Australia (Victorian Business Registration Number: B1937608F).

3.2.2 Charitable Status

³ Self Assessment 2013, b.2 & b.3 publicly available on au.fsc.org. Original files held in Governance folder in Dropbox
In order for FSC Australia to achieve its principal objectives, it is imperative to ensure that donations to FSC Australia retain tax-deductible status under the relevant legislation. To ensure that donations remain tax-deductible, FSC Australia must:

- Comply with the rules of the Public Fund;
- Inform the Commonwealth Department responsible for the environment as soon as possible if:
  - It changes its name or the name of the Public Fund;
  - There is any change to the membership of the management committee of the Public Fund; or
  - There has been any departure from the model rules for public funds located in the Guidelines to the Register of Environmental Organisations; and
- Any allocation of funds or property shall be made in accordance with the principal objects of FSC Australia and will not be influenced by the preference of the donor.

3.2.3 Limitations on spending

Subject to preceding paragraph, FSC Australia must use its income and property solely in promotion of its objects. No money or property may be paid or transferred to any Member of FSC Australia by way of dividend, bonus or otherwise or to any of the Directors in the form of fees.

Notwithstanding the preceding paragraph, this does not prevent FSC Australia from making a payment in good faith to a Member or a Director:

- Of reasonable and proper remuneration for services (other than as a Director) provided to FSC Australia;
- For goods supplied in the ordinary course of business; or
- Reasonable reimbursement of expenses including but not limited to travel and accommodation.
- Of reasonable and proper rent for premises let by a Member or Director, provided that such payments have been previously approved by the Board of Directors.

Records of all payments will be maintained and totals may be disclosed in the annual financial statements in accordance with accounting standards. In the application of these principles, Directors shall keep issues of ‘material personal interest’ at the forefront of their decision making.

3.3 FSC International – Global Direction

3.3.1 Mission Statement

To promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.
3.3.2 Vision Statement

Environmentally appropriate forest management ensures that the harvest of timber and non-timber products maintains the forest's biodiversity, productivity and ecological processes.

Socially beneficial forest management helps both local people and society at large to enjoy long term benefits and also provides strong incentives to local people to sustain the forest resources and adhere to long-term management plans.

Economically viable forest management means that forest operations are structured and managed so as to be sufficiently profitable, without generating financial profit at the expense of the forest resources, the ecosystem or affected communities. The tension between the need to generate adequate financial returns and the principles of responsible forest operations can be reduced through efforts to market forest products for their best value.

Through the FSC system, the forest owners, managers, forest product manufacturers, local communities, non-governmental organisations and other interest groups are given equal access, voice and vote to a mechanism that is democratic, inclusive and transparent.

3.3.3 FSC International Values

- **INTEGRITY** - In the way we operate, the truth we tell and the services we deliver.
- **WORKING TOGETHER** - Doing whatever it takes to help one another achieve our goals.
- **PASSIONATE** - We believe in what we are working towards and in the impact FSC can have, and feel like we are making a difference every day, little by little.
- **RESPECT** - We understand the need to be different and truly recognise and appreciate each other’s strength and weaknesses.
- **LEARNING AND DEVELOPMENT** - Fostering creativity, innovation and always challenging our staff to go beyond their current skill levels.
- **SAFETY AND SECURITY** - We take care of ourselves and our surroundings; placing our safety and hygiene at the forefront of our minds.

3.4 FSC Australia – 2015-2020 Strategic Plan

In May 2015, the FSC Australia Board met for two days to develop the key aspects of our 5-year plan. The final plan was approved at the August 2015 Board Meeting. In line with best practice strategic planning, FSC Australia’s plan is designed to be a rolling 5-year plan. It is reviewed in the last Board Meeting every year as part of a two day Board / strategy session and updated to reflect refined priorities in the following calendar year.

The Australian plan is designed to complement FSC Internationals global strategy and is tailored to the unique market, ecological and social circumstances in Australia.

3.4.1 Vision Statement

FSC is the trusted brand for ‘Healthy forests supporting healthy communities’.

3.4.2 Mission Statement
The 5-year strategic plan has a series of Mission statements that change over the life of the plan. The statements correspond to Short, Medium and Long term windows of time.

- **Short term outcomes (2015 – 2016):** To make FSCs brand publicly visible and known;
- **Medium term outcomes (2016 – 2018):** To make FSCs brand valued and respected by stakeholders;
- **Long term outcomes (2018 – 2020):** To make FSCs brand trusted by consumers and stakeholders.

### 3.4.3 Outcome statements

The plan articulates a series of outcomes that are planned to occur over the short, medium and long-term.

#### Short Term outcomes

1. **Standard:** National standard is complete & accredited internationally.
2. **Stability:** Key 3 year funding agreements in place with sponsors.
3. **Business Model:** Provide commercial advice & training on the FSC system to help diversify income streams.
4. **Engagement:** All stakeholders are empowered and engage well with FSC and Certification bodies.
5. **Promotion:** Promotion of FSC brand increases awareness amongst consumers and large retailers.
6. **Promotion:** Certificate holders value certification & increase label use.
7. **Promotion:** Trade mark / FSC Claims increases in sawn timber markets.
8. **Advocacy:** FSC positions itself to have a seat at the table in key policy decisions & have a say in the future of forestry.
9. **Membership:** grows in diversity, breadth and coverage adding value to individuals, organisations & networks.
10. **Services:** FSC has a presence in NZ.

#### Medium Term Outcomes

1. **Standards:** The Controlled Wood Risk Assessment identifies important values and necessary 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:** FSCs 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. **Brand:** FSC brand is recognised, valued and demanded by consumers, stakeholders and procurement professionals.
7. **Case Studies:** Clear examples where FSC certification has led to on ground management changes.
8. **Membership:** Members value FSCs brand and actively support the Organisation.

#### Long term 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 and 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 trademarks.

9. Intelligence: FSC is the authoritative source on FSC & businesses roles in Corporate & Social Responsibility (CSR).

### 3.5 FSC Australia Reconciliation Action Plan

In recognition of Australia’s Aboriginal and Torres Strait Islander peoples as the nation’s First Peoples and original stewards of the land, in 2015-16 FSC Australia developed a Reconciliation Action Plan (RAP). The plan outlined its commitments to respecting and acknowledging Indigenous rights and interests within practice of responsible forest management. The May 2017- May 2019 RAP continues this commitment.

#### 3.5.1 Welcome and Acknowledgement of Country

FSC’s RAP sets out a requirement for a policy on Welcome to Country and Acknowledgement of Country protocols. This requires that an Acknowledgement of Country occur at the commencement of (a) each FSC Australia Board Meeting; (b) any public event held or organised by FSC Australia; and (c) any membership meetings convened or hosted by FSC Australia.

The local traditional owners should be identified and acknowledged, wherever these meetings are held. For example, when meeting in Melbourne, the Acknowledgement of Country should be based on the following (as a guide):"

"We acknowledge the Wurundjeri people of the Kulin Nation as the traditional owners of the land on which we meet, and their continuing connection to land, waters and community. We pay respect to elders both past and present. We respect and look forward to learning from Indigenous peoples’ relationship with Country and the knowledge embedded within their Custodianship.”

For Board Meetings, the Acknowledgement of Country rotates between Directors. The Director delivering the Acknowledgement of Country at each meeting is expected to add a personal anecdote.

FSC Australia will engage a traditional owner to provide a Welcome to Country for at least one key event each year, ideally (and subject to availability) this should occur at each Annual General Meeting.
3.5.2 Celebration of significant indigenous events

In accordance with FSC Australia’s RAP commitments, the Organisation will provide opportunities for, and encourage, any Aboriginal and Torres Strait Islander staff to participate in the celebration of significant indigenous events including NAIDOC week (commonly held in July).

The CEO will encourage all staff to attend a significant indigenous event in addition to marking NAIDOC and National Reconciliation Week (generally in May / June) internally and acknowledging it publicly.
4 BOARD OF DIRECTORS

4.1 Composition of the Board

FSC Australia must, where practical, have at least 3 Members of FSC International on its Board of Directors.\footnote{Self Assessment 2013 b.1}

A list of Board Members is to be made publicly available in the Governance Section of the FSC Australia website and it needs to specify which Directors are its International Members and the date on which they joined the Board.\footnote{Self Assessment 2013 b.4; au.fsc.org}

The number of Directors (not including Alternate Directors) is 3 per Sectoral Chamber and the number of Directors drawn from each Chamber shall be equal.\footnote{FSCA Constitution Rule 10.1}

4.1.1 Schedule of Delegations

The FSCA Schedule of Delegations provides high level guidance on who is responsible for what. Further detail on actual responsibilities are provided in the following chapters. The Schedule of Delegations is maintained with the company registers and is approved by the Board. The Schedule of Delegations is maintained on the FSC Australia Dropbox files at: Dropbox/management/governance/governance manual/current.

The Schedule of Delegations must be reviewed at least annually, usually at the first Board meeting after the Annual General Meeting.

4.1.2 General Role of the Board

The below table outlines the general role of the Board and seeks to reflect best practice governance.

<table>
<thead>
<tr>
<th>Performance</th>
<th>Compliance and Legal conformance</th>
<th>Overall operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensuring FSC Australia’s long term viability and enhancing the financial position.</td>
<td>Understanding and protecting FSC Australia’s financial position.</td>
<td>Establishing FSC Australia’s vision, mission, values and ethical standards.</td>
</tr>
<tr>
<td>Formulating and overseeing implementation of corporate strategy.</td>
<td>Requiring and monitoring legal and regulatory compliance including compliance with accounting standards, legislation, occupational health and safety and environmental standards.</td>
<td>Delegating an appropriate level of authority to management to allow them to manage the day to day operations.</td>
</tr>
</tbody>
</table>

\footnote{Self Assessment 2013 b.1}
\footnote{Self Assessment 2013 b.4; au.fsc.org}
\footnote{FSCA Constitution Rule 10.1}
## 4.1.3 Key Roles of the Board

In addition to general roles common to most governance Boards, Non-Executive Directors also have specific responsibilities as part of the FSC Australia Board.

### Strategic Direction

- Determining and approving the policies and strategic direction of FSC Australia, in co-ordination but not limited by, FSC International’s broader strategy.
- Working with the CEO to ensure that the policies and strategic direction are regularly reviewed and updated to account for changes.
- Approving the business plan and other key performance indicators as they relate to FSC Australia.
• Ensuring that FSC Australia has appropriate risk management frameworks, internal control and regulatory compliance policies and processes in place to protect the overall value and integrity of the Organisation.
• Ensuring that FSCA adheres to a high standard of ethical behavior.

Staff
• Directors to engage and approve appointment of CEO and Company Secretary.  
• Directors to approve CEO’s remuneration package.
• Directors to set Key Performance Indicators for the CEO and ensure targets are met.
• Be advised of staff contracts, and, where applicable, terms of employment.
• Delegate staff related matters to the CEO.

Financial Decisions
• Directors to approve annual financial budget and any other such forecasts as part of the Business Plan.
• Directors to decide upon any necessary steps to protect FSC Australia’s financial position and the ability to meet its debts and obligations when they fall due.
• Approve and monitor major capital expenditure and major contracts in accordance with FSC Australia’s objectives.

4.2 Chair of Directors

4.2.1 What is the Role of the Chairperson

The Chair of the Board plays a critical role in setting the tone, culture, behaviour and performance of the Board. The Chair is not just responsible for the running of the meeting, but ensuring Board members are prepared, cooperative, supportive of each other and function as a high performing team.

The Chair is actively supported by a Deputy Chair who meet fortnightly with the CEO (usually on the phone) and together ensure the smooth running of the Organisation. The Chair and Deputy Chair relationship is key to ensuring appropriate succession when the Deputy Chair in the subsequent year becomes the Chair. This structure and successional arrangement provides continuity for the CEO and the Board.

The Chairs specific responsibilities are for:
• Chairing Board Meetings.
• Providing leadership to the Board.
• Establishing the agenda for Board Meetings in consultation with the CEO.
• Being the major point of contact between the Board and the CEO.
• Maintaining a high level of knowledge of ongoing issues and their management.
• Providing mentoring for the CEO.

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10 Part 2D.4 corporations Act 2001
• Keeping a record of ‘in camera’ Board Meetings in the absence of the Secretary.
• Reviewing draft minutes and signing approved minutes.

4.2.2 Electing the Chair

The Directors shall elect one of their number as their Chairperson, who will hold office as Chair for a period of 12 months. The Chair shall be elected at the first Board Meeting after the Annual General Meeting.

It is by convention that each year the Chair rotates between the Chambers, and the Deputy Chair becomes the new Chair, however circumstances and wishes of the Board may produce different decision making from time to time.

4.2.3 Absence of Chairperson

Where a meeting of Directors is held and:

i. a Chair has not been elected\(^{11}\); or

ii. the Chair is not present at the time appointed for the holding of the meeting or does not wish to Chair the meeting, the Directors present may elect one of their number to be Chair of the meeting.

4.3 Directors role, qualifications and conduct

4.3.1 The role of individual Directors

As a Director of FSC Australia, there are fundamental common law and statutory obligations that must be adhered to. These include:

• Acting in good faith, in the best interests of the company.
• Acting with care and diligence.
• Avoiding conflicts between your role as a Director and any of your personal interests.

In discharging these duties you need to:

• Support management to make the best decisions while avoiding the tendency to micro-manage them.
• Encourage constructive debate in the Boardroom.
• Ensure all relevant issues are given due consideration before a decision is made.

As a Director, you also need to be aware of the wide range of other legal requirements with which the Company must comply and that, as a result, have a direct bearing on your role and in some instances, attach specific personal responsibilities to you. Specific examples may include legislation in relation to:

• Privacy.
• Occupational health and safety.

\(^{11}\) FSCA Constitution Rule 13.5(a)
In addition to the statutory and common law requirements imposed on Directors, a Director of FSC Australia must individually:

- Possess the ability and intelligence to make sensible business decisions and recommendations.
- Have a strong commitment to the achievement of FSC objectives and goals.
- Act honestly, in good faith and in the best interests of FSC Australia as a whole.
- Use due care and diligence in fulfilling the functions of an FSC Australia Director and exercising powers associated with that position.
- Use your powers for proper purpose, in the best interests of FSC Australia as a whole.
- Recognise that the primary responsibility is to FSCA as a whole, but should, where appropriate, have regard to the interests of all stakeholders of the organization.
- Not make improper use of information acquired as a Board member.
- Use best endeavours to attend all Board Meetings and prepare thoroughly for them.
- Participate fully, frankly, and constructively in all FSC Australia Board discussions so as to bring the benefit of your particular knowledge, skills and attributes to the Board.
- Avoid conflicts of interest.
- Make reasonable enquiries that FSCA is operating efficiently, effectively and legally in achieving its objectives.
- Not allow personal interests, or the interests of any associated person, to conflict with the interests of the entity.

### 4.3.2 Qualifications

Directors need to comply with and possess a combination of legal requirements and personal attributes appropriate for Directorship. In accordance with statutory requirements and in keeping with developments at common law, Directors must adhere to the following qualifications and requirements:

- The Directors of FSC Australia must be persons who are either an individual Member or the nominated representative of an organisation Member of FSC Australia.
- A Director who is not an individual Member (that is, is a representative of an organisational Member) agrees to be bound by FSC Australia’s Constitution as if that Director were an individual Member.
- Representatives of FSC accredited certification bodies and representatives of government, whether Federal or State, are not eligible to be Directors.

12 Corporations Act
• Directors are a responsible person pursuant to the relevant Australian legislation.\(^{13}\)
• Directors will be asked to submit to such searches and make such declarations sufficient to discharge the obligations of FSC Australia to ensure suitability to hold office in compliance with the law.\(^{14}\)
• Directors must meet the requirements of FSC Network Procedures, including the requirement that they will not be engaged in the Board of another forest certification scheme.\(^{15}\)
• Directors must have successfully completed an FSC Australia Induction conducted by the Company Secretary and
• Following completion of the Directors Induction, newly inducted Members must submit the appropriate Statutory Declaration confirming that they have read and understood this Corporate Governance Manual and FSC Australia’s Constitution and acknowledge their rights and responsibilities as a Director of FSCA and executed all instruments as required.

4.3.3 Alternate Directors

Each Director may appoint any person (who, if there are other Directors, is approved by a majority of the other Directors) to act as an Alternate Director in the Director’s place, either for a stated period or until a specified event, whenever by absence or illness or otherwise the Director is unable to attend to duties as a Director.

The person appointed as Alternate Director must be a Member of the same Sectorial Chamber as the Director in whose place the Alternate Director is appointed.

The appointment must be in writing and signed by the Director and a copy of the appointment must be delivered to the CEO of FSC Australia or to a meeting of the Directors. The same obligations as a Director apply.

The appointment takes effect on (if there are other Directors) approval by a majority of the other Directors or, where the approval has been granted, at any later time specified in the appointment.

Whilst this power is available, it is acknowledged by the Directors that appointments of this nature carry with them expectations that the alternate will be thoroughly trained by the Director and this is a function designed to be used for a longer period of time.\(^{16}\)

In these circumstances Directors should consider their fiduciary duties to the Company and whether they can continue to occupy a seat on the Board.

4.3.4 Conflict of Interest / Material Personal Interest

\(^{13}\) ACNC Act; Corporations Act 2001
\(^{14}\) Ibid
\(^{15}\) Self-Assessment 2013, O.3 and clause 1.2.4(e) of the Network Procedures
\(^{16}\) FSCA Constitution 10.6(h)
A Director who has a material personal interest in a matter that relates to the affairs of FSC Australia must give the other Directors notice and make a “material personal interest declaration” of his or her interest in accordance with the Corporations Act\textsuperscript{17} and the Constitution.\textsuperscript{18}

Directors will take care to ensure that no real or perceived conflict of interest exists relative to decisions they make as a Director of FSC Australia. Directors must not use their position with FSC Australia to gain advantage (commercial or political) to themselves or someone else (including their employer), and must maintain their fiduciary duty to FSC Australia.

Directors should disclose any potential conflict of interest at the beginning of the meeting or at a time when a particular issue arises on the Agenda and shall sign a conflict of interest declaration in a form approved by FSC International.\textsuperscript{19}

### 4.3.5 Code of Conduct

The Board of Directors’ leadership is imperative to the successful operation of FSC Australia. Consequently, the Board of Directors is expected to conduct itself in a proper way.

The Board and its Directors:

- Have a duty to use due care and diligence in fulfilling the functions of their office and exercising powers attached to that office.
- Must use the powers of their office for a proper purpose, act honestly, in good faith and in the best interests of FSC Australia as a whole.
- Must recognise that their primary responsibility is to FSC Australia as a whole but bring important information from their representative interests to include in its deliberations.
- Must not take advantage of being in the position of a Board Member.
- Must not allow personal interests, or the interest of any associated person, to bring them into conflict with the interests of FSC Australia.
- Are required to be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.
- Must recognise that confidential information received as a Board Member in the course of exercising those duties remains the property of FSC Australia and/or FSC International and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by FSC Australia, or the person from whom the information is provided, or is required by law. Directors are required to sign a declaration that they will keep information of a confidential nature in the manner proposed and it is required to be provided to FSC International.\textsuperscript{20}
- Should not engage in conduct likely to bring compromise to the integrity of FSC Australia, discredit it or brings its name into disrepute.
- Have an obligation, at all times, to comply with the spirit, as well as the letter, of the law.

\textsuperscript{17} Self Assessment 2013 o.1
\textsuperscript{18} FSCA Constitution 13.7 & 13.8
\textsuperscript{19} Self Assessment 2013 o.1
\textsuperscript{20} Network Procedures 1.2.4(e)
In May 2015, the Board approved a revised Code of Conduct for which all Directors must declare support and adherence to via a signature. The Secretary is responsible for collecting these annually at the first Board Meeting post the Annual General Meeting. The Annual Declaration Form can be found in Dropbox/Management/Governance/Governance Manual/Current/Director Declarations.

Furthermore, in September 2018, the Directors resolved that including consideration of the following principles:

1. Respectful criticism of FSC SHs is acceptable.
2. Directors should not publicly comment on any matter which relates to FSCA Board (or delegated) decision making.
3. Provisions for exceptions to 2.) can be provided at the Board's discretion, with appropriate conflict of interest management (e.g. recusing from decisions)
4. If Board members wish to comment publicly on any matter relating to FSCA, then they should directly contact FSCA first.

The Board agreed that the CEO can speak to stakeholders on an as needs basis regarding managing conflicts.

### 4.4 Election and Induction of Directors

#### 4.4.1 Appointment of Directors

At each Annual General Meeting:

- One (1) Director shall be elected from each Sectoral Chamber for a term of office expiring at the third (3rd) AGM after the election; and
- Any remaining term of office of a Director position in which a casual vacancy has arisen since the last AGM shall be filled by election from the corresponding Sectoral Chamber.21

Nominations of candidates for election as Directors must be:

- Made in writing, signed by two (2) Members and accompanied by the written consent of the candidate; and
- Delivered to the Secretary not less than twenty five (25) days before the AGM.

The Secretary must inform Members by:

- Electronic mail (or where this is not available); and
- By post of the call for nominations at least sixty (60) days prior to the AGM.

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21 Self Assessment 2013 b.7, FSCA Constitution 11
The Secretary must receive nominations but not examine or open them prior to the cut-off to demonstrate the highest level of independence and corporate governance. Actions of the Secretary in accepting nominations are binding on the Company.\textsuperscript{22}

If insufficient nominations are received to fill all vacancies on the Board of Directors, the candidates nominated shall be deemed to be elected and further nominations may be received at the AGM.

If the number of nominations received is equal to the number of vacancies to be filled, the persons nominated shall be deemed to be elected, provided the Company Secretary deems their nomination is compliant with the requirements set out in this manual and all relevant laws and instruments.

If the number of nominations exceeds the number of vacancies to be filled, a ballot must be held.

The ballot for the election of Directors shall be conducted at the AGM in such manner as the Board of Directors may direct.

The Company shall keep a Register of Directors in a publicly available location containing the following information:\textsuperscript{23}

- Name
- Sectoral Chamber
- Date of election or appointment to term
- Length of term
- Whether they are a member of FSC International
- The date from which they joined the Board
- Whether they are an individual Member or representative of an organisation

In line with section 10.2(c) of the Constitution, certification bodies and government owned or controlled entities (as defined by FSC International), whether Federal or State, may not be represented on the Board of Directors.

### 4.4.2 Term of Office for Directors

Directors elected\textsuperscript{24} shall hold office from the end of the Annual General Meeting at which they are elected until the end of the third Annual General Meeting after they are elected.\textsuperscript{25} Directors may be re-elected\textsuperscript{26} and there is no limit on the number of terms.

In the event of more than one seat becoming vacant at the same time, the appointment to the longer tenured seat will be resolved between the new appointees. If it cannot be resolved by agreement, then the Chairman and/or Secretary are to use an appropriate method of random selection (e.g. name out of a hat, or coin flipping).

\textsuperscript{22} Corporations Act 2001 S204e

\textsuperscript{23} Self Assessment 2013 b.4

\textsuperscript{24} FSCA Constitution (ver.) Rule 11

\textsuperscript{25} FSCA Constitution Rule 10.4(a); Corporations Act 2001 (CT)

\textsuperscript{26} FSCA Constitution, Corporations Act
Directors that have been appointed to fill casual vacancies shall hold office until the end of the next Annual General Meeting after they are appointed. Any remaining term of office shall be filled at the next Annual General Meeting by election.

### 4.4.3 Remuneration of Directors

No Director is entitled to be paid a fee for his or her service as a Director. The Directors will be entitled to be reimbursed for all out-of-pocket expenses incurred by them in the performance of their duties as Directors, where the amount payable does not exceed an amount approved by the Directors, and in circumstances approved.

It is usual that where Directors are supported by an organisation with scale and resources they will meet their own costs.

All flights and accommodation will be reimbursed by FSC based on reasonable costs. FSC Australia will seek arrangements or agreements with hotels to ensure reasonable rates can be obtained. Any expenses produced greater than 2 months after being incurred or after close off of the Jan-Dec financial year will not be paid.

### 4.4.4 Appointment to Other Boards

Any Director of FSCA is at liberty to accept other Board appointments so long as the appointment is not in conflict with the Company’s business and does not detrimentally affect the Director’s performance and ability to discharge his/her obligations on behalf of FSC Australia.

FSC Australia Board members must not be engaged in the Board of another forest certification scheme, nationally or internationally.

Other appointments should be discussed with the Chair before acceptance and it is at the Chairperson’s discretion to establish whether or not a conflict of interest exists.

### 4.5 Vacating Director Positions

#### 4.5.1 Removal of Directors

The office of a Director becomes vacant in a number of circumstances.

Of note, the Director is a personal appointment as a representative of an organisation Member. If the person concerned ceases to be in the employ of an organisation Member, it is still possible for them to hold a seat, provided the organisation consents. If a vacancy ensues, then normal procedures apply. Alternatively, a Director can become the representative of another organisation Member.

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27 Subject to Rule 10.4(a) and to the Corporations Act

28 Constitution Rule 11

29 Approved amounts are regarded as those set in the agreed annual budget

30 Self Assessment 2013 o.3

31 FSCA Constitution Rule 10.4
At law a Director cannot be removed by other Directors\(^32\), rather this can only occur by the Members at a General Meeting with the notice provided to the membership and procedure followed pursuant to the law.\(^33\)
The Board may at any time appoint a person to be a Director to fill a casual vacancy.\(^34\)

### 4.5.2 Confidentiality of Outgoing Directors\(^35\)

The provisions of the confidentiality agreement signed together with FSC International survive the period of Directorship ending. Outgoing Directors are required to sign a confidentiality agreement to ensure the interests of FSC Australia and FSC International are protected.

### 4.6 Induction of New Directors

Upon appointment, new Directors will have the benefit of being inducted, a practice that is aimed at increasing their understanding of FSC Australia and its environment. This shall be delivered by the Company Secretary, or alternatively by a sufficiently knowledgeable and competent staff member(s) at the discretion of the Board of FSC Australia.

Induction shall form part of the first Board Meeting after the AGM and serve as a refresher also for existing Board members. Else, it must occur within a period of four (4) weeks from the date of election of the Director.

Inducted Directors must sign a declaration that they have been inducted. The Secretary is responsible for holding records of Director induction.

### 4.7 Communication Protocol for Directors

FSC Australia recognises the importance of managing its public relations to more effectively build and manage the reputation of FSC Australia. Implicit in this is the mitigation of potential and expected risks.

Consequently, Directors have agreed to comply with the following protocol in respect to communications with media or external organisations.

It is acknowledged that Directors must do their day jobs, which often involves speaking to external media or Stakeholders. However when this is necessary, Directors shall ensure that commentary cannot be construed as being critical of FSC operations or lead to division. Directors need to ensure the capacity in which they speak is clearly provided and if at all possible on issues where a conflict might be real or inferred, consider deferring to another person within their organisation.

FSC Australia has nominated official spokespeople who are authorised to speak to media on behalf of the Organisation. These include:

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\(^{32}\) Corporations Act 2001 s203E  
\(^{33}\) Corporations Act 2001 s203D  
\(^{34}\) FSCA Constitution Rules 10.2 and 10.3(c)  
\(^{35}\) Self Assessment 2013 o.2
1. FSC Board Governance

1. Board Meetings

6. 2019

6. 19 Sept

13.2 Governance

Manual V3.7 Draft Sept 19 v2.docx

<table>
<thead>
<tr>
<th>Title</th>
<th>Role of the Spokesperson</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO of FSC Australia</td>
<td><strong>Primary spokesperson</strong> – all media interviews should be conducted by the CEO as a priority.</td>
</tr>
<tr>
<td>Chair</td>
<td><strong>Primary spokesperson on behalf of the FSC Board</strong> – to speak to media <em>only</em> on behalf of/representing the FSC Board. Not to be an FSC spokesperson in other instances unless on an urgent matter in the event the CEO is unavailable and this capacity is clearly explained.</td>
</tr>
<tr>
<td>FSC Australia Staff Member</td>
<td><strong>Proactive/Promotional activities.</strong> The FSC Australia staff member is able to speak as a primary spokesperson on specific promotional activities related to his/her work.</td>
</tr>
<tr>
<td>Communications Director, FSC International</td>
<td><strong>Spokesperson for FSC international</strong> – to handle media enquiries in Australia on the occasion that media might want an international/global perspective.</td>
</tr>
</tbody>
</table>

Depending on the nature of the conflict the Chair will then either:

- Seek views of the other Directors as to whether a conflict exists;
- Ask the Director to leave the room while the matter is discussed; or
- Ask the Director for their views on the matter and then ask them to leave the room while it is discussed.

If advice is needed the Chair shall defer to the Company Secretary.

4.8 Directors’ Support and Development

4.8.1 Independent Professional Advice

A Director of FSC Australia is entitled to obtain independent professional advice relating to the affairs of FSC Australia or to his or her responsibilities as Director.

If a Director considers such advice is necessary, the Director will first discuss it with the Chair, and having done so, shall be free to proceed, provided budgets to pay for such advice have been authorised.

Subject to the prior approval of the Chair, the cost of the advice may be reimbursed by FSC Australia subject to the Director ensuring the cost is reasonable.

4.8.2 Performance Evaluation

It is imperative in the discharge of the Board’s obligation to FSC Australia that the performance of Directors individually and of the Board collectively is evaluated and, where necessary, improved upon. Conversely, the Board must be held accountable for poor performance.
The Chair shall ensure that an appropriate process is established and maintained to do so, using a performance evaluation tool such as the tool below. The Board evaluation tool set out in the section below will be used as the basis to assess the Board’s performance and it (or another like document) is to be distributed at every Annual General Meeting.

Board evaluation is to occur at the last 2-day Board Meeting every year. The Chair and Secretary are responsible for ensuring this occurs. Once complete, the matters should be discussed at the following Board Meeting.

The evaluation aims to assess both the behaviours and processes of the Board and, at the discretion of the CEO and the Chair, may be facilitated and administered by an external third party. Each of the assertions contained therein should be awarded a rating on a scale of 1 to 3 by individual Directors or by the Board as a whole:

- 1 = Hardly ever/Below average
- 2 = Average/Most of the time/Above average
- 3 = All of the time/Fully satisfactory

4.8.3 Board Evaluation Tool

The Board evaluation tool must be completed as part of the last two day Board session in any given year. The Chair and Secretary are responsible for this occurring. The Board can request that an external facilitator be engaged to undertake the assessment to ensure learnings are shared across the Board and all Directors have an opportunity to receive feedback from their peers.

<table>
<thead>
<tr>
<th>Behaviours</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Setting strategy:</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>All Board members support and debate FSC Australia’s strategy and values, enabling them to set the tone from the top.</td>
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<tr>
<td>Strategy:</td>
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<tr>
<td>All Board members have a clear understanding of FSC Australia’s core business, its strategic direction and the financial and human resources necessary to meet its objectives.</td>
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<tr>
<td>Board performance:</td>
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<tr>
<td>The Board sets itself objectives and measures its performance against them on an annual basis.</td>
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<tr>
<td>Managing Board Meetings and discussions:</td>
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<tr>
<td>Board Meetings encourage a high quality of debate with robust and probing discussions.</td>
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<tr>
<td>Managing internal Board relationships:</td>
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<tr>
<td>Board members make decisions objectively and collaboratively in the best interests of FSC Australia and feel collectively responsible for achieving Organisational success.</td>
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</tr>
<tr>
<td>Behaviours</td>
<td>1</td>
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<td>Comments</td>
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<tr>
<td>Managing the Board’s relationship with others:</td>
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<tr>
<td>The Board communicates effectively with all of FSC Australia’s stakeholders and seeks their feedback.</td>
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<tr>
<td>Board members’ own skills:</td>
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<tr>
<td>Board members recognise the role which they and each of their colleagues is expected to play and have the appropriate skills and experience for that role.</td>
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<tr>
<td>Reaction to events:</td>
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<tr>
<td>The Board responds positively and constructively to events in order to enable effective decisions and implementation and to encourage transparency.</td>
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<tr>
<td>Chair</td>
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<tr>
<td>The Chair’s leadership style and tone promotes effective decision-making, constructive debate and ensures that the Board works as a team.</td>
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<tr>
<td>Chair and CEO relationship:</td>
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</tr>
<tr>
<td>The Chair and the Chief Executive Officer work well together and their different skills and experience complement each other. The CEO is empowered and staff satisfaction is demonstrably high.</td>
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<tr>
<td>Attendance and contribution at meetings:</td>
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<tr>
<td>All Board members attend and actively contribute at Meetings. Absenteeism is minimal.</td>
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<tr>
<td>Open channels of communication:</td>
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<tr>
<td>The Board has open channels of communication with executive management and others and is properly briefed.</td>
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<tr>
<td>Risk and control frameworks:</td>
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<tr>
<td>The Board’s approach to reviewing risk in FSC Australia is open and questioning, and looks to learning points from events, rather than blame.</td>
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<tr>
<td>Processes</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>Comments</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Composition:</td>
<td></td>
<td></td>
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<tr>
<td>The Board is the right size and has the best mix of skills to ensure</td>
<td></td>
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<tr>
<td>its optimum effectiveness. The Board seeks to encourage Members of</td>
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<tr>
<td>complementary and needed skill sets to apply for election to the</td>
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</tr>
<tr>
<td>Board.</td>
<td></td>
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</tr>
<tr>
<td>Terms of reference:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The terms of reference for the Board are appropriate, with clearly</td>
<td></td>
<td></td>
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<tr>
<td>defined roles and responsibilities, ensuring that the right issues are</td>
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<tr>
<td>being addressed.</td>
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</tr>
<tr>
<td>Committees of the Board:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Board’s committees are properly constituted, perform their</td>
<td></td>
<td></td>
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<tr>
<td>delegated roles and report back clearly and fully to the Board.</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Company Secretary</td>
<td></td>
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</tr>
<tr>
<td>The Company Secretary acts as an appropriate conduit for the provision</td>
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<tr>
<td>of information to the Board, assisting it to operate in accordance</td>
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<tr>
<td>with its legal and contractual obligations and as a support to the</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Chair and Directors.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Meetings and administration:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Board meets sufficiently often (usually six times per annum),</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>and with information of appropriate quality and detail, such that</td>
<td></td>
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<tr>
<td>agenda items can be properly covered in the time allocated.</td>
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<tr>
<td>Timeliness of information:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information is received in sufficient time to allow for proper</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>consideration, with scope for additional briefing if necessary. Papers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>are received for formal Directors Meetings a minimum of 5 days prior</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>to the meeting.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

36 FSCA Constitution Clause 13.3
1. FSC Board Governance

1.1 Board Meetings

The Company makes best use of its Annual General Meeting, feeding important information to its Members and engaging them in high level decision making.

1.2 External stakeholders:

The Board has defined its external stakeholders and ensures that FSC Australia has the right level of contact with them.

1.3 Risk management:

The Board uses an active and well-structured process to manage risk, taking into account FSC Australia’s activities and the breadth of functions across the business.

1.4 Induction and training:

Board members receive induction on appointment and ongoing training is available to meet development needs, where necessary.

1.5 Succession planning:

There is appropriate succession planning for the CEO and Directors are considering their terms and skill sets around the Board table, working together to encourage Members with needed skill sets to apply to join the Board.

1.6 Performance evaluation:

Board members are individually subject to an annual performance evaluation that measures their contribution and commitment.

4.9 Board Advisory Groups, Working Groups and Committees

The Board may establish committees or working/advisory groups where required. These are advisory in nature and may make recommendations to the Board. Unless delegated decision making by the Board, it is ordinary for working groups and committees to work on specific issues and defer back to the Board for decision making.37

4.9.1 Committees

The Committee can be elected by ballot at a General Meeting, and can be comprised of people other than Directors, or it can be formed in the usual way by Directors themselves. Where a committee consists of any Directors, the Sectoral Chambers shall be equally represented unless by resolution the Directors determine otherwise. The reason

37 FSCA Constitution Rules 13.9-13.11
4.9.2 Purpose and Focus of Committees

<table>
<thead>
<tr>
<th>Committee</th>
<th>Purpose of Committee</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance, Risk and Audit</td>
<td>To assist the Board in its responsibility to:</td>
<td>1. FSCA Risk Management</td>
</tr>
<tr>
<td></td>
<td>1. Monitor and review the financial reporting process.</td>
<td>2. FSCA Governance Manual revisions and application.</td>
</tr>
<tr>
<td></td>
<td>2. Ensure there is an adequate system of internal control.</td>
<td>3. Performance Reporting and Target setting.</td>
</tr>
<tr>
<td></td>
<td>3. Review the risk management systems.</td>
<td>4. Independent Auditor Reports.</td>
</tr>
<tr>
<td></td>
<td>4. Monitor, oversee and review the external audit process, including the appointment, remuneration, independence and non-audit services.</td>
<td>5. Establishment of Corporate Risk Register and Controls.</td>
</tr>
<tr>
<td></td>
<td>5. Monitor compliance with applicable laws, regulations, contracts and company policies.</td>
<td>6. Oversight of grants received from philanthropic funds or other sources.</td>
</tr>
<tr>
<td></td>
<td>6. Review completion of audits or reviews of major projects and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>7. Ensure adequate internal communication and reporting.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>It is good practice that:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The Committee meet at least four times a year.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The CEO and responsible account manager attend.</td>
<td></td>
</tr>
</tbody>
</table>

---

38 FSCA Constitution Rule 13.9
<table>
<thead>
<tr>
<th>Committee</th>
<th>Purpose of Committee</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• At least one member of the Committee will be qualified and experienced in financial matters.</td>
<td>1. Issues arising from the National Standard.</td>
</tr>
<tr>
<td></td>
<td>• The Board reviews, at least once in each year, the membership and the terms of reference of the Committee to determine its adequacy for current circumstances.</td>
<td>2. Issues arising from the Controlled Wood NRA.</td>
</tr>
<tr>
<td>Policy and Standards</td>
<td>1. To provide oversight and guidance on the process to develop and undertake stakeholder consultation around policy and standards.</td>
<td>3. Issues arising from the revised Policy for Association.</td>
</tr>
<tr>
<td></td>
<td>2. To provide oversight and guidance on key policy matters and advise the Board, CEO and Policy Manager.</td>
<td>4. Facilitate Member awareness of, and input to, key motions due for discussion at the General Assembly.</td>
</tr>
<tr>
<td></td>
<td>3. To help, test and incubate ideas and concepts relating to forest management issues and the standards that relate to them.</td>
<td>5. Stakeholder Engagement Guidelines including guidance for people wishing to make complaints.</td>
</tr>
<tr>
<td></td>
<td>4. To provide guidance on policy work being undertaken by FSC Australia and ensure engagement from all three Membership Chambers.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. To provide guidance on policy work coming from FSC International, when relevant.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>It is good practice that:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The Policy &amp; Standards Manager attend meetings.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The Board reviews, at least once in each year, the membership and the terms of reference of the Committee to determine its adequacy for current circumstances.</td>
<td></td>
</tr>
<tr>
<td>Membership</td>
<td>To advise the Board on:</td>
<td>1. Review of membership Fees.</td>
</tr>
</tbody>
</table>
### 4.9.3 Special Advisory Groups or Taskforces

The Board of Directors may appoint Special Advisory Groups consisting of experts in a particular field to provide advice to the Board of Directors on specified matters as determined by the Board of Directors.

Appointments to a Special Advisory Group should ensure a balance of interests. All proceedings must be governed by provisions of FSC Australia’s Constitution and this Corporate Governance Manual.³⁹

### 4.9.4 Special Working Groups

³⁹ FSCA Constitution Rule 13.10
The Board of Directors may, by resolution, appoint Special Working Groups (SWG) to advise the Company on forest management standards. This is currently known as a Standards Development Group (SDG). Members of the SWG may or may not be Members of the Company, but in practice, the Directors can set conditions to admission to the SWG (by resolution) as they see fit and in the interests of the Company.

The terms of reference of the SDG should make clear that:

- The SDG has been appointed with people from wide representative interests, and in accordance with FSC-STD-60-006.
- The terms of reference for the SDG is available which provides for the procedures for consultation, delegations and the like.
- The SDG has clear requirements in relation to the standards setting process, and policy staff ensure that plans are approved by PSU and information as to timelines, consultation provisions and periods are available on both the Australian and New Zealand FSC websites.
- The SWG will be responsible for timely and adequate communication and consultation and report its recommendations to the Board of Directors for appropriate action. The Special Working Group’s recommendations may include that an item is put to a vote of Members.

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40 FSC STD 60-006
41 Self Assessment 2013 c.1, c.2
42 Self Assessment 2013 g.1, g.2, g.4
43 FSCA Constitution Rule 13.11
5 GENERAL MEETINGS

Three Directors, one from each Sectoral Chamber may call for a General Meeting of the Company. However ordinarily and in practice, the business of the Company occurs at Annual General Meetings.

5.1 Annual General Meetings

FSC Australia must, at least once in each calendar year and within the period of 5 months after the end of each Financial Year, convene an Annual General Meeting (AGM) of FSC Australia. This usually occurs on the Wednesday in the final week of May and at the City of Melbourne Bowls Club, but the Directors can determine a date, time and place of the AGM.

At least 60 days prior to the AGM, the Secretary must call for nominations for the position of Director for both permanent and arising seats and any remaining terms of casual vacancies. It is usual that the notice includes a link to the website and explanation of which seats are available for nomination. As part of the requirements, candidates must sign a declaration that they meet the requirements of the position of Director.

In addition, the Secretary shall ensure any unpaid Members have been provided with advice that dues paid after a date nominated will not attract a right to vote. This is to ensure the membership register is stable, able to be inspected and the appropriate voting spreadsheets can be created and audited in advance of the AGM. The voting calculations are complicated and sufficient time must be allowed to ensure different formulae for ordinary or special resolutions are included.

At least 25 days (or more if the Secretary requires it as one compiled set of notices are normally sent out with Special Resolutions, if required, at least 28 days prior to the AGM), nominations are delivered to the Secretary. Cognisant with the highest standard of corporate governance, nominations will not be reviewed until the period closes. At no time will the Secretary be seen to be canvassing nominations or providing advice as to the status of nominations received.

Once nominations are closed, the Secretary will open them and conduct searches required to check candidates are not disqualified and meet the tests required in Governance Standard 4 of the ACNC Act. The Secretary shall also ensure all membership dues are paid and that there are no other disqualifying factors before accepting the nomination(s). The Secretary must ensure adequate time is advertised between closing of nominations and the last days on which papers must be sent out to hold a valid AGM and conduct ordinary or special business of 21 and 28 days notice respectively.

Where the number of candidates equals the number of available seats in a chamber, the candidates will be elected unopposed.

The ordinary business of the AGM shall be:

- To confirm the minutes of the previous AGM and of any General Meeting held since that meeting;

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44 FSCA Constitution Rule 4
45 FSCA Constitution Rule 11(a)
46 FSCA Constitution 10.2(c), (d) and (e)
47 FSCA Constitution 11(e)
To receive from the Directors reports upon the transactions of FSC Australia during the preceding Financial Year and to elect persons to be Directors.

The AGM may conduct any special business of which notice has been given at least 28 days in advance, including any proposed amendment to the Constitution. See updating the Constitution in the below section should you require any changes.

Papers, including proxies, formal notice of meeting, nomination forms and the minutes of the previous meeting will be made available for Members to download at au.fsc.org.

### 5.1.1 Updating the Constitution

Where changes are voted on and passed by the attending Membership the Constitution must be updated and (a) posted on FSC Australia's website and (b) updated in Australian Not for Profit and Charities Commission (ACNC) system.

To update the Constitution on FSC Australia web page complete the following steps:

- Log into the edit-au.fsc.org webpage using the appropriate log in credentials.
- Select the ‘Asset Management – Files’ under the Administrative heading on the left hand pane.
- Select ‘Institutional Documents’ under the ‘Existing AMS Categories’ heading and click open.
- In the AMS Subcategories section, select ‘FSC Australia Resources’ and click open.
- Click on the ‘Responsible Forest Management Australia Constitution’ file and click edit.
- Under ‘The File’ heading click choose file and select the updated PDF of the Constitution.

Any resolution to update the Constitution that is passed must be provided to the ACNC by the Company Secretary.

For details on how to upload the Constitution or change Director details, see in section 8.5, *Upload Governing Documents in the ACNC Portal*.

### 5.1.2 Use of Proxies

Note that under section 6.1 of our Constitution, any Member has the right to lodge a proxy vote. They can allocate that proxy to any other Member or any other person – their proxy need not be a Member.

In the event that a proxy is allocated to an FSC staff member including the CEO and the preferred voting preference have not been provided – good practice is that the Member is contacted and an alternative proxy is obtained. This keeps FSC staff at arm’s length of voting decisions.

### 5.1.3 How are chamber weightings calculated?
All Chambers, regardless of number of Members, have equally weighted voting. This means that the votes of Members in the two Chambers that are not the largest, are increased proportionally so that they are of equal weight to that of the largest Chamber.

For the purposes of calculating the value of each vote in each Chamber, the following equation should be used.

\[
\text{Chamber Vote Value} = \frac{\sum (\text{Paid attending Members} + \text{Paid proxy Members})}{3}
\]

This ensures each Chamber has the equal voting power of 33.3%.

Subject to the weightings between individual and organisational Members (see section below), each vote is adjusted based on the Chamber Vote Value.

For example, if at the AGM there were 120 paid attending Members and paid proxies in the Economic Chamber, 22 in the Social Chamber and 10 in the Environment Chamber the Chamber Vote Value is 50.67.

\[
\text{Chamber Vote Value} = \frac{120 + 22 + 10}{3} = \frac{152}{3} = 50.67
\]

This means that each Chamber’s vote must be adjusted to ensure it contributes 50.67 to the total calculated vote. See the worked example in the section below for more information.

### 5.1.4 How are votes calculated?

As seen in the following section, each Chamber has equal share of the voting power. This is expressed as the ‘Chamber Vote Value’. This means each Chamber’s vote must equal the ‘Chamber Vote Value.’

Whilst each paid Member is entitled to one vote, votes are weighted between individual and organisational Members. Section 5.8(b) of FSCA’s Constitution sets out how the votes of Members will be adjusted.

#### Individual Member Weighting

Individual Member votes are weighted less than that of an organisational Member. Individual Members can only ever comprise 10% of the total vote.

For example, if more than 10% of Members of any Chamber present at the AGM are individuals, the combined vote is reduced so that it only comprises 10% of the total votes exercised by all the Members in that Chamber.

If however, individual Members comprise less than 10% of the total Members present in any Chamber, their vote is given equal value to that of an organisational Member.

In both examples, the end result is that individuals in any Chamber never have more than 10% of the total voting power.

#### Organisation Member Weighting

Therefore where individual Members comprise more than 10% of the total Members present in any Chamber, the organisational Members vote is adjusted so that it comprises 90% of the total Members present in each Chamber.

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50 RFMA Constitution, Section 5.8(a)
51 RFMA Constitution, Section 5.8(b)(i)
For the purposes of calculating the vote, the following equation should be used where individuals comprise more than 10% of the total Members in a given Chamber.

\[ \text{Individual Vote Value}_{>10\% \text{Chamber}} = \text{Chamber Vote Value} \times 10\% \]

For organisational Members, the organisational Vote Value when more than 10% of the Chamber are individuals is calculated using the following equation.

\[ \text{Organisational Vote Value}_{<90\% \text{Chamber}} = \text{Chamber Vote Value} \times 90\% \]

The value of each vote is then calculated using the following equations:

\[ \text{Individual Vote Weighting} = \frac{\text{Individual Vote Value}_{>10\% \text{Chamber}}}{\text{Number of Individuals}} \]

\[ \text{Organisational Vote Weighting} = \frac{\text{Organisational Vote Value}_{<90\% \text{Chamber}}}{\text{Number of Organisations}} \]

Where individuals comprise less than 10% of the Chamber vote, no adjustment is needed. In this instance the Chamber Vote Value is used to weight each vote.

\[ \text{Votes Weighting}_{<10\% \text{individ}} = \frac{\text{Chamber Vote Value}}{\text{Individual Votes} + \text{Organisational Votes}} \]

This then allows calculation of the value of each individual and organisational vote across all Chambers. See a worked example of the voting calculation below.

This section serves only to support the use and calculation of voting as part of an AGM. This document is for internal guidance only and does not serve as an explanatory framework for communicating the voting methodology to Members as part of the AGM.

5.1.5 Worked example of voting calculation

The following worked example is based on that outlined in Schedule 4 of FSCA’s Constitution. The constitutional example is good for explanation to Members. The purpose of providing this example is to enable explanation of how the AGM voting calculation spreadsheet works. This sheet is used by FSC staff and the Company Secretary as part of the AGM process.
In this example one Chamber (Economic) have individuals Members that represent more than 10% of the total vote in the Chamber and will require adjustment.

<table>
<thead>
<tr>
<th>Chamber</th>
<th>Individuals (present + proxy)</th>
<th>Organisations (present + proxy)</th>
<th>% Individuals</th>
<th>Total Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>20</td>
<td>100</td>
<td>20.0</td>
<td>120</td>
</tr>
<tr>
<td>Environmental</td>
<td>1</td>
<td>9</td>
<td>10.0</td>
<td>10</td>
</tr>
<tr>
<td>Social</td>
<td>2</td>
<td>20</td>
<td>10.0</td>
<td>22</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23</strong></td>
<td><strong>129</strong></td>
<td><strong>-</strong></td>
<td><strong>152</strong></td>
</tr>
</tbody>
</table>

Each Chamber has an equal share of the vote. For the purposes of calculation, that means the number of votes need to be adjusted to have a Chamber Vote Value equivalent to 50.67.

\[
\text{Chamber Vote Value} = \frac{\sum (\text{Paid attending Members} + \text{Paid proxy Members})}{3}
\]

\[
= \frac{120 + 22 + 10}{3}
\]

\[
= \frac{152}{3}
\]

\[
= 50.67
\]

The next step is to adjust the vote value in each Chamber so that it equates to 50.67. First the individual and organisational Vote values need to be calculated.

The Economic Chamber has individual Members that represent more than 10% of the total vote and requires adjustment. Adjustment will be made using the ‘Individual Vote Value’ and the ‘Organisation Vote Values’ calculated below.

\[
\text{Individual Vote Value}>10\%_{\text{Chamber}} = \text{Chamber Vote Value} \times 10\%
\]

\[
= 50.67 \times 10\%
\]

\[
= 5.07
\]

\[
\text{Organisation Vote Value}<90\%_{\text{Chamber}} = \text{Chamber Vote Value} \times 90\%
\]

\[
= 50.67 \times 90\%
\]

\[
= 45.60
\]

The vote weighting for individuals and organisations in the Economic Chamber then can be calculated.
Individual Votes Weighting >10% individuals = \frac{\text{Individual Vote Value}}{\text{Number of individual votes}}

= \frac{5.07}{20}

= 0.2535

Organisational Votes Weighting >10% individuals = \frac{\text{Organisational Vote Value}}{\text{Number of organisational votes}}

= \frac{45.60}{100}

= 0.456

This means in the Economic Chamber each individual vote is worth 0.2535 each, and each organisational vote is worth 0.456.

The Social and Environmental Chamber has individual Members that don’t comprise more than 10% of the Chamber and therefore no adjustment is required. In this instance the vote per Chamber is calculated using the below formula.

\text{Votes per chamber} <10\% \text{ individuals} = \frac{\text{Chamber Vote Value}}{\text{Individual Votes} + \text{Organisational Votes}}

We now have the weighted value of each vote in each chamber. See the table below.

<table>
<thead>
<tr>
<th>Chamber</th>
<th>Individual Vote Weighting</th>
<th>Organisational Vote Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>Individual Votes Weighting &gt;10% individuals = \frac{\text{Individual Vote Value}}{\text{Number of individual votes}} = \frac{5.07}{20} = 0.2535</td>
<td>Organisational Votes Weighting &gt;10% individuals = \frac{\text{Organisational Vote Value}}{\text{Number of organisational votes}} = \frac{45.60}{100} = 0.456</td>
</tr>
<tr>
<td>Environmental</td>
<td>Votes per chamber &lt;10% individuals = \frac{\text{Chamber Vote Value}}{\text{Individual Votes} + \text{Organisational Votes}} = \frac{50.67}{1+9} = 5.067</td>
<td>Votes per chamber &lt;10% individuals = \frac{\text{Chamber Vote Value}}{\text{Individual Votes} + \text{Organisational Votes}} = \frac{50.67}{1+9} = 5.067</td>
</tr>
<tr>
<td>Social</td>
<td>Votes per chamber &lt;10% individuals = \frac{\text{Chamber Vote Value}}{\text{Individual Votes} + \text{Organisational Votes}} = \frac{50.67}{2+20} = 2.3032</td>
<td></td>
</tr>
</tbody>
</table>
The weights can then be used to calculate the actual vote value. 1 individual vote in the Economic Chamber is then worth 0.25 total votes. 1 organisational Member, 0.46. In the Environmental and Social Chamber, as individuals were not greater than 10% of the total vote no adjustment is required and votes are worth 5.067 and 2.3032 respectively.

If for example there was unanimous support for a resolution or Director nomination the calculation would be based on the following equations:

\[
\text{Individual Vote Weighting} \times \text{Number of Individuals} = \text{Total Votes} \\
\text{Organisation Vote Weighting} \times \text{Number of Organisations} = \text{Total Votes}
\]

<table>
<thead>
<tr>
<th>Chamber</th>
<th>Individual Votes</th>
<th>Organisational Votes</th>
<th>Total Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>0.254 x 20 = 5.067</td>
<td>0.456 x 100 = 45.603</td>
<td>50.666</td>
</tr>
<tr>
<td>Environmental</td>
<td>5.067 x 1 = 5.067</td>
<td>5.067 x 9 = 45.603</td>
<td>50.666</td>
</tr>
<tr>
<td>Social</td>
<td>2.3032 x 2 = 4.606</td>
<td>2.3032 x 20 = 46.060</td>
<td>50.666</td>
</tr>
</tbody>
</table>

This example shows that voting was proportionate across individuals and organisations and Chambers.

5.1.6 What is the process for electing Directors?

The voting for Directors is conducted by ballot.\(^5\) The only exception to this, is where individuals are the sole nominee for a position as Director. In this instance, they are elected unopposed.\(^5\)

Voting must occur such that the Ballot Paper (paper or electronic) provides for nomination of the preferred nominee. Where paper ballots are used, the paper must be lodged in the Ballot Box as directed by the Company Secretary.

For contested seats, appointment of new Directors is done by an Ordinary Resolution\(^5\) and a Director will be appointed if more than 50% of the Members present for each Chamber vote in favour of a particular Director.\(^5\)

The votes will be calculated by the Company Secretary, FSC Australia staff and scrutineers. The results of which will be announced as part of the formal AGM.

5.1.7 Are secondary Member contacts eligible to vote?

\(^{52}\) RFMA Constitution, Section 11(f)
\(^{53}\) RFMA Constitution, Section 11(e)
\(^{54}\) RFMA Constitution, Section 5.8(g)
\(^{55}\) RFMA Constitution, Section 5.8(g)(i)
The secondary membership contact is captured in the membership register (and replicated in XERO and Salesforce or equivalent financial and customer relationship management systems) to provide an alternative contact point for membership inquiry. This secondary contact point extends for the purpose of voting where the primary contact is unavailable or has left the organisation.

For example, if the primary contact cannot attend the AGM but the secondary contact can, they are entitled to vote and no proxy form is required.

The secondary contact, like the primary contact, is able to change the organisational contact details, including postal address and contact numbers.

Ideally, all organisational Members would have a secondary contact person. They would receive all relevant communications including invoices and invoice notifications.

5.1.8 Honorary Life Membership

The company may choose to grant any Member the status of Honorary Life Membership, in recognition of outstanding service over a period of years.

The resolution to this effect is to be supported by all (other) directors and must be endorsed by the Members at an Annual General Meeting.

5.2 Board Meetings: Proceedings of Directors

5.2.1 Frequency of Meetings

The Board of Directors must meet, face to face or electronically, at least four (4) times a year at such place and such times as the Board of Directors may determine. Typically meetings are held approximately every 2 months, with five meetings per year. Dates for future meetings for the following year are generally set in the first Board Meeting after the AGM.

Special Meetings of the Board of Directors may be convened at any time by, or shall be convened by the Secretary on the request of, the Chair or at least two thirds of Directors. Directors can meet using technology and pass resolutions by email in between meetings.

5.2.2 Notice

Written notice of each meeting of the Directors must be given to each member of the Board of Directors at least five (5) business days before the date of the meeting.

Written notice shall be given to members of the Board of Directors of any Special Meeting specifying the general nature of the business to be conducted and no other business shall be conducted at such a meeting.

5.2.3 Board Papers

50 Self Assessment 2013 b.6 , FSC Constitution 13.1(a)
57 FSCA Constitution 13.4
Good practice requires that Board papers accompany each relevant Board item set out in the agenda. Board Papers should be succinct (1-2 pages) and clearly set out:

- If the paper is for information, decision or comment.
- Any recommendation to the Board.
- Suitable background to support the recommendation.
- Outline of any issues that the Board should be aware of.
- Where a decision is required, at least 1-2 alternate options to that recommended.

A template for Board Papers is available in the Management/Governance/Board Meetings folder.

The CEO may provide a CEO report, or alternatively provide an outline, through Board papers, of key issues, updates, events or areas of focus.

Board agenda and papers must be sent at least (5) business days before the next meeting.

### 5.2.4 Board Minutes

Good practice requires that Board Minutes are kept by the Company Secretary and a version made publicly available. Board Minutes should be kept by the Secretary or where the Secretary is absent, delegated by the Chair to an individual Director or FSCA staff member. It is not advisable for the CEO or Chairman to take the minutes as they should be participating in the meeting rather than creating a record of it.

As good practice the Board Minutes should clearly set out:

- Clear indication of the fact that these are minutes of FSC Australia’s Board and Company information.
- The date, time and location of the Board Meeting.
- The names of all present including the chair, secretary and any absent Directors.
- Details of who was present and when they entered or left the meeting.
- Declaration of any Director interests and the nature and type of that interest.
- The relevant Agenda item and agenda identification number.
- Standing agenda items such as approval of the last Board Meetings minutes, finance update, sub-committee reports etc.
- Discussion of the Directors for the agenda item to enable recall and enquiry for Directors or the CEO.
- A high level summary of the discussion (not a verbatim record) to be made available to the public (with private or sensitive information removed – at a minimum this means removing any comments which may raise legal issues, references to individuals other than Board members, sensitive financial data and competitive information).
- A clear record of any motion including who made the motion and who seconded it.
- The date of the next Board Meeting.
Adding Board Minutes to FSC Australia’s website

At each subsequent Board Meeting the Minutes should be reviewed, and if an accurate reflection of the previous meeting, a motion passed to make the public version of the minutes available on FSC Australia’s website.

Minutes should be posted on FSC Australia’s website, where possible, within 10 days of the approved date.

Board Minutes are added to the following section of the FSC Australia website:

- FSC Australia Resources - https://au.fsc.org/en-au/resources
- Edit mode: Category „Service Navigation” – Resources

Board Meeting Minutes - https://au.fsc.org/en-au/resources/Board-meeting-minutes Edit mode: Subpages – Board Meeting Minutes

- FSC Australia Board Meetings yyyy
  Edit mode: Add new ‘Resources’ content block and add subhead line

Board minutes should be titled to be consistent with existing minutes: Month, yyyy FSC Australia Board Meeting.

5.3 Directors’ Voting Rights

Where possible, the Board of Directors will aim to determine questions arising at a meeting of the Board of Directors in accordance with Consensus (as defined).\(^{58}\)

5.3.1 Ordinary Business

Where Consensus is not possible, a question pertaining to ordinary business shall be resolved by a two-thirds (66.6%) majority comprising at least one Director nominated by each Sectoral Chamber.

5.3.2 Policies and Standards

A question that relates to policies or standards shall only pass if it is affirmed by:

- At least five (5) Directors of a six (6) Director Board; or
- At least eight (8) Directors if the Board comprises 9 Directors.

\(^{58}\)NB this is straight from the Constitution as was originally drafted when 2 from each Chamber were allowed. The FSC Australia Board is now comprised of 9 Directors so at least 8 Directors must vote in favour of a question on policies or standards.

Where voting is required it will be on a show of hands or, if a Member requests, by a poll taken (electronic or otherwise) in such manner as the person presiding at that meeting may determine. Each Director present at a meeting of the Directors is entitled to one vote. In the case of an equality of votes, the Chair of the meeting does not have a casting vote.

\(^{58}\) FSCA Constitution Rule 1.1 Definitions
6 MEMBERSHIP

6.1 Admission

In order to be a member of FSC, Members can apply to join FSC International, FSC Australia or both jointly via the FSC Australia form. As Organisations we have sought to align the criteria so far as is possible to ensure that there is no inconsistency in decision making between the two entities. The fees applicable are as per the membership application form.

In order to join FSC International, prospective members should review and join online.\(^{59}\)

When Members of the Economic Chamber apply to join either or both FSC International and FSC Australia, they are required to sign a declaration that they will meet the Policy for Association. This ensures that should the FSC International Board make a decision to use the Policy for Association against even a National Member, this is then defined as a ‘destitution process’ under the Seventeenth Statute and their membership of FSC Australia will also automatically cease.\(^{60}\) The FSC Australia Board cannot exercise powers in relation to the international Policy for Association instrument. It is a decision that must span parent companies that may exist in other countries, other forms of ownership, and remove any certification that the company may hold also. The International Board can only make such a decision.

The FSCA Board can admit members to one of the Sectoral Chambers\(^{61}\) in accordance with the provisions of its Constitution, having reference to all of the information required to be considered.\(^{62}\) In doing so, Directors must keep in mind that two or more Persons cannot be registered as holding a single membership interest,\(^{63}\) and individual Members cannot represent an organisation. In that case the organisation must apply for membership.\(^{64}\) These rules are consistent with the FSC International membership rules, the governance of the two Organisations is required to be consistent.

6.2 Government Controlled Entities

There is no prohibition of Government Controlled Entities to be members of FSC Australia. They are expressly allowed to join FSC Australia, provided the criteria have been met.\(^{65}\)

Internationally, the Statutes allow the Directors to set conditions as they see fit. In Australia, without the power to make by-laws, the Directors cannot set additional conditions around membership without those conditions appearing in the Constitution by amendment.

\(^{59}\) https://ic.fsc.org/become-a-member.63.htm
\(^{60}\) FSCA Constitution 3.13(a)(iii)
\(^{61}\) FSCA Constitution 3.4
\(^{62}\) FSCA Constitution 3.7
\(^{63}\) FSCA Constitution 3.1(b)
\(^{64}\) FSCA Constitution 3.1(c)
\(^{65}\) FSCA Constitution 3.4(l)
On 22 June 2014 the FSC International Board released additional criteria around the admission of Government owned or controlled entities.\(^{66}\) In essence, this allows admission to membership only in certain circumstances. Government owned or controlled entities may not be represented on the FSC International Board of Directors, can only be placed in the Economic Chamber, must adhere to the Policy for Association and can only be admitted to membership if at least some of their activities are managed and certified under the FSC system.

A statement of support for FSC must accompany their application from the decision making body and if not all of their activities are FSC certified, this statement must describe how they will work to increase their level of certification.

Under FSC Australia’s Constitution, certification bodies and government owned or controlled entities, whether Federal or State, may not be represented on the Board of Directors.

Government owned or controlled entities are defined by guidance from FSC International.\(^{67}\) Specifically:

- A government-owned corporation, state-owned company, state-owned entity, state enterprise, publicly owned corporation, government business enterprise, commercial government agency, public sector undertaking, public trust or parastatal is a legal entity formed, directly or indirectly, by a government to undertake commercial activities on behalf of an owner government.

There is no standard definition of a government-owned corporation or state-owned enterprise, although the two terms can be used interchangeably. The defining characteristics are that they are established to operate in commercial affairs and they are directly or indirectly controlled by governments.

### 6.3 Submitting a Membership Application

#### 6.3.1 Process for FSC Australia and FSC International

In order to join FSC International, prospective Members should review the process and join online.\(^{68}\) Those resident or with their principal place of business in NZ can only join FSC International. It is the intent of FSC Australia to align its requirements for membership as closely as possible with FSC International, but FSC Australia may be constrained by its own Constitution with respect to changing requirements at FSC International.

In order to apply to join FSC Australia, an applicant must submit a signed written or electronic application to the Secretary in the form approved by the Directors.\(^{69}\) Applications must be accompanied by the information required in that form as documented in the FSCA Constitution:

- A Statement of Support from the Applicant describing how the Applicant is meeting the tenets or objects of FSC.\(^{70}\)
- In the case of organisations, this must include a Constitution, annual reports or other information regarding funding and activities, any publicly available accounts and a list of its members (if relevant).\(^{71}\)

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\(^{66}\) Revised BM 65.21a Criteria for admission of Government Owned or Controlled Entities decision of International Board June 2014

\(^{67}\) See Revised BM 65.21a Criteria for admission of Government Owned or Controlled Entities (22.06.2014).

\(^{68}\) https://ic.fsc.org/become-a-member.63.htm

\(^{69}\) Annex Form

\(^{70}\) FSCA Constitution 3.7(a)(A)

\(^{71}\) FSCA Constitution 3.7(a)(B)
• In the case of Non Profit organisations, evidence of charitable or not-for-profit status.\(^{72}\)
• In the case of applicants of the Economic Chamber, detailed documentation, describing the person’s commercial activities, details of forest operations or sources, including a description of how active the commitment to FSC and its Principles and Criteria for responsible forest management will be implemented and, for organisations, the identity of Directors, the parent company and other relevant commercial relationships. At the request of the applicant, the Board may treat financial information from the applicant as confidential.\(^{73}\)
• A statement of support from the application from two Members of good standing. At least one letter should be from a Member of the Chamber to which the applicant is applying to join.\(^{74}\)
• Applicants must sign and adhere to the to the FSC Policy for Association (as issued and defined by FSC).\(^{75}\)

6.3.2 Considerations

Upon receipt of the membership application, the Board of Directors shall consider it and may ask for additional information if deemed necessary. In making a determination on prospective members’ applications, they shall assess whether:

• The Applicant is bona fide;
• There are any existent social, environmental or legal grievances. The Company reserves the right to explore any grievances from its Members concerning any applicant, its activities or operations. Applications will be held as pending until these grievances are resolved, if considered by the Board of Directors as substantial; and
• The candidate genuinely supports FSC and its activities.

If the Directors decide not to admit an applicant to the membership, they do not have to give any reasons for their decision.\(^{76}\)

Where Privacy Laws permit, existing Members will be notified of new Members by publication in the periodic FSC Australia newsletter of the name and Sectoral Chamber and the state or territory of residence (or registration for an organisation) of any new Members within 60 days.\(^{77}\)

When FSC Australia receives payment from the applicant of its membership fee, the applicant will be registered in FSC Australia’s register and, where the Member has elected, placed on the FSC Australia website and will immediately become a Member. If the person applying for membership is an organisation, it must nominate a principal contact person and at least one other alternate as that organisation’s representative.\(^{78}\) For the purposes of decision making on behalf of the organisation, this person is the official representative of the organisation. Any other
person wishing to act on behalf of the organisation will require a formal proxy.\textsuperscript{79}

6.4 Payment of Membership Fees

6.4.1 Timing of Payment

When an applicant is admitted, the Secretary must, within 28 days, notify the applicant and request payment of the membership fee.\textsuperscript{80} If the applicant does not pay the membership fee within 60 days after the date on which the applicant is notified that the subscription is payable, the Directors may, in their absolute discretion, cancel the acceptance of the applicant’s application for membership.\textsuperscript{81} The Board may determine a membership fee for any class of Member and the terms of payment for that membership fee.\textsuperscript{82} Prospective applicants should refer to the application form for details.

The Board may at any time:

- Require information from a current or prospective Member to correctly allocate the member to a class,\textsuperscript{83} and
- May determine in its absolute discretion the appropriate class and membership fee for a Member.\textsuperscript{84}

6.4.2 Changes to Membership Terms and/or Payment

FSC Australia must give each Member notice in writing of any change to:

- Membership fee;
- Membership class; and/or
- Membership terms of payment.

This is to occur at least three(3) months before the changes are to take effect.\textsuperscript{85}

6.5 Removal from Membership

6.5.1 Conduct constituting removal

\begin{footnotes}
\textsuperscript{79} FSCA Constitution 6.1
\textsuperscript{80} FSCA Constitution 3.7(e)
\textsuperscript{81} FSCA Constitution 3.7(g)
\textsuperscript{82} FSCA Constitution 3.10(a)
\textsuperscript{83} FSCA Constitution 3.10(b)
\textsuperscript{84} FSCA Constitution 3.10(c)
\textsuperscript{85} FSCA Constitution 3.10(d)
\end{footnotes}
The Directors may remove from the FSCA Register any Member following the pathway outlined in the Clause 3.13 of the FSCA Constitution:

- Who does not comply with the provisions of the FSC Australia Constitution;\(^{86}\)
- Who has acted in a manner which is demonstrably inconsistent with their membership and the objects of FSC Australia;\(^{87}\) or
- Who has been the subject of a completed destitution process initiated by FSC International pursuant to the Seventeenth Statute.

The process described in ‘Member to Member Complaints’ shall be followed in relation to removing members from membership.\(^{88}\)

If however FSC International has made a determination that a Member is destitute, for example if they have been found by the FSC International Board to be non-compliant with the Policy for Association, then the membership of FSC Australia automatically ceases and there is no right of appeal in Australia.\(^{89}\) An appeal in relation to the decision needs to be made at International level.

### 6.5.2 Members’ Right of Appeal

A Member who is subject to a proposed removal from the Company membership register may present reasons to the Board of Directors as to why the proposed removal should be dismissed.\(^{90}\) The Secretary must send a notice to the Member in the form prescribed.\(^{91}\)

The Member should:

- Provide a written response to the allegations within one (1) month of the Secretary’s Notice of Complaint served on that Member; and
- Provide notice in writing to the FSCA Secretary if they have chosen to address the Board of Directors at a scheduled Board Meeting, that notice must be received by the Secretary not less than five (5) business days prior to a Board Meeting.

The Board of Directors has absolute discretion to dismiss the complaint and the proposed removal.

If the Member does not challenge the preliminary conclusion of the Board of Directors in writing within one (1) month of being notified of the Board’s decision, then the Member shall be taken to have withdrawn from the Company’s membership and the membership shall automatically cease.\(^{92}\)

If the member in question is also a member of FSC International, FSC Australia shall ensure that all appropriate procedures are followed and that information is provided for decision by FSC International in the first instance. Where

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\(^{86}\) FSCA Constitution 3.13(a)(i)

\(^{87}\) FSCA Constitution 3.13(a)(ii)

\(^{88}\) FSCA Constitution 3.13

\(^{89}\) FSCA Constitution 3.14(a)

\(^{90}\) FSCA Constitution 3.13(c)

\(^{91}\) FSCA Constitution 3.13(a)

\(^{92}\) FSCA Constitution 3.13(e)
possible, consistency in decision making in the spirit of openness and accountability shall be implemented to ensure so far as is possible different decisions are not made at international and national levels in the Organisation.

6.5.3 Ceasing to be a Member

In addition to reasons surrounding successful complaints being led against a Member, membership of FSC Australia will automatically cease upon the occurrence of any of the following:

- in the case of a Member who is an individual, on the date that:
  - the Member dies;
  - the Member becomes of an unsound mind;
    - The Member becomes an undischarged bankrupt or subject to an arrangement under Part X of the Bankruptcy Act 1966 (Cth); or
- in a case of a Member which is an organisation, on the date that:
  - a liquidator is appointed in connection with the winding up of that Member organisation; or
  - an order is made by a Court for the winding up or deregistration of that Member organisation.

6.5.4 Non-payment of Member Fees

A Members may be ‘struck off’ the Membership Register by the Directors if they fail to make payment. If a member remains unpaid for a period of 60 days, the Secretary is required to give written notice. If no payment is made within 28 days of the notice date directors may cancel the membership of that member and remove their name form the register. This is known as being ‘struck off’.

The following procedure is to be applied when striking off Members.

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Who</th>
<th>System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid January pf each year for that Calendar year (January – December)</td>
<td>Send Members invoices for membership dues. Payment due + 14 days from sending</td>
<td>Admin Officer</td>
<td>General Ledger (GL)</td>
</tr>
<tr>
<td>+ 30 days</td>
<td>Send reminder email to unpaid Members</td>
<td>Admin Officer</td>
<td>GL</td>
</tr>
<tr>
<td>+ 35 days</td>
<td>Make follow up phone call</td>
<td>Admin Officer</td>
<td>CRM</td>
</tr>
<tr>
<td>+ 44 days</td>
<td>Send reminder email with invoice to unpaid Members (1\textsuperscript{st} &amp; 2\textsuperscript{nd} contacts)</td>
<td>Admin Officer</td>
<td>CRM</td>
</tr>
<tr>
<td>+ 60 days</td>
<td>Send list of unpaid members to Company Secretary</td>
<td>Admin Officer</td>
<td>GL CRM</td>
</tr>
<tr>
<td>+65 days</td>
<td>Send official letters (mail &amp; email) with invoice calling for immediate payment of outstanding amounts and deadline for strike off.</td>
<td>Company Secretary</td>
<td>CRM</td>
</tr>
</tbody>
</table>
6.5.5 Resignation of a Member

Provided that any Member seeking to resign from the Company has paid all moneys due and payable by that Member to FSC Australia, that Member may resign from FSC Australia by giving at least one (1) month's notice (or such other shorter period as the Board of Directors may determine) in writing to the Secretary of their intention to resign.

6.6 Membership Register

The Secretary must keep and maintain a register containing the following:

- The name and address (postal and where available, electronic) of each Member;
- Date on which each Member’s name was entered in the Register;
- The Sectoral Chamber to which each Member belongs;
- Whether the Member is an individual or an organisation; and
- For Members who are organisations:
  - The nominated representative of the organisation; and
  - The size and type of the organisation in accordance with the definitions prescribed by the Board of Directors by resolution from time to time.
- For Members who are individuals, a record of exercising the option not to disclose their private residential address and simply indicate the State in which they are resident. If this is the Member’s preference then the member must provide an electronic address for communications between FSC and the member.
The Register is available for inspection free of charge by any Member upon reasonable request, provided that a privacy release is executed by the Member, and only for the purposes of FSC business.

Where an individual member has not clearly indicated their consent for their private residential address to be shared with other members, only the State in which they are resident shall be disclosed.

A Member may make a copy of entries in the Register. The Register is kept at the FSCA office.

At the beginning of each year, the Secretary will call for updates or changes to the membership register. This is to ensure that papers are sent to current Member representatives and to reduce the number of proxies that may be required by the unavailability of Member representatives or secondary contacts.

6.6.1 Updating the Register

It is the responsibility of each Member to notify the Secretary in writing of any changes to their details as described in the Register.

The last details to be entered in the Register will be deemed to be correct.

If requested, each Member who is an organisation, must provide a copy of its most recent annual audited financial statements within 120 days after each financial year, or if no such financial statements are audited, a copy of the financial statements of the Member for its most recent financial year. This is to enable the Company to ensure the correct class of membership is applied to the following year’s membership dues.

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93 FSCA Constitution 3.8
94 FSCA Constitution 3.9
7 DISPUTE AND COMPLAINT RESOLUTION

FSC Australia has an internal dispute resolution policy for organisational decisions (Board, management) that are contested, which describes the final authority within the Organisation to adjudicate on a dispute. In order to ensure consistency of operation, there are circumstances where complaints will be resolved with the assistance of FSC International. The Dispute Resolution Procedures are contained within this manual and are publicly available at au.fsc.org.

FSC operates in a challenging multi stakeholder environment. In accordance with similar provisions in FSC International complaints policies, a complaint must be distinguished from the usual levels of challenge FSC will receive in its day to day operations. In order to invoke the Procedure for Complaints, the Complainant must put the complaint in writing, addressing the relevant person(s) and seek to have the complaint formally addressed. In all other cases, queries and concerns shall be addressed informally.

The grievance procedures below apply with respect to all complaints.

7.1 Complaint types and responses

7.1.1 Member & Stakeholder to Director Complaints

A Member or stakeholder can make a complaint against a Director of the Board or allege that an arising issue may bring the Company into disrepute if they were to remain a Director in those circumstances.

FSC International has specific requirements for the way in which the complaint must be recorded and documentation regarding any solution reached must be held for inspection.

The CEO must notify the Chair on receipt of the complaint unless the complaint is against the Chair. In that case, the deputy Chair is contacted. The complaint must be recorded by the CEO as a case in Salesforce and must be reported with other cases to all Board Meetings and is dealt with on the agenda of the Board meeting immediately following receipt of the complaint. The CEO will ensure that the Salesforce access protocols are followed for these cases to protect Director confidentiality.

7.1.2 Complaints against the Staff/CEO

The Chair shall recognise that concerns relating to staff management of issues in a multi stakeholder environment will occur from time to time and informal guidance and discussion is most often appropriate. However, complaints construed formally will be handled in accordance with the grievance procedures.

7.1.3 Member to Member Complaints.

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95 Self Assessment 2013 c.7
96 Self Assessment 2013 c.5
97 Self Assessment 2013 b.8
At times, Members become dissatisfied with the conduct of other members of the Company. These can include issues surrounding the validity of the membership or demonstrated support for FSC for example, and can occur in respect to Members of any Chamber.

There are special provisions relating to the proposal for removal of Members due to conduct that is demonstrably inconsistent with their membership and the objects of the Company as outlined in Rule 2.1, or who does not comply with the requirements for admission of Members in Rule 3.4 which outlines the requirements of each sectorial chamber. The criteria for membership are further expanded in the FSCA Membership Guidelines which are approved by the FSC Australia Directors and which are made available on the FSC website. In addition to the grievance procedures below, the Member has the right to address the allegations either orally or at a meeting of the Board of Directors or in writing.

### 7.2 Complaint Procedures

#### 7.2.1 Establishing if the Complaint has merit

In a multi stakeholder environment, concerns from Members and stakeholders are common place. Most often dialogue can assist in understanding and the resolution of issues. The first step in ascertaining how to deal with a complaint is to establish if the complaint is genuine in nature and is meritorious.

The Complaint must be formal, in writing and contain the following in order to invoke these grievance procedures to provide for procedural fairness to all:

- Include the name of the Complainee
- Include the nature of the complaint and the reasons for raising it
- Include supporting evidence or documented examples of the poor performance or misconduct alleged; and
- Not be frivolous or vexatious

The Complaint is to be addressed to:

<table>
<thead>
<tr>
<th>Relating to</th>
<th>Received By</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director(s)</td>
<td>Chair and/or Company Secretary</td>
</tr>
<tr>
<td>Member(s)</td>
<td>Chair and/or CEO</td>
</tr>
<tr>
<td>CEO</td>
<td>Chair</td>
</tr>
<tr>
<td>Staff Member</td>
<td>CEO</td>
</tr>
</tbody>
</table>

If all of the above elements are present, the complaint shall be heard and is deemed meritorious.

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8 FSCA Constitution Rule 3.13
7.2.2 Procedure for hearing a Complaint

Once a complaint is deemed to be meritorious, then the Complainee must be notified the next business day following receipt. The recipient must:

- Provide the Complainee with a copy of the written complaint including all information provided to the recipient;
- Consider whether they may hold an actual or perceived conflict/material personal interest in the matter and if so, address the matter appropriately;
- Advise the Complainee that he/she has the opportunity to respond to the allegations contained in the complaint; and
- Discuss the complaint with the Complainee, seeking to understand the circumstances surrounding the complaint and to ascertain whether further information is required;
- Where required, ascertain any further or clarifying information from the Complainant; and
- Provide the Complainee with 21 days to formally respond following receipt of all information.

In relation to a dispute from a Member or stakeholder, the Board of Directors must form a Disputes Resolution Committee to hear the complaint in accordance with the procedure. Once the complaint has been determined, a written notification of the decision by the recipient or Disputes Resolution Committee (as appropriate) will be issued, together with information as to any action proposed to be taken as a result of the complaint, within 21 days of the finding being made. Where the complaint may become an issue of interest for FSC International, in this process FSC Australia will ensure that the relevant personnel at FSC International are advised and where appropriate advice and assistance will be sought. At all times the complaint must be dealt with as expeditiously as possible.

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99 FSCA Constitution Rule 13.12
100 Self Assessment 2013 c.7
8 FINANCE, AUDIT AND RISK MANAGEMENT

8.1 Accounting and Asset Management

8.1.1 Financial Report

The Directors of the Company are responsible for the preparation and fair representation of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001.

This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. The financial report is prepared on an accrual basis and is based on historical costs.

8.1.2 Financial Management Policy

FSC Australia must demonstrate that it has a secure financial base, with income exceeding expenditure for the preceding 2 years. This is to ensure that adequate reserves are established to guard against sudden changes in revenue, to otherwise address risk and to prevent Organisations in the FSC name trading at a loss, with the potential to bring FSC into disrepute.

8.2 Finance, Risk and Audit Committee

FSC Australia Directors form a 'Finance, Risk & Audit Committee' to oversee the financial and legal operations of the Company.

8.2.1 The purpose of the Committee is to:

- To provide review and recommendations of financial activities within FSC Australia to the Board of Directors and respective committees
- Oversight of all financial audit requirements, financial and forensic, including all filings required for maintenance of Charitable Status to the Register for Environmental Organisations or equivalent statutory requirements.
- Oversight of the budgeting process
- Assure overall fiscal responsibility and compliance with all financial activities of FSC Australia
- Review of any governance arrangements or changes
- Arrange and review the Company’s annual reports
- Oversee the appointment of the auditor to enable sign off of accounts in time for distribution of papers at the AGM, usually at each April Board Meeting\(^{101}\)
- Oversee the Risk Management Framework

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\(^{101}\) Corporations Act 2001 (Cth),
8.3 Risk Management and Responsibilities

Risk management is the culture, processes and structures that are directed towards realising potential opportunities while managing adverse effects. Risk management is an essential part of effective corporate governance.

Although ultimate accountability for the management of risk remains with the Board, the Board will seek assurance from the Finance, Risk and Audit Committee that management has in place policies and arrangements designed to demonstrate that the operation of an entity’s risk management arrangements are appropriate and operationally effective. This assurance role can extend to assisting the overall alignment and integration of risk management plans and the integration of risk management into business planning and program implementation activities.

At the Strategic Planning Meeting each year, the Board shall, led by the Finance, Risk and Audit Committee examine the risks faced by the Company and document their likelihood of occurrence, potential impact and mitigation measures to be put into place in business planning. This is known as the risk profile and will take into account all material risks, including risks arising from:

- Implementing strategies (strategic risk);
- Operations or external events (operational risk);
- Legal and regulatory compliance (legal risk);
- Changes in community expectation of corporate behaviour (reputation risk);
- Changes in willingness to buy services offered in the market (market risk);
- Being unable to fund operations (liquidity risk);
- Claims, non-compliance with laws, regulations, standards and best practice guidelines, maintenance of accounting records and the like (financial risk); and
- Data storage, access and integrity together with disaster recovery plans (operational risk).

The Finance, Risk & Audit Committee shall ensure, as a delegate of the Board that the risk management framework is regularly reviewed and internal control mechanisms are in place to manage risk.

A copy of the latest Corporate Risk Register is available in the folder: Management \ Governance \ Corporate Risk Register \ Current.

8.3.1 Credits and write offs

As part of normal business operations, from time to time, some transactional costs are borne by FSC Australia. These are regarded as ‘write-offs’. This type of write-off is common where international payments are collected by FSC Australia. They can express themselves as unpaid bank fees for international transactions, residual invoice balance or difference between currency conversion rates. Another type of ‘write off’ is where an invoice has been issued but the recipient has clearly indicated that they will not pay the invoice. The most common example of this in FSC Australia, is a Member deciding to not renew their membership.
For example, a membership payment from a NZ Member for the amount of $6,000 AUD may incur a bank transfer transaction fee of up to $25. Some Members will not factor this cost in, or be aware of the fact that it is passed on to FSC Australia when we seek to transfer into our bank accounts.

The operational practice is:

- FSC Australia staff will make reasonable attempts to reclaim the money where practicable (e.g. effort of chasing is greater than the value of the outstanding amount)
- Any write off incurred within the current financial year will be treated as a ‘credit’, not a discount.
- The CEO may write off lost revenue where the amount is less than $500.
- For amounts greater than $500, the CEO is to recommend an action for Board approval.

Monitoring of outstanding debts will be part of normal monthly finance reporting. Where amounts are greater than $500, the CEO will contact the Chair of the Finance Risk and Audit Committee. FSC Australia will provide the Chair a copy of the relevant report and details as to:

- efforts made to contact and recover costs
- recommendation for either engaging debt collector, settlement, payment plan, write off or alternate approach.

8.4 Financial Statement Audits

8.4.1 Conducting the Annual Audit

The Company’s Auditor has responsibility for conducting an audit in accordance with Australian Auditing Standards and to provide an audit report to the Members of Responsible Forest Management Australia Limited and an Auditor’s Independence Declaration.

<table>
<thead>
<tr>
<th>Period</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>In November</td>
<td>Management meet with the Auditor to discuss any audit issues and the Auditor will provide a schedule of audit requirements for Management to prepare in readiness for the Audit. Management will agree the timing of the audit with the Auditor to ensure sufficient time for Board review and to ensure statutory requirements are met.</td>
</tr>
<tr>
<td>By end of audited year</td>
<td>Management will ensure all transaction records, documents and other evidence is properly maintained (for 7 years) to support the transactions. Management will process any annual adjustments (eg depreciation) in readiness for the audit.</td>
</tr>
<tr>
<td>Audit timing</td>
<td>Management will ensure that all audit requirements including but not limited to access to the general ledger financial system as approved in the Audit Schedule are made available in reasonable time for the audit to be conducted without delay or obstruction.</td>
</tr>
</tbody>
</table>
### Period

<table>
<thead>
<tr>
<th>Period</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report to Finance, Risk &amp; Audit Committee</td>
<td>Management will report the proposed audit schedule to meet statutory deadlines for distribution of audited financial statements and the annual report to the members.</td>
</tr>
<tr>
<td>February Board Meeting</td>
<td>Management will provide an update on the progress of the audit.</td>
</tr>
<tr>
<td>Late March/early April</td>
<td>The Auditor will present the draft audited financial statements and discuss any issues that arose from the audit. The Finance, Risk &amp; Audit Committee will then make a recommendation to the Board regarding signing the Annual Financial Statements at the April Board Meeting.</td>
</tr>
<tr>
<td>April Board Meeting</td>
<td>At the FSCA Board’s request, the Auditor may attend the FSCA Board meeting and discuss the results of the audit and may bring to the Board’s attention any issues or concerns regarding the strength of the FSCA control environment.</td>
</tr>
</tbody>
</table>

#### 8.4.2 Selection of New Auditor

An auditor is appointed or re-appointed by the members on the recommendation of the Directors at the Annual General Meeting (AGM). The Company may periodically choose to replace Auditors. ASIC must give consent to the resignation of the incumbent (refer Section 8.4.3) and be satisfied that there is no disagreement between the Company and the Auditor arising from audit findings.

The Finance, Risk and Audit Committee has primary responsibility for oversight of the process, once initiated by the Board – although key resolutions are required by the Board.

There should be a rigorous due diligence process in selecting a new Auditor, including:

- establishing assessment criteria;
- desktop research to identify firms with relevant experience with medium-size not-for-profit companies;
- an Expression of Interest (EOI) stage to assess their willingness to provide audit services to the Company;
- a formal Request for Quotation (RFQ) stage inviting at least two firms to submit a costed proposal;
- evaluation of the quotes and credentials of the firms;
- preparation of an evaluation report and recommendation to the Finance, Risk and Audit Committee;
- a formal resolution by the Committee; and
- Adoption of a Board resolution approving the nomination of the new Auditor. Note: The Members appoint the Auditor at the AGM (ie the Board cannot appoint a new Auditor).

This must be undertaken prior to formally requesting the resignation of the incumbent Auditor, as a letter accepting appointment from the proposed new Auditor must be provided to ASIC at the time the incumbent Auditor lodges the official form seeking consent from ASIC to resign.
8.4.3 Resignation of incumbent Auditor

The procedures for the Company to accept the resignation of the incumbent Auditor and accept a replacement Auditor is set out in ASIC Regulatory Guide 26 June 2015 (Resignation, removal and replacement of auditors).

- The incumbent Auditor sends ASIC Form 342 to the Company, signalling the intention to resign – subject to ASIC consent. This must also state the reason for the resignation (this should be agreed in advance). The incumbent Auditor also nominates an effective date for the resignation, provided ASIC consents – this should be at last three weeks from the date on which the Company is expected to provide the attachments which must accompany Form 342 when sent to ASIC by the incumbent Auditor.
- As soon as possible following receipt of Form 342 from the incumbent Auditor, the Board must adopt a formal resolution to accept the resignation subject to ASIC consent; to appoint the new Auditor, subject to ASIC consent; to authorise the Chair to send a letter to ASIC conveying these resolutions; the minutes of the meeting, and a letter from the new Auditor accepting appointment as the Company’s Auditor. The Chair letter needs to state the reason for the resignation (as stated in Form 342) and provide assurances that there was no disagreement with the incumbent Auditor.
- The Board minutes, Chair letter to ASIC, and the letter from the new Auditor need to be sent to the incumbent Auditor, who sends these to ASIC as attachments to Form 342.
- ASIC will advise both the incumbent Auditor and the Company, in writing, the result of the application for consent.
- If ASIC’s consent to the Auditor’s resignation is granted, the Auditor must then give written notice of their resignation to the Company.
- The resignation takes effect on the day, following ASIC’s consent, when the Company notifies Members of the change of Auditor. This is either the date nominated by the Auditor in Form 342 or as otherwise directed by ASIC.
- The notice to Members – which can be published on the website, by email or letter – must provide brief details of the outgoing Auditor and the incoming Auditor, and the reason for the change in Auditor (as provided to ASIC in Form 342 and the Chair letter).
- Within 14 days of receiving the notice of resignation from the Auditor, the Company must lodge ASIC Form 315 confirming the appointment of the new Auditor.

It is recommended that the Company seeks updated legal advice ahead of commencing any steps to change Auditor.

All documents related to the change in auditor in the relevant Board Meeting in the sub-folder in the FSC Board Governance and Management/Governance/Board Meeting folder in Dropbox.

8.5 FSC Australia Budget

The Company’s financial instruments consist mainly of cash and deposits at bank, trade debtors, trade creditors and secured credit facilities (credit card). It is within the FSC’s Board authority to approve the annual financial budget and any midyear reviews and to determine whatever steps are necessary to protect the Company’s financial position and the ability to meet its debts and other obligations as and when they fall due.
• The annual Budget for the coming calendar year is generally approved at the November Board meeting on the recommendation of the Finance, Risk & Audit Committee.

• FSC operates on a 1 January – 31 December financial year, in line with FSC International.

• The CEO will implement policies and strategies approved by the Board and will take a lead role in managing the operation of the Company.

The Company’s budget must contain a separate line item for the funds received from FSC International so as to demonstrate the percentage of funds received from this as opposed to other revenue sources. Diversification of income streams must be maintained and the Company must show that it does not rely on one or two main funders for its spectrum of activities. Funding sources are usually listed separately in the Budget and P&L and allocated to individual project codes to ensure separate identification and proper accounting of expenses against project.

8.5.1 Reserve Funds

FSC Australia must hold money in reserve to cover an emergency loss of income and can demonstrate that the current reserve is adequate for the continued solvent operation of the Organisation. An assessment of winding up costs should be taken during the annual budget and be communicated to the Finance, Risk & Audit Committee to ensure that sufficient reserves are maintained.

The policy is set in the annual budgeting process.

FSC Australia will aim to maximize income through the investment of reserves to ensure funds are available to carry out necessary projects and operations. Funds can only be invested into term deposits, guaranteed investment certificates, or other interest-bearing deposits with a bank.

Identification of the reserve is available in the budget upon request.

8.6 Accounting Policies

8.6.1 Plant and Equipment

Each class of plant and equipment is carried at the lessor or cost or fair value less, any accumulated depreciation. The carrying amount of plant and equipment is reviewed annually by the Finance, Risk and Audit Committee and Auditor to ensure they are not in excess of the recoverable amount from a sale of those assets or the enduring benefit of the organisation.

An Asset Register will be maintained in XERO or equivalent accounting system under ‘fixed assets’.

102 Self Assessment 2013 f.1
103 Self Assessment 2013 f.2 & f.3
104 Self Assessment 2013 e2
105 Ibid
8.6.2 Employee Benefits

Provision is made for the Company’s liability for employee benefits arising from services rendered by employees to balance date. Employee benefits will include liabilities for wages, unpaid annual leave, superannuation and on costs relating to those amounts.

Other employee benefits payable later than one year are measured at the present value of the expected future cash outflows to be made from those benefits.

Accrual for Long Service Leave entitlements does not occur until an employee has been employed for a continuous period of 5 years. Long Service Leave entitlements are not payable until the employee has reached 7 years of service in accordance with Victorian Long Service Leave Act (2018).

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred. FSC Australia complies with the guides and information provided by the Australian Taxation Office for superannuation.

The CEO may provide for company time to be allocated to study leave where the study links to an employee’s role and function. This may be up to, but not exceed 5 days per year or a total of 38 hours for an equivalent full time equivalent role.

8.6.3 Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Other revenue is recognised when the right to receive the revenue has been established.

8.6.4 Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office or the Inland Revenue Department, NZ. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

8.7 Payroll

8.7.1 Pay cycle

FSC Australia pay cycle is fortnightly. The CEO may change the frequency of payment following consultation with staff and with at least 6 weeks’ notice.

Our pay period runs from Sunday to Saturday, and pays are processed every 2nd week on Tuesday to be paid into the staff members nominated bank account on the Wednesday.

Pays will be automatically deposited electronically into the bank account details provided to FSC Australia. Depending on which bank the employee nominates to use, the funds may be available on either Wednesday or Thursday.
Taxation payments are automatically deducted from salary received, based on the information that the employee supplies on the Tax Declaration forms. Superannuation payments are paid into the employee’s nominated fund each quarter.

8.7.2 Timesheets

At Management’s discretion, staff may be required to keep time sheets and allocate time against jobs in FSC Australia’s job management system as required.

If required, it is the employee’s responsibility to ensure that their timesheet has been completed and submitted by 9am on the Monday of the payroll processing week.

It is expected that a short description of key activity be included for each entry of time. This information will be used in compilation of reporting, performance reviews and external billing of clients.

8.7.3 New Zealand Office

The current arrangement for payments to the contractor in New Zealand is for

- the contractor to forward their monthly invoice plus any reimbursable consumable expenses in line with the budget (receipts/invoices to support expenses must be attached to invoice) to the accounts team.
- With the approval of the CEO, bills can be entered directly into FSC Australia’s finance system. Bills must be entered by the last business day of any given month.
- Payment will be processed in the next payment run after approval. Payment will be deposited electronically into the bank account details provided to FSC Australia. Depending on which bank the Contractor nominates to use. The funds may take up to 3 working days to be available due to the international transaction.

Taxation payments are the responsibility of the contractor.

If there is GST included in the contractors invoice FSCA will pay this and then lodge a GST return in New Zealand to claim it back from the NZIRD).

8.7.4 Changing Pay Details (not payrate)

Employees should advise the Payroll manager if they wish to change any pay details eg: changing banking details or a change in taxation status. Employees should ensure to notify FSCA one week prior to the date they wish the changes to be effective. This is to be done via email.

8.8 FSC Australia Taxation Status

The Company is a not-for-profit, public Company Limited by Guarantee for the promotion/advancement of forest certification in Australia and is exempt from income tax. It is also a registered charity in Australia, being recognised on the Register for Environmental Organisations and the Australian Charities and Not for Profits Commission (ACNC)

8.8.1 Public Fund
The establishment of a public fund is a requirement of FSC Australia’s constitution\textsuperscript{106}. It provides for an account were any charitable contribution that is provided on the basis of FSC being a ‘tax deductible’ charity is banked. It exists for the sole purpose of supporting the principal environmental objectives of the Company.

The role of the Public Fund is to:

- receive gifts of money or property for the Public Fund’s purpose;
- credit to the Public Fund any interest earned on such gifted money; and
- credit to the Public Fund any money derived from such gifted property

The Public Fund is not to receive any money or property other than that received as a gift for the principal objectives of the Company.

- Revenue generated by FSCA for the provision of services or Member fees are not funds subject to tax deductibility under FSCA’s Gift Deductible Recipient status nor are they an ‘unencumbered gift’ and are therefore not required to be held in the public fund.
- All moneys donated to the Company, all interest accrued on such moneys, all income derived from donated property and all money received from the realisation of such property will be deposited into the Public Fund.
- Receipts are to be issued in the name of the Public Fund to donors and proper accounting records and procedures are to be kept and used for the Public Fund.
- All such receipts are to be endorsed with the following:
  "The Responsible Forest Management Australia Public Fund is a public fund listed on the Register of Environmental Organisations under the Income Tax Assessment Act 1997 – Donations of $2 or more are tax deductible."

- The books and records of the Public Fund will be separately audited by the Public Fund’s Auditor to confirm that the Public Fund has been properly administered in accordance with these rules.

For the purposes of FSCA’s finance system – money collected as a donation is captured and reported as a separate revenue account (R800 - Revenue: Donations and bequests). The collected amount should match the ‘Public Fund’ bank account held with the National Australia Bank (Account Number: 083-004-395179788).

The Public Fund will be administered by a Committee of Management who shall be responsible for all its functions. The Committee of Management shall comprise no fewer than three persons and may include the Directors. The Chief Executive Officer of the Company shall be a member of the Committee of Management. The Committee will be appointed by the Directors.

The Board will confirm the appointments of members of the Committee of Management and once confirmed, management will notify ACNC.

8.8.2 Register for Environmental Organisations

\textsuperscript{106} See section 19 of FSCA’s Constitution
The Register is a Commonwealth tax deductibility scheme for environmental organisations enabled under Income Tax Assessment Act 1997 (the Act). It allows eligible organisations to be endorsed as deductible gift recipients by the Australian Taxation Office. The Act requires that the Department of the Environment maintains the Register, and to add or remove environmental organisations and their public funds by joint direction of the Minister for the Environment and the Assistant Treasurer, acting for and on behalf of the Treasurer.

Donations to the public funds of these organisations are tax deductible from the date of their entry onto the Register. All environmental organisations on the Register are required to provide the Department with statistical data for each financial year within a reasonable time following the end of your financial year, in October following the close of Financial Year.

Deductible gift recipient status through the Register is separate from an organisation’s status as a ‘charity’ and eligibility for income tax and other exemptions, which are administered by the Australian Charities and Not for Profits Commission (ACNC) and the Australian Taxation Office (ATO).

Registered Charities are required to report to both the ACNC and REO.

Requirements for remaining on the register:

- Membership consisting principally of bodies corporate, or at least 50 financial members who are individuals and eligible to vote at meetings
- Submission of the statistical return form annually
- Must advise the Register if the Organisation or Public Fund is changing its name
- Maintain a Public Fund Management Committee and advise REO of any changes via the Nomination Form

### 8.8.3 Australian Charities and Not for Profit Commission

The Australian Charities and Not for Profits Commission (ACNC) is the independent national regulator of charities. We are required to notify the ACNC through the portal if any of the following details about the charity change:

- legal name
- address for service (where legal documents can be sent)
- ‘responsible persons’ (people who are members of the charity's governing body including Directors or Committee Members, or its trustees) – we must advise if someone takes on or finishes the role of a responsible person, and
- governing documents (such as its constitution, rules or trust deed).

We are required to advise the ACNC if we think the charity is not meeting its ongoing obligations to the ACNC in a significant way, and as a result, the organisation is no longer entitled to be registered.

We must keep financial records that correctly record and explain transactions and financial position (net wealth) and performance and enable true and fair financial statements to be prepared and to be audited, if required. We must also keep operational records which explain your charity’s activity.

Charities must submit an Annual Information Statement (and, for medium and large charities, a financial report) every year. This statement is due within six months of the end of your reporting period and can be submitted by using the ACNC Charity Portal.

Charities must comply with the governance standards. These standards set out a minimum standard of governance, to help promote public trust and confidence in charities. These standards are reflected in our Director Induction procedures.
8.8.4 Annual Information Statement (ACNC Report)

ACNC requires that all charities and not for profit organisations submit an Annual Information Statement. The statement forms part of the requirement to maintain charitable status and is reconciled with Australian Tax Office records to ensure any declarations or deductions match.

- To lodge the report follow the steps below:
  - Go to website - https://www.acnc.gov.au/
  - Click on Charity Portal log in.
  - Log in with username and password from confidential passwords.
  - Select the charity (Responsible Forest Management Australia Limited) and click on it.
  - Click on Manage Reporting.
  - Find the Annual Information Statement for the year to be submitted.
  - Fill out form.
  - Submit.

8.8.5 Information to have on hand

- Get the information below ready to help you log in and answer the questions.
  - Your Charity Portal username and password.
  - Pay As You Go (PAYG) payment summaries. This will help you when you are answering the question about employees.
  - Annual reports and project reports.

8.8.6 Financial documents

- Balance sheet or statement of financial position, and statement of profit or loss and other comprehensive income for the reporting period.
- Medium and large charities with no transitional reporting arrangements must submit financial statements for the reporting period, including:
  - statement of profit or loss and other comprehensive income
  - statement of financial position
  - statement of changes in equity
  - statement of cash flows
  - notes to the financial statements
8.8.7 Upload Governing Documents (including Constitution) in the ACNC Portal

- Go to website - https://www.acnc.gov.au/
- Click on Charity Portal log in.
- Log in with username and password from confidential passwords.
- Select the charity (Responsible Forest Management Australia Limited) and click on it.
- Click on ‘Manage other charity details’
- Click on ‘Change your charity’s legal name or governing document
- Confirm details and then press start.
- Complete the relevant questions/provide relevant information

8.9 Insurance

FSC Australia provides insurance and indemnities to the Company, Directors and Staff commensurate with the associated risk. FSC Australia contracts Insurane Brokers to ensure policies cover risk and are cost effective. FSC Australia’s insurance policies have been extended to cover the operations in NZ.

8.9.1 Policies Held

The following policies are held by the Organisation to cover:

All Staff, Directors and volunteers for
- Management Liability;
- Business Insurance (all risk including Public Liability and Products Liability), and
- Corporate Travel

Please note that the Corporate travel policy applies for travel due to FSC Australia’s business needs. When staff travel internationally for FSC International, they are covered by the FSC International policy of insurance.

The Corporate travel policy is broad and includes all usual medical, illness, and loss provisions, but also includes insurance excesses of hire cars for example so no further insurance is required to be taken out.

Directors can access copies of current D&O insurance in the Dropbox/FSC Governance Folder.
8.9.2 WorkSafe/WorkCover Report

The following section outlines the process to generate a WorkCover report for the purposes for calculating and paying worker insurance. FSCA’s workcover insurer is Xchanging.

- Click on the Remuneration tab - you can confirm previous years remuneration and submit current years remuneration from this tab.
- Estimate Remuneration based on: -
  - The estimate of your total rateable remuneration
  - GST input tax credit entitlement (%)
  - The number of full and part time/casual workers
  - Whether you have exempt apprentices or trainees
  - Our buy-out preference
- Submit details once all the forms have been filled in.

8.10 Credit Card Policy

8.10.1 Scope

There is to be one credit card issued to the CEO of FSC Australia to cover administrative, travel and other business expenses with a maximum limit of $10,000.

8.10.2 Conditions of Use

Cardholder Acknowledgement

FSC Australia has sole liability for all expenditure and charges legally made on the card. However, the issue of the card is conditional upon cardholders ensuring that they use the credit card for bona fide purposes and operate within authorised delegations that impose responsibilities on the cardholder.

Financial Delegation

Where staff do not have the appropriate financial delegations for the purchases they shall obtain authorisation from the CEO, prior to using the card. Approval for travel will imply approval for reasonable purchases associated with the travel. Refer to this document on Delegations which is located in the Governance Manual Folder.
Security

Cardholders are fully responsible for the safe keeping of the card and for ensuring that important card details e.g. card number, expiry dates are kept confidential.

8.10.3 Monthly Credit Card Reconciliation

Statements are periodically (weekly or daily) reconciled using the automated function in XERO. The reconciliation requires:

- Verifying the transactions appearing on the Card Statement to ensure that the amount and details of expenditure are correct (original receipts are provided);
- Providing details to enable GST/NZ GST to be calculated; and
- Reviewing and providing appropriate approval for all expenditure charged to their card on monthly statements.
- Any unsupported payments are allocated to the ‘Unsupported Credit Card Transactions’ GL account.
- Any transactions with lost or unobtainable invoices are to have an Unsupported Credit Card Payment Authorisation completed. This can be found at: Dropbox, Finance, Expenses, appropriate year. This form needs to be approved by the CEO for staff and by the Chair of the Board or the Chair of the FRAC. Once approved it can be attached to the transaction in XERO.
- If approval is not given then the staff member who purchased the item will need to repay FSCA for the expenditure.

8.10.4 CEO Credit Card Transactions tabled at FRAC Meetings

A transaction history of the CEO’s credit card transactions will be tabled for noting at the FRAC meeting (to the month period from the prior meeting). This provides an independent oversight of transactions given the CEO can incur, record and pay cash disbursements.

8.10.5 Disputed Card Transaction

Where a cardholder disputes a card transaction he/she shall initially raise the matter directly with the merchant/supplier. Where a cardholder is unable to resolve the dispute with the merchant/supplier cardholder shall immediately contact the Chief Executive Officer.

8.10.6 Card Misuse/Disciplinary Action

Under no circumstances shall the credit card be used for personal expenditure or expenditure that is not authorised. Doing so constitutes serious and wilful misconduct and may lead to the termination of employment.

8.11 Accounting Policies and Procedures
### 8.11.1 Schedule of Delegations – Cash disbursements

<table>
<thead>
<tr>
<th>Purchase Values (ex GST)</th>
<th># Quotes Required</th>
<th>Quote Waiver Authoriser (Exception Report)</th>
<th>PO Req’d in advance</th>
<th>1st Authoriser</th>
<th>2nd Authoriser (Board Authoriser Form)</th>
<th>3rd Authoriser (Board Authoriser Form)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0-100</td>
<td>0</td>
<td>N/A</td>
<td>No</td>
<td>All</td>
<td>Not required</td>
<td>Not required</td>
</tr>
<tr>
<td>$101-1,000</td>
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<td>N/A</td>
<td>No</td>
<td>CEO</td>
<td>Not required</td>
<td>Not required</td>
</tr>
<tr>
<td>$1,001-2,500</td>
<td>1</td>
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<td>Yes</td>
<td>CEO</td>
<td>Not required</td>
<td>Not required</td>
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<tr>
<td>$2,501-5,000</td>
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<td>N/A</td>
<td>Yes</td>
<td>CEO</td>
<td>Not required</td>
<td>Not required</td>
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<tr>
<td>$5,001-10,000</td>
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<td>CEO</td>
<td>Yes</td>
<td>CEO</td>
<td>Chair</td>
<td>Not required</td>
</tr>
<tr>
<td>$10,001+</td>
<td>3</td>
<td>CEO &amp; FRAC</td>
<td>Yes</td>
<td>CEO</td>
<td>FRAC</td>
<td>Board</td>
</tr>
<tr>
<td>Assets &lt; $2,000</td>
<td>1</td>
<td>N/A</td>
<td>Yes</td>
<td>CEO</td>
<td>Not required</td>
<td>Not required</td>
</tr>
<tr>
<td>Assets $2,000-2,500</td>
<td>1</td>
<td>N/A</td>
<td>No</td>
<td>CEO</td>
<td>Yes (Chair FRAC)</td>
<td>Not required</td>
</tr>
<tr>
<td>Assets $2,501-5,000</td>
<td>2</td>
<td>CEO &amp; Chair</td>
<td>Yes</td>
<td>CEO</td>
<td>Yes (FRAC)</td>
<td>Not required</td>
</tr>
<tr>
<td>Assets $5,001+</td>
<td>3</td>
<td>CEO &amp; Chair</td>
<td>Yes</td>
<td>CEO</td>
<td>Yes (FRAC)</td>
<td>Board</td>
</tr>
<tr>
<td>Assets $10,000+</td>
<td>3</td>
<td>N/A</td>
<td>Yes</td>
<td>CEO</td>
<td>Yes (FRAC)</td>
<td>Board</td>
</tr>
<tr>
<td>Service Agreements $5,000-10,000</td>
<td>2</td>
<td>CEO &amp; Chair</td>
<td>Yes</td>
<td>CEO</td>
<td>Yes (FRAC)</td>
<td>Not required</td>
</tr>
</tbody>
</table>

Version: 3.7 – August 2019
Date: Friday, 20 September 19
File: C:\Users\Sara\Dropbox (FSC)\1. FSC Board Governance\1. Board Meetings\6. 2019\6. 19 Sept\13.2 Governance Manual V3.7 Draft Sept 19 v2.docx
### 1. Board Meetings

#### 6. 2019

#### 6. 19 Sept

#### 13.2 Governance Manual V3.7 Draft Sept 19 v2.docx

<table>
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<tr>
<th>Purchase Values (ex GST)</th>
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<td>All</td>
<td>Not required</td>
<td>Not required</td>
</tr>
<tr>
<td>Service Agreements $10,001+</td>
<td>3</td>
<td>CEO &amp; Chair</td>
<td>Yes</td>
<td>CEO</td>
<td>Yes (FRAC)</td>
<td>Board</td>
</tr>
</tbody>
</table>

#### How to request a Purchase Order Number

Email the Admin Manager with the details of the purchase (following the requirements in the table above). You will receive a system generated purchase order number for inclusion on the supplier invoice in return.

- Supplier
- Description of item / service
- Total due (indicating GST exclusive or inclusive)
- XERO Account Code (refer Chart of Accounts)
- Expected due date for payment
- Secondary authorisation if required (table below)

#### 8.11.2 Receipt of Purchases

All purchases received are to be checked by the purchase initiator against the purchase order and noted as correctly supplied. Forward invoice and supply confirmation by email to Finance & Admin Manager for processing and payment.

#### 8.11.3 Exception Report (including quote waiver)

Where a purchase involves securing goods, services or professionals with a specific or unique characteristic or expertise, a quote waiver may be authorised for this purchase by submitting an Exception Report to the CEO and the FRAC/Board as applicable.

Any purchases (including quote waivers) made outside the parameters of the Financial Policy must be noted in an Exception Report, which is to be submitted to the CEO for approval prior to a purchase commitment and retained with the invoice. An Exception Report Summary will be provided to the Finance and Governance Subcommittee for their consideration.
consideration and review. No action should be taken without written CEO approval. The approval should be attached to the purchase order / invoice.

Further Authorisations - Board Authoriser Form

This form must be completed in advance of purchases for items or services that require either the Chair or Finance, Audit & Risk Committee (FRAC) to approve the purchase as per the requirements of the table above. Please complete and submit to the CEO for second authorisation, and then to the Finance Manager who will seek Board approval. When obtained, you will receive a purchase order number.

8.11.4 Banking & Cash Disbursements

The Finance, Risk and Audit Committee will authorise all changes to RFMA bankers including opening bank accounts. The CEO has the delegated authority to close bank accounts and credit card accounts.

The Finance, Risk & Audit Committee will approve authorized signatories in accordance with the Schedule of Delegations.

All banking transactions will require the approval of two authorised signatories to the bank account. RFMA will maintain a register of authorised signatories which will be tabled at FRAC meetings on request and can be found at Dropbox/Finance/Banking/Authorised Users.

The CEO will provide access to initiate but not approve transactions, to the online banking information to a responsible person, usually the Administration Manager, who will attend to the day-to-day processing and receipting of transactions. The CEO or the alternates nominated by the Board approves the payment of all transactions via NAB Connect using secure Token or app code generator.

The CEO, as the administrator, can add new users by following the steps below:

8.11.5 Adding new user in NAB Connect

- The Admin user, generally the CEO, must first log into NAB Connect
- The user ID is specific to the user as is their password and token/app
- Click Admin then users
- Click create User
- Enter details and then type, i.e. General User for upload info and payments without ability to approve, or Payment authoriser with token access.
- If it is for an authoriser, verification will be required, either 100 points or if an existing NAB customer, relevant details.

8.11.6 Cash Receipts

Cash receipts (at least once per month) must be verified per the cheque log, server files, and XERO to verify that the funds have indeed been deposited.

Additionally, the bank reconciliations will be conducted to ensure that funds are properly accounted for.
8.11.7 Cash Disbursements

Cash disbursements must be verified, at least once per month, per XERO with the online banking information to ensure that the funds have been dispersed. Where cheques are used, verification that all cheques have been cut and that none are missing will occur. Cheque numbers should be identified on the payable records and there should be a trail record of the physical cheques numbering sequence. Further, bank reconciliations will be verified to ensure that funds are properly accounted for. Staff members are expected to make vendors aware of payment processes to avoid confusion; no promises of payment should be made by any staff member. Cash flows and future funding are to be considered before the payment of any bills. Signers must be aware of overall cash balance, accounts payable detail listing, and the balance of the account.

The process of cash disbursements are as follows:

- Bills received by mail are opened and scanned, and emailed to accounts@au.fsc.org for processing or electronically delivered bills saved with the date received in the Finance folder under expenses for the given year.
- Where staff receive bills, these will be added by the Accounts/Administrations Officer as a bill in XERO and the digital or scanned bill attached. Data entered should include any deadlines for payment.
- Bills will be paid via bank deposit, credit card, BPay or cheque (if required). For audit trail purposes, payments of cash will not be provided to suppliers, and if cash payment is part of their payment terms, written approval will need to be sought from the CEO prior to the engagement of the supplier.
- Invoices must be billed and addressed to the FSCA’s Head Office.
- Bills are entered in XERO as of their invoice date, unless the invoice date is not indicative of the time frame in which the service was provided (e.g. referred to previous month). In the event that the invoice date is not correct, the designated staff person shall request that the vendor resubmit with the proper date, in order to be eligible for payment.
- NZGST and GST must be tracked separately, when charged by suppliers or vendors.

8.11.8 Cheque Signing Policy

FSC Australia will actively avoid using cheques to pay or receive payment. Alternative payment options will be made available to debtors.

8.11.9 Finance, Risk and Audit Committee /Board Approval of Extraordinary Expenses

The Finance, Risk and Audit Committee must approve any payment above budget and less than $5,000, Expenditure above $5,000 without identified corresponding new income is required to be approved by the Board on recommendation from the Finance, Risk and Audit Committee.
8.12 Expense Reimbursements

From week to week, FSC Australia Staff, Directors and volunteers may have expenses that need to be reimbursed. Expense reimbursements will not attract reimbursement later than 2 months after they were incurred or after the close off of the financial year.

FSC Australia will pay for all air travel in advance at the lowest fare possible, and wherever possible, airfares and accommodation should be purchased on the credit card.

In order to be reimbursed for reimbursable items associated with travel, the individual must complete an online expense claim through XERO.

Reimbursement requests are being emailed through to either the CEO or Account/Administration Officer. The current Directors tend to submit a word document with a request for reimbursement and list the items. They also attach the appropriate documentation.

Expenses must include:

- a suitable description and reason for expenditure,
- link to the appropriate finance account
- identification of the relevant project (maintenance, response or strategic)
- details of how payment was made and by who (for Directors only)
- a legible copy of the tax invoice

Failure to provide this information may result in the expense not being paid.

All expenses will be approved through XERO by the CEO.

8.12.1 Non-reimbursable items

FSC Australia will not reimburse the following expenses.

- Expenses of any family members accompanying any employee/volunteer
- Airline Club Memberships.
- Personal clothing or articles.
- Medical and hospital related costs.
- Flight insurance (employees\(^{107}\) are covered under the company travel insurance policy when traveling on company-required business).
- Any business expense to the extent that it is “lavish” or “extravagant” as considered by the CEO
- Flowers and gifts unless prior approval is sought from the CEO

\(^{107}\) Note that employees includes any person at FSC Australia, including directors (executive or non-executive), consultants, contractors, sub-contractors and/or self-employed persons undertaking work on FSC Australia’s behalf. See Chubb Corporate Travel insurance PDS.
• Items and expenses of a personal nature outside of reasonable incidentals associated with travel
• Any expenses connected with recreation activities, social events, employee’s awards, incentives, etc.
• Traffic tickets or fines, including any fines for speeding and other traffic violations (including parking) will not be reimbursable.
• Auto repairs.

8.12.2 Types of Reimbursable Expenses

Air Travel

• The lowest cost airfare available must be selected if consistent with a reasonable travel schedule;
• All flights and associated costs must be approved prior to purchasing.
• Note: Directors are not required to get pre-approval and reasonable costs will be reimbursed in line with the approved budget.

Airport Transportation

• The least expensive means of transportation for the most convenient, direct, timely route to and from the airport shall be selected; and

Automobile

• Consultants in NZ can have a car allowance calculated as part of the contract.
• Use of FSC staff personal vehicles is discouraged and a hire car should be used where appropriate.
• Where staff propose to use their own vehicle, permission must be obtained from the CEO. Staff must also ensure if they are using their own vehicle for business purposes that they have an adequate policy of insurance to cover such usage.
• It is the ordinary case that staff who do not have provisions in their salary packages will refrain from using personal vehicles for work purposes due to the insurance and workers compensation issues that any incident can create.
• Under Australian and New Zealand Law, travel to and from the workplace is classed as personal. Staff in Australia who need to use their vehicles for work purposes with CEO approval, can apply to have kms paid pursuant to the rate in the Clerks Private Sector Award or applicable ATO rates.

Parking

• Staff using their vehicle for business purposes may claim the costs of parking.
• Directors attending Board Meetings or FSC events are entitled to seek reimbursement for parking costs.
Personal Travel combined with Business Travel

- When personal travel is combined with business travel, you will be reimbursed for only the business portion of the trip at the lowest available fare;
- Where the allocation of business versus personal travel is not clearly evident, e.g. a multi-destination airline ticket where one or more of the destinations is for personal travel, then an airfare quote for the “business portion only”, taken at the same time as the actual airline booking, should be provided to the CEO. The airfare quote for the business portion of the trip will be the reimbursable amount, if this amount is lower;
- When submitting the request for reimbursement, the original invoice for the cost of the airfare booked should be submitted along with the quote for the “business” portion obtained; and
- It is strongly recommended that travel arrangements where personal travel is combined with business travel are brought to the attention of the approver prior to booking the travel.

Hotels

- Lodging accommodations should be suitable, comfortable, and reasonably priced of approximately 4 star level.
- Last minute rates should be secured wherever possible.
- If you are required by business to stay at a higher priced hotel/motel, such as circumstances of conferences or international travel, obtain prior approval.

Meals & Beverage

- Cost of meals should be reasonable for the area in which you are traveling and consistent with normal living standards.
- All expenses must be supported by a receipt. Expenses without a receipt will not be reimbursed.
- FSC Australia will not reimburse expenses of any family members accompanying any employee on a business trip.
- Under Australian and NZ law, lunch is a personal expense unless meeting with clients.

Alcohol

- Only reasonable alcohol consumption is reimbursable.
- FSC Staff Meetings - business meal expenditures for groups composed entirely of FSC employees are a necessary but infrequent event, such as when a meeting must be continued through lunch due to the time and travel constraints of out-of-town employees participating in the meeting. These expenses may be reimbursed provided that the designated staff person has provided prior approval.
- Business Meeting Expenses - reasonable costs of meals when providing for specific business purposes are reimbursable, only if approved in advance by the CEO. Business meeting expense reports must name all the individuals concerned, their business relationship (company employed by or associated with), the detailed
business purpose of the expenditure, and whether it is a breakfast, lunch, dinner, etc.

**Business Supplies**

- Reasonable expenses incurred for equipment or services essential to the performance of the assigned duties will be reimbursable.
- The purchase of business supplies shall be approved prior to purchase by the designated staff person. Receipts will be obtained for all such expenditures, regardless of the amount.

**Telephone, Mobile Devices and Computers**

- FSC Australia provides a device allowance of $1,340 per year as part of a full time equivalent salary. This equates to $70 for phone and data allowance plus $500 to contribute to the cost of a computer to be used for work purposes. See Device Contribution section.
- Employees using personal telephone or mobile device internationally are entitled to reimbursement of expenses.

### 8.12.3 Non-Reimbursable Expenses

1.1.1.1 Parking fines
- Parking fines incurred by staff or contractors using hired, borrowed or personal vehicles are not subject to reimbursement from 1 July 2015.

1.1.1.2 Speeding fines
- Speeding fines incurred by staff or contractors using hired or personal vehicles will not be paid for from 1 July 2015.
- Any costs associated with processing of a speeding fine by a hire company must be paid for by the staff member responsible for the vehicle at the time when the fine was incurred.

**8.13 Seeking Independent Advice**

Circumstances may arise where the CEO or Board require independent professional advice to support a decision or action.

Whilst the nature of the advice may vary (legal, governance, health and safety, industrial relations, financial etc.) in all circumstances a formal request for advice must be clearly documented.

Any advice received must be received in writing and stored in the FSC server under in the Governance/Board meeting folder in the year/month the advice was received.

**8.14 Management of AusKey**

The AusKey is the universal digital signature that the ATO use in all official government interactions associated with FSC Australia’s corporate compliance.
The AusKey is held by a Board Director (not necessarily required but needed to establish the first AusKey), CEO and Administration Manager role. It is important that administrative permissions are limited to key staff, e.g. Board Chair and CEO.

The follow section outlines how to manage the AusKey. All changes require you to login first. Follow steps below.

- For Mac Users, use Firefox. For PC users, Chrome or Explore is compatible.
- Click AUSKey Manager
  
  If you do not have a Registered AUSKey and have installed the software on your computer, you will not be able to log in. You must have the administrator first give you an AusKey for this step to work.

- If you have an AUSKey, login.
- Click on the below items

  8.14.1 Manage Auskeys

Use this section, if you are an administrator looking to add details to an existing AUSkey or user.

Follow the following steps:

- Under Manage AUSkeys – Standard/Administrators there is a list of all AUSkey users for your business.
- By selecting the name of a user you can: review their access level, update their details, down grade their access level or cancel their key

  8.14.2 Add AUSKeys

Use this section, if you are an administrator looking to add a new AUSkey user. For this to work, the individual must provide their tax file number and details.

- The fastest way to register someone else is by logging in to AUSkey Manager with your Administrator AUSkey.
- Under Register New AUSkeys you can register someone else for a Standard or Administrator AUSkey.
- Registering someone else for an AUSkey means you are allowing them to use online services on behalf of your business.
- You can register someone for a Standard or an Administrator AUSkey depending on the type of AUSkey they need.
- You can only register someone else if you have an Administrator AUSKey or if you are an eligible associate recorded on the Australian business number (ABN).
- It is important that you only offer Administrator access if necessary. This should ideally be limited to the Chair and CEO.
9 CEO AND COMPANY SECRETARY

9.1 The Chief Executive Officer (CEO)

9.1.1 The Role of the Chief Executive Officer

The CEO is responsible for the day-to-day management of FSC Australia and is accountable to the Board. The FSC CEO's role includes:

- Implementation of policies and strategies approved by the Board and will take the main role in assisting the Board in developing FSC Australia’s strategic direction;
- Management and operation of FSC Australia as provided for by the Board and within the annual budget;
- Ensure that FSC Australia’s systems and processes are documented and implemented to ensure compliance with all legal requirements and obligations of FSC Australia, both national and international;
- Manages key accounts in conjunction with the FSC International and ensures they are listed in the work plan\(^{108}\);
- Appointing and managing staff, with the exception of the head of the Policy function whose appointment is subject to an approval process of the Board;
- Assist the Board in developing and implementing specific objectives and strategies;
- Communicate on FSC issues (national and international) with the stakeholders, certificate holders, members and other interested parties in the country\(^{109}\) and feed up any concerns to FSC International to assist in the formation of policy;
- To have regular contact with government institutions, e.g., with ministers, departmental officials or the staff of executive agencies\(^{110}\);
- Management of the Company generally to achieve key performance indicators as set by the Board and as required by FSC International; and
- To ensure that the FSC Australia operates within and is compliant with its mandate both nationally and globally.

9.1.2 Powers of a Chief Executive Officer

Except for voting, the Directors may delegate to the Chief Executive Officer any of the powers exercisable by them under the FSC Australia Constitution and may at any time withdraw, suspend or vary any of those powers\(^{111}\).

The delegation of powers to the Chief Executive Officer does not prevent the exercise of those powers by the Directors. The Directors will ordinarily do this by Board minute or by a formal instrument delegating authorities\(^ {112}\).

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\(^{108}\) Self Assessment 2013 k.1

\(^{109}\) Ibid, m.2

\(^{110}\) Ibid, k.2

\(^{111}\) FSCA Constitution Rules 12 and 14.2; Self Assessment 2013 c.6

\(^{112}\) Self Assessment 2013 c.6
9.1.3 **CEO’s power to enter into staff contracts**

The CEO has authority to appoint staff subject to the following limitations.

- The CEO cannot appoint the Head of the Policy function who leads the development of National Standard without approval from the Board;
- The CEO must not, under any circumstances, engage staff in an on-going capacity.
- The CEO cannot engage an employee for longer than 2 years without Board approval. Any contract entered into by the CEO without Board approval is invalid.

9.2 **The Secretary**

9.2.1 **The Roles of the Secretary**

The Secretary of FSC Australia will be responsible for carrying out the administrative and legislative requirements of the Board, including:

- Ensuring that the Board Agenda is developed in a timely and effective manner;
- Coordinating, organising and attending meetings of the Board;
- Drafting and maintaining minutes of Board meetings;
- In conjunction with the CEO, carrying out the instructions of the Board and giving effect to the Board’s decisions;
- Working with the Chair and the CEO to establish and deliver best practice in corporate governance of FSC Australia;
- Ensuring Board procedures are followed and that applicable rules and regulations for the efficient operation and conduct of the affairs of the Board are complied with;
- Ensuring that proper procedures are followed for General Meetings and for the Annual General Meeting;
- Ensure the Member register is kept and is up to date
- Ensuring FSC Australia’s compliance with legislative requirements and with FSC Australia’s Constitution;
- Doing all things required to call for nominations, send out papers and coordinate the AGM each year;
- File all necessary paper work with government authorities including ASIC notifying of the changes of office holders and annual returns.

9.2.2 **Appointment of Secretary**

There must be at least one Secretary who is to be appointed by the Directors in the manner and procedure that they deem appropriate. The Company cannot operate without a Company Secretary. This can be an independent person or one of the number of Directors.

9.2.3 **Powers, duties and authorities of Secretary**

The Secretary holds office on the terms and conditions, and with the powers, duties and authorities, as the Directors decide.
9.2.4 Termination of appointment of secretary

The Directors may at any time terminate the appointment of a Secretary.

9.3 Creation and Appointment of Other Officers

The Board of Directors may from time to time:

- Create any other position or positions in the Company with the powers and responsibilities as the Board of Directors may from time to time decide; and
- Appoint any person, whether or not a Director, to any position or positions created under the Constitution.

The other officers do not have voting rights and can be paid for their services, as they are not Directors. Representatives of accredited certification bodies and representatives of the Australian Government, whether Federal or State, are not eligible for appointment as officers of the Company.

9.3.1 Termination of Appointment of Other Officers

The Directors may at any time terminate the appointment of a person holding a position created by the Directors and may abolish any position\(^\text{113}\).

\(^{113}\) FSCA Constitution under Rule 14.6(i)
10 HEALTH AND SAFETY

The main principles of this section are mainly governed by the *Occupational Health and Safety Act 2004*\(^\text{114}\) and for New Zealand employees governed by the *This is now The Health and Safety at Work Act 2015* [http://www.legislation.govt.nz/act/public/2015/0070/latest/DLM5976660.html\(^\text{115}\)]

### 10.1 General Health & Safety in the Workplace

FSC Australia is committed to providing a safe workplace for all employees. We have taken all possible precautions and followed all the guidelines as recommended under the Federal and State rules and regulations. We expect that staff, in turn, accept their responsibility to work safely. This means working intelligently, with common sense and foresight. All employees are expected to follow the set safety standards which apply to our Organisation, and adhere to all regulations as set out by the *Occupational Health and Safety Act 2004* and the *NZ Health and Safety at Work Act 2015*.

Any injury to an employee may cause physical suffering as well as loss of income and productivity. It may additionally damage the morale of the work group. The following rules are common sense and should be followed by all employees.

- Keep working areas clean at all times. This reduces the chance of any injury and also makes the area a more attractive environment to work in;
- Always wear the appropriate safety equipment when doing any hazardous work. You will be supplied with this if required;
- Do not run in the office, particularly in areas of production or storage;
- Where footpaths have been identified and clearly marked, please use them;
- Do not smoke throughout the building and, when smoking outside, make sure that you leave that area safe and clean;
- Have respect for electricity – do not overload any outlet. Never have any electrical wires rolled up (such as extension leads) – they may create heat and cause fire danger; and
- Be aware of hot water temperature and especially boiling water from kettles and coffee machines.

Report any injury or near miss immediately, and process the appropriate report. It's in everybody's interest! If you notice a condition or practice that seems unsafe, you should immediately discuss this with your supervisor, or readily correct it yourself if it is personally safe to do so.

### 10.2 Benefits of a safe and healthy work environment

Reduction in the rate and severity of occupation accidents, disease and work-related stress levels improves the quality of work life for employees thereby increasing their effectiveness.

Improvements can result in:

FSC Australia – Governance Manual

- More productivity due to few lost workdays;
- Increased efficiency from a more committed workforce;
- Reduced medical and insurance costs;
- Lower workers’ compensation rates and direct payments;
- Increased flexibility and adaptability in the workforce as a result of increased participation and an increased sense of ownership;
- Better selection ratios because of the enhanced image of the practice.

10.3 Responsibilities

- Occupational Health and Safety (OH&S) concerns protecting the safety, health and welfare of people engaged in work or employment\(^{116}\). OH&S seeks to prevent accidents and diseases by ensuring workplaces are free from hazardous conditions.

Taking effective health and safety measures ensures that fewer employees have short or long-term ill effects as a result of being employed by your practice.

Responsibility for OH&S should be seen as a partnership between Managers, HR professionals and employees. FSC Australia Managers make safety and health a major objective of the business and support the HR professionals’ efforts to train all employees in safety and health whilst also allowing employees to have more participation in decision making.

Employees need to participate in the development and administration of OH&S programs and perform their tasks in accordance with established guidelines. They should be encouraged to accurately report work-related illnesses and injuries.

In reference to New Zealand employees, FSC Australia remains liable under the New Zealand Health and Safety at Work Act 2015. A partnership between FSC Australia and employees should be seen to take all reasonable practicable steps to mitigate hazards arising in a shared workspace.

10.4 Health and Wellbeing Policy

FSC Australia will, as far as practicable, provide a safe work environment for the health, safety and welfare of our employees, contractors, visitors and members of the public who may be affected by our work.

To do this, FSC Australia will:
- Develop and maintain safe systems of work, and a safe working environment;
- Consult with employees and health and safety representatives on safety;
- Provide protective clothing and equipment, and enforce its use;
- Provide information and training for employees;
- Assess all risks before work starts on new areas of operation, for example, buying new equipment and setting up new work methods, and regularly review these risks;

• Remove unacceptable risks to safety; and
• Provide employees and contractors with adequate facilities (such as clean toilets, cool and clean drinking water, and hygienic eating areas).

10.4.1 Manual Handling

It is FSC Australia’s policy to provide all employees with a safe and healthy workplace by identifying, assessing and controlling manual handling risks.

Whilst Management is responsible for the health, safety and welfare of all staff, all employees must report potential and actual manual handling hazards.

Never lift or manually handle items larger or heavier than you can easily support. Use appropriate lifting techniques and ensure footwear is suitable for carrying items up and down staircases. If you are in any doubt, do not hesitate to ask for help.

10.4.2 Smoking Policy

FSC Australia has a non-smoking policy. Smoking is not permitted on FSC Australia property or in offices at any time. FSC Australia is acutely aware that smokers who need to take breaks should do so during their allotted or authorised breaks only.

10.4.3 Alcohol and Drugs Policy

FSC Australia is concerned by factors affecting an employee’s ability to safely and effectively do their work to a satisfactory standard. The organisation recognises alcohol or other drug abuse can impair short-term or long-term work performance and is an occupational health and safety risk.

FSC Australia will do its utmost to create and maintain a safe, healthy and productive workplace for all employees. FSC Australia has a zero tolerance policy in regards to the use of illicit drugs on their premises or the attending of other business related premises (e.g. clients) while under the influence of illicit drugs. Contravening either of these points may lead to instant dismissal.

FSC Australia does not tolerate attending work under the influence of alcohol. This may result in disciplinary action or dismissal.

FSC Australia, at times, makes alcohol available to staff over the age of 18. Limiting the consumption of any alcohol made available is the responsibility of the employee. Driving over the legal limit or under the influence of illicit drugs is illegal and sits in the realm of personal responsibility of the employee.

10.5 Worker’s Compensation

All employees may be eligible for workers’ compensation benefits if injured while at work.

Employers are required by law to have a workers compensation insurance policy which covers their workers in the event they suffer a work related injury or illness. These policies ensure that injured and/or ill workers receive financial compensation for lost wages, medical expenses and permanent incapacity.

The principal legislative enactments on worker’s compensation in Victoria and New Zealand can be found at:
10.6 Consequences of Non-Compliance to OH&S issues

The law provides for enforcement of legislation by the various authorities through their inspectorates, with a scale of penalties for non-compliance. Management and the Board can be personally liable for OH&S breaches and may be subject to heavy fines and in some cases imprisonment.

In Australia, if an OH&S breach has resulted in death or serious injury, criminal proceedings may also be brought against the Directors. Ultimately, everyone at the workplace is responsible for ensuring health and safety at that workplace.

All persons responsible for the work activities of other employees are accountable for:

- Identifying practices and conditions that could injure employees, clients, members of the public or the environment;
- Controlling unsafe situations by removing the risk to safety. If unable to control such practices and conditions, persons responsible are required to report these to their Manager;
- Making sure workers use personal protective equipment (PPE), training workers to use PPE correctly; and
- Making sure PPE is maintained and working properly.

FSC Australia demands a positive, proactive attitude and performance with respect to protecting health, safety and the environment by all employees, irrespective of their position.

10.7 Injury Procedure

If there is an injury:

- The first priority is medical attention. The injured worker or nearest colleague should contact one of FSC Australia’s first aiders or a first aider in any shared workspace. For a serious injury also call an ambulance;
- Any employee who is injured on the job, experiences a safety incident or a near miss, must report the incident to their Manager; and
- The Manager must write a report in the Register of Injuries, incidents and near-misses.

This standard report must include:

- Employee’s name and job details;
- Time and date of injury;
- Exact location the injury/incident occurred;
- How the injury/incident happened;
- Details of the injury/illness and the part/s of the body injured;
- Names of any witnesses;
- Name of the person entering details in the Register; and
- Date the employer was notified.
FSC Australia will notify the injured employee in writing that we have received notification of any injury or illness reported in the Register. A template for injury is located in the Management / People / Health & Safety / Templates folder.

The CEO must report serious injuries to Worksafe immediately.

10.8 Fire Prevention

All employees of FSC Australia, share a duty with the business to help prevent fire.

Always be aware of the danger of fire and ensure to;

- Never smoke in unauthorised places;
- Do not empty ashtrays in rubbish bins without checking that there are no smouldering cigarette ends;
- If there are small fan or single bar heaters in your area never leave them switched on when no-one is around and ensure that there are no items left close to them;
- If you are the last person to leave your work area or office, always spend a moment checking that computers, photocopiers and associated equipment are switched off and lights are not left on unnecessarily;
- Report any faulty electrical problem to FSC Australia Management; and
- Never use damaged electrical cables.

10.8.1 Fire Safety & Evacuation

Signs showing the protocol for evacuation in cases of emergency are displayed in various locations within FSC Australia offices. The location of the fire extinguishers are indicated by signs, and instructions for their use are on each fire extinguisher. It is recommended that employees familiarise themselves with this information.

Safety protocol in cases such as a fire in various locations around the office. All fire extinguishers have a step-by-step guide attached to the wall above to help you understand what to do in the case of an emergency. It is recommended that employees familiarise themselves with this sheet from time to time.

FSC Australia offices has fire detection and prevention devices such as:

- A fire hose and fire extinguisher;
- Each office has a smoke detector that will set off the alarms directly at the Fire Station; and
- Sprinkler systems which sprays water to cover the area when fire occurs.

In the event of a fire or discovery of smoke please follow the plan of action. The evacuation plan should be commenced as soon as the alarms are heard.

In case of an emergency, please:

- Alert everybody in your area;
- Switch off machinery;
- Close all doors behind you as you proceed to the fire stairs;
- If safe to do so, use a fire hose or extinguisher to fight the fire;
- Turn off air-conditioning;
• Follow the instructions of Management or the supervisor in charge; and
• Remain calm and do not take risks.

Should it be necessary to evacuate the premises the meeting point for all employees in the Carlton office is on the entrance to the old Carlton United Brewery at 515-591 Swanston Street Carlton.
11 PEOPLE AND CULTURE

Employment with FSC Australia is essentially governed by the contract of employment, FSC Australia’s policies and procedures and the relevant laws in Australia or New Zealand, in conjunction with this Manual. The following section provides general information regarding pay, conditions and FSC Australia’s expectations of employees.

Broadly, employment is either salaried with no base award, or is governed by an award and the entitlements are described in it. The National Employment Standards form the basis of all employment conditions for all employees in Australia. The policies and procedures of FSC Australia assist in explaining and adding on to the requirements of salaried employees and those covered by award conditions.

11.1 Preferred Culture

FSC Australia value a positive and constructive culture that seeks to support and empower staff and stakeholders.

11.2 Guiding Behaviours

1. Give & ask for feedback
2. Respect others time
3. Support each other to deliver
4. Communicate clearly and directly
5. Take responsibility
6. Build relationships
7. Have fun and enjoy work

11.3 Code of Conduct

11.3.1 Purpose

This policy affirms FSC Australia’s belief in responsible social and ethical behaviour from all employees. This policy clarifies the standards of behaviour that FSC Australia expects of all employees.

11.3.2 Principles

Our employees contribute to the success of our Organisation and that of our Members and clients. Furthermore, our employees have an obligation to our Organisation, our Members, clients and themselves to observe high standards of integrity and fair dealing. Unlawful and unethical business practices undermine trust.

11.3.3 Policy

Our Code of Conduct policy applies to all employees and volunteers and provides the framework of principles for managing our Organisation, dealing with other employees, Members, clients and suppliers. The Code of Conduct
does not replace legislation and if any part of it is in conflict, then legislation takes precedence. This policy is based on the following:

- Employees are to act and maintain a high standard of integrity and professionalism;
- Employees must at all times be in a fit state to work and not affected or impaired by drugs and/or alcohol at any time;
- Be responsible and scrupulous in the proper use of company information, funds, equipment and facilities;
- Be considerate and respectful of the environment and others;
- Exercise fairness, equality, courtesy, consideration and sensitivity in dealing with other employees, clients and suppliers;
- Avoid apparent conflict of interests, promptly disclosing to a FSC Australia Senior Manager, any interest which may constitute a conflict of interest;
- Promote the interests of FSC Australia;
- Perform duties with skill, honesty, care and diligence;
- Abide by policies, procedures and lawful directions that relate to your employment with FSC Australia and/or our clients;
- Avoid the perception that any transaction or service offering may be influenced by offering or accepting gifts. FSC staff shall not accept any personal cash amount, and if a gift of value of greater than $50.00 is given, that employee must declare receipt of that gift;
- Under no circumstances may employees offer or accept money; and
- Any employee, who in good faith, raises a complaint or discloses an alleged breach of the Code, whilst following correct reporting procedures, will not be disadvantaged or prejudiced. All reports will be dealt with in a timely and confidential manner.

FSC Australia expects co-operation from all employees in conducting themselves in a professional, ethical and socially acceptable manner at the highest standards. The CEO has the directive capacity to send any employee home that is not compliant with any of the above requirements, and such action will constitute an official warning to the employee in question.

Any employee in breach of this policy may be subject to disciplinary action, including termination of employment.

Should an employee have doubts about any aspect of the Code of Conduct, they must seek clarification from Management. This policy will be regularly reviewed by FSC Australia and any necessary changes will be implemented by Management.

11.4 Dress Code Policy

FSC Australia’s objective in establishing a safe and comfortable environment includes setting some presentation standards. This is to enable all people to project a professional image that is in keeping with the needs of our schedules. It is acknowledged that our Organisation requires different interactions and that different dress styles will be required at different times.

11.4.1 Employees in the Office
Dress and grooming of employees shall be clean, neat, and in a manner appropriate to their assignment. Where meetings are required with high level officials, or it is seen based on the diary that media and external meetings will occur in the office, then more business like attire will be appropriate.

11.4.2 Warehouse, Facilities and Forests

FSC Australia employees will often be asked to visit forests and external sites such as warehousing, production, sawmilling, pulp milling or associated industrial facilities.

Seek guidance as to appropriate attire, particularly for these sites when safety standards will require the use of specific equipment.

When entering or attending industrial facilities or forests, employees should wear PPE as directed by the site owner or manager such as a high visibility safety vest, protective shoes and appropriate static free or protective clothing at all times.

Usually caps or beanies, jackets and steel capped boots should be those offered by the host. If not provided employees are to obtain protective clothing from FSC Australia. This is a safety requirement.

11.5 Office Environment

11.5.1 Work Area

As many employees work in a home or shared office, it is important that your workstation and or desk remain clean and tidy and free of boxes, papers and magazines. Additional requirements may be imposed by the shared workspace depending on the nature of the desks use.

Where possible, any items that require storage should be put away, hard copy paper files should be kept to a minimum, with soft copies of files stored in the relevant Dropbox folder electronically.

If you spill liquid, clean it up immediately. Do not leave tools, materials, or other objects on the floor, which may cause others to trip or fall. Keep aisles, stairways, exits, electrical panels, fire extinguishers, and doorways clear at all times.

Please put all litter and recyclable materials in the appropriate receptacles and containers. Always be aware of good health and safety standards, including fire and loss prevention.

Please report anything that needs repairing or replacing to the CEO or the workspace representative (in Carlton, Kim, Nick or Francis) immediately.

11.5.2 Building and Digital Security

Maintaining the security of our buildings, digital infrastructure and assets is every employee’s responsibility. Develop habits that ensure security as a matter of course.

Entry to FSC Australia premises during and/or outside of normal business hours will be by way of keys. It is the responsibility of every employee to ensure that their key is kept in safe custody. It must be returned on demand.

If building access devices are lost or misplaced, you must notify the CEO or workspace representative immediately so that they can be cancelled and replaced.


Version: 3.7 – August 2019
Date: Friday, 20 September 19
File: C:\Users\Sara\Dropbox \(FSC\)\1. FSC Board Governance\1. Board Meetings\6. 2019\6. 19 Sept\13.2 Governance Manual V3.7 Draft Sept 19 v2.docx
Employees must ensure that all confidential/sensitive documents are locked away at night and passwords are regularly updated and maintained. You should make sure that your personal belongings and valuables are locked away and secured. Personal property is not covered by Company insurance.

11.5.3 Kitchen and Bathrooms

Please keep the kitchen and bathroom areas clean at all times, cleaning up after use. You should be mindful that these are public areas and you should be respectful to others by always cleaning up after yourself. If you use dishes, then wash them immediately after use.

If there are any issues regarding these facilities you should notify the CEO or workspace representative immediately.

11.5.4 Meeting Rooms

If you need to reserve or book a room in the Carlton office, please speak to the shared workspace representative – Kim, Nick or Francis. Please tidy up after meetings, take away dirty cups, files papers etc. Place chairs back in position and clean all work away.

11.5.5 Printing

If printing is required in large volumes it may be necessary to visit an Officeworks store or use a certified printer. For staff in the Carlton office, some printing is available through the 'Framework' printer. Save costs on printing wherever possible by printing on both sides of paper. Colour printing should be kept to a minimum.

11.5.6 Waste Bins

For staff in the Carlton office, Framework provides central bins rather than individual bins under each desk. These bins should not be used for any items which are not recyclable eg; plastics, metal, pens, food scraps etc. Please follow relevant instructions at Framework as appropriate.

11.5.7 Recycling Bins

Please recycle where you can, using the appropriate bin. Only paper and cardboard with no company, client or candidate information is to be placed into these bins without seeking to shred or make the documents illegible. No general rubbish is to be placed in these bins.

11.5.8 Security Disposal / Shredders

Paperwork with any sensitive or confidential FSC Australia’s information needs to be disposed of by being shredded. Documents to be shredded in the security bins include but are not limited to:

- Company & Financial Information;
- Client information;
- Forms;
11.6 Working from home
11.6.1 Policy on working from home

Under the Occupational Health and Safety legislation, FSC Australia has a duty of care to provide a safe and healthy place of work for all employees. This also applies to staff that work from an off-site or home based location as part of their employment agreement.

FSC Australia acknowledges the benefits of staff working from a home office. Benefits include fewer distractions, reduced travel time, a less stressful environment, reduced operating costs for the Organisation, quieter atmosphere and better work/home balance.

Clear and established goals, metrics, outcomes, communication methods and task allocation provides a sufficiently robust mechanism to ensure productivity is maintained regardless of office or remote based working.

Working from home agreements must be in place to ensure the organisation supports our people to undertake their role remotely. To support establishing a safe and healthy workplace, a Working from Home Agreement and Workplace Assessment checklist must be completed as part of the agreement.

11.6.2 Working from home agreement

A working from home agreement must be completed and agreed to by the CEO. As part of this agreement, a Workspace assessment checklist must be completed. Prior to working from an off-site location, the staff member should use a checklist to assess their office in order to minimise the risk of illness or injury whilst performing FSC work.

This checklist and agreement must include citing and acknowledgement of the ‘setting up a workspace’ document. See Section 20 of this document.

11.7 Bring your own device policy

11.7.1 Annual Device Contribution

FSC Australia does not provide computers or phones for staff. Instead the organization allocates an additional $1,340 to each staff member’s annual full time equivalent salary to cover the cost of devices and mobile phone use.

This equates to $70 per month for phone and data allowances and a further $500 per year to contribute to the purchase of an appropriate laptop.

Each staff member is expected to use and be available on their mobile phone and provide a laptop computer for work use.

11.7.2 FSC Australia Cloud based servers

FSC Australia have an online Dropbox for Business account to store all company files.
Staff will receive a login and be required to periodically change their password. 2-factor authentication may also be required to increase security.

Dropbox for Business has a number of features to protect data. It enables remote wiping of files in the event of losing a device, can have two-step sign in verification, SSL (secure socket layer) protocol for data transfers and 256-bit AES server-level encryption. In addition, Dropbox is audited by SSAE 16 SOC for compliance.

11.7.3 Bring your own device (BYOD) Policy

FSC has a Bring your own device (BYOD) policy and grants its employees the privilege of purchasing and using smartphones and tablets of their choosing at work for their convenience. A key component of this policy is intended to protect the security and integrity of FSC’s data and technology infrastructure.

Staff are encouraged to purchase AppleCare or equivalent product support services with their device to ensure suitable technical support. Technical support for native FSC applications will be provided by FSC or through its service agents (Dropbox, Microsoft 365, XERO, etc.).

FSC Staff must agree to the terms and conditions set forth in this policy to use their devices.

11.7.4 Audit against this policy

Periodically, the CEO is responsible for auditing each staff member against this policy. This can be a random audit or one undertaken as a guided assessment for an individual or group. This audit is confined to the terms policy and does not allow accessing to what is otherwise a private device.

Audits must be undertaken at least once every 6 months.

11.7.5 Passwords

In order to prevent unauthorised access, devices must be password protected using the features of the device and a strong password is required to access:

- Staff laptops
- Staff phones
- FSC email servers
- XERO
- FSC’s Dropbox for Business servers
- Office 365

Passwords must be:

- at least six characters
- use a combination of upper- and lower-case letters, numbers and symbols.

Passwords will be rotated every 90 days and the new password can’t be one of 15 previous passwords.
11.7.6 Devices

Any commonly available laptop or phone is allowed provided it is not older than 3 to 4 years and can run the latest version of common operating systems (e.g. Windows, OSX, IOS9 etc.) and have at least 80GB of available data.

The device, phone and laptop, must lock itself with a password or PIN if it's idle for five minutes.

All devices must meet the following requirements:

- Be set at after five failed login attempts it is locked.
- Not be Rooted (Android) or jailbroken (iOS)
- Enable remote wiping if the device is lost

11.7.7 Software

FSC Australia staff can access Microsoft 365 through the FSCI accounts.

All staff will receive an Office 365 login that will enable them to download and install the Microsoft Office package.

11.7.8 Document Management and use of DropBox

All FSC documents must be stored on the corporate DropBox.

It is expected that all files are stored in the existing files structure to enable any person to find and access relevant project, program or corporate files.

In storing files it's a requirement that:

- Dropbox syncing is in place for all FSC files
- All FSC documents are stored on the Dropbox server
- All files are stored in a location that relates to the project, program or relevant area of work
- There are no un-synced local copies of FSC documents
- No FSC documents are stored on the Desktop
- No FSC documents are stored in individual FSC DropBox accounts*
- No FSC documents are to be stored outside of the FSC Dropbox including previous FSC cloud accounts such as GoogleDrive

*The admin user for Dropbox is able to view and login as any user in the FSC system to ensure no files are stored in individual FSC Dropbox accounts. This should form part of the periodic audit process.
12 EMPLOYMENT CONDITIONS

12.1 Legal Protections and Requirements

12.1.1 Australian Law

The national workplace relations system covers the majority of businesses in Australia and applies nationally. This means that the employers and employees in the national system have the same rights and obligations, regardless of the state they work in.

Employers and Employees covered by the national workplace relations system include those who are employed by a constitutional corporation that is trading and financial (generally a Pty Ltd or Ltd company) and those employed in Victoria. The Fair Work Act 2009 came into operation on 1 July 2009. FSC Australia staff in Australia are covered by the Fair Work Act.

The Fair Work Act 2009 contains 10 national standards that will apply to all federal system employers and employees. The National Employment Standards include the following:

- Hours per week – average of 38 hours per week plus reasonable additional hours.
- Parental Leave – up to 12 months of unpaid leave for every employee, plus a right to request an additional 12 months unpaid leave.
- Employees (other than a casual employee) who have worked with the same employer for at least 12 months can request flexible working arrangements if they:
  o are the parent, or have responsibility for the care, of a child who is school aged or younger
  o are a carer (under the Carer Recognition Act 2010)
  o have a disability
  o are 55 or older
  o are experiencing family or domestic violence, or
  o provide care or support to a member of their household or immediate family who requires care and support because of family or domestic violence
- Annual leave: all employees (except for casual employees) are entitled to 4 weeks of annual leave.
- Compassionate leave, unpaid carer’s leave & family and domestic violence leave are for all employees inc casual.
- Compassionate leave and unpaid carer’s leave are 2 days per occurrence.
- Family and domestic violence leave is unpaid and 5 days per year.
- Community Service Leave: unpaid leave for voluntary emergency activities and leave for jury service is unlimited.
- Public Holidays: paid day off on public holidays, unless reasonably requested to work.
- Fair Work Information Statement is required to be provided to new employees.
- Termination of Employment and Redundancy: up to 4 weeks’ notice of termination and up to 16 weeks redundancy pay, both based on length of service.
- Long Service leave: entitlements pursuant to the relevant State legislation.

12.1.2 New Zealand
Information about minimum employment rights in New Zealand can be found here: http://employment.govt.nz/er/minimumrights/
12.2 Equal Employment Opportunity Policy

FSC Australia is an equal employment opportunity employer. Our policy is set out and governed by the *Equal Opportunity Act 2010*\(^{118}\). The Employment decisions are based on merit and business needs, and not on race, citizenship status, national origin, ancestry, gender, sexual orientation, age, religion, creed, physical or mental disability, marital status, veteran status, political affiliation, or any other factor protected by law. Further to this, FSC Australia complies with all the relevant and applicable provisions of the *Disability Discrimination Act 1992*\(^{119}\) regarding reasonable accommodation for handicapped and disabled employees.

FSC Australia will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of a person's physical or mental disability.

12.2.1 Reasonable Adjustments

Reasonable adjustments are changes that allow people with a disability to work safely and productively. FSC Australia will make reasonable accommodation changes wherever necessary for all employees or applicants with disabilities, provided that the individual is otherwise qualified to safely perform the essential duties and assignments connected with the job.

FSC Australia will make reasonable adjustments for a person with a disability who:

- Applies for a job, is offered employment, or is an employee; and
- Requires the adjustments in order to participate in the recruitment process or perform the genuine and reasonable requirements of the job.

Examples of reasonable adjustments can include:

- Reviewing and, if necessary, adjusting the performance requirements of the job;
- Arranging flexibility in work hours (see ‘Flexible work arrangements’);
- Providing telephone typewriter (TTY) phone access for employees with hearing or speech impairments;
- Purchasing screen reading software for employees with a vision impairment;
- Approving more regular breaks for people with chronic pain or fatigue; and
- Buying desks with adjustable heights for people using a wheelchair.

When thinking about reasonable adjustments FSC Australia will weigh up the need for change with the expense or effort involved in making it. If making the adjustment means a very high cost or great disruption to the workplace, it is not likely to be reasonable.

In some cases, FSC Australia can discriminate on the basis of disability, if:

- The adjustments needed are not reasonable, or; and
- The person with the disability could not perform the genuine and reasonable requirements of the job even if the adjustments were made.


This policy applies to all staff including contractors and covers all work-related functions and activities including external training courses sponsored by FSC Australia.

Management is primarily responsible for seeing that FSC Australia's equal employment opportunity policies are implemented, but all members of the staff share in the responsibility for assuring that by their personal actions the policies are effective and apply uniformly to everyone.

It also applies for all recruitment, selection and promotion decisions.

The objective of FSC Australia’s Equal Opportunity Policy is to improve business success by:

- Attracting and retaining the best possible employees;
- Providing a safe, respectful and flexible work environment; and
- Delivering our services in a safe, respectful and reasonably flexible way.

### 12.3 Flexible Working Arrangements

Flexible working arrangements can be arranged in accordance with [Fairwork Australia](https://www.fairwork.gov.au).

Flexible work arrangements will also be considered as a form of reasonable adjustment to allow people with a disability to work safely and productively (see information on reasonable adjustments above). This right applies to all employees including permanent full-time and part-time employees, as well as casual employees, regardless of role of job function.

FSC Australia seeks to be a flexible work place and promote its work-life balance as part of the benefits staff have by working for the Organisation. FSC will actively consider and where possible encourage requests for part time work and flexible hours.

Interested staff should discuss with the CEO their proposed arrangements. FSC Australia will take reasonable steps to be flexible with consideration to our size, financial abilities and contracted work plan with FSC International or other external clients.

#### 12.3.1 Normal hours of work

FSC Australia’s regular business operating hours are normally from 9:00 a.m. to 5:00 p.m., Monday through Friday.

FSC Australia adopts a common sense, and flexible approach to managing work hours.

Hours of work will depend on the employment contract, business needs and the requirements of the work assigned. Further to this, the scheduling of meal periods or breaks will be determined and assigned by your supervisor.

#### 12.3.2 Averaging of Hours and Additional Hours

As per the National Employment Standards, employers and employees may agree in writing to an arrangement to average their ordinary hours of work to facilitate flexible work arrangements. Expected hours of work are defined in the employment contract.

Additional hours are accrued for work performed in excess of hours indicated in the employment contract and approved at the direction of the CEO.

Employees are not entitled to payment for additional hours worked, but are able to claim these as Time off in Lieu (TOIL) where they are subject to the Award. Award free employees are expected to conduct 'reasonable out of hours work' as per the National Employment Standards and do not accrue TOIL, except where work is required to be...
conducted on a weekend. To accrue TOIL, the employee must record the details and gain preapproval from the CEO. A record of these hours they must be submitted and approved by the CEO.

Examples of additional hours that could be accrued as TOIL:

- Late night/early morning Skype calls on International business;
- Weekend days spent working as required (e.g. attendance at meetings and conferences);
- Facilitating breakfasts or dinners;

Time not considered to be additional:

- Time spent responding to email/phone calls outside of business hours; and
- Time spent in transit.

12.3.3 Lateness for Work

From time to time it may be necessary to be absent from work. FSC Australia is aware that emergencies, illnesses, or pressing personal business that cannot be scheduled outside work hours may arise. Sick days and personal leave days have been provided for this purpose.

Any absence or late arrival due to illness, injury or any other reason, and the expected duration of leave must be personally reported to your Manager as soon as practicable (and prior to your normal starting time wherever possible) via a telephone call or SMS text message. If employees are unable to do this personally, they are requested to ask someone to telephone on their behalf.

Subsequent to this, you must keep the CEO informed of your progress.

Wherever possible you should make dental, medical or other appointments outside your normal working hours. It is essential that you are ready to commence work at your normal commencement time as other employees and the business depend upon you and your contribution.

12.4 Leave Policy

FSC Australia policy standards of this section are governed and set by the Fair Work Act 2009 in Australia, and the Employment Relations Act 2000 in New Zealand.

12.4.1 General Leave

Unless specified otherwise, employees referred to in this policy mean permanent full-time or part-time employees.

All employees are entitled to leave in accordance with the relevant awards or agreements and statutory provisions. Where the entitlements or practices in this document conflict, the applicable award, workplace agreement, employment contract or employment law takes precedence.

All planned leave has to be mutually agreed, and take into account workloads and the employee’s needs. Leave must be approved in advance, except when the employee can’t anticipate the absence. Any documents regarding leave will be kept on the employee’s personnel file.
12.4.2 Annual Leave

Each employee is entitled to 20 days annual leave per year (pro-rata for part-time). Leave entitlements are calculated from the date they started work and accrue in accordance with workplace relations legislation or industrial instruments. Annual leave counts towards continuous service (used when calculating long service leave). Applications for annual leave need to be lodged 4 weeks in advance.

An employee is expected to take accrued annual leave for business close down periods advised in advance, usually over the Christmas and New Year break. If insufficient leave is accrued, FSC Australia may direct an employee to take unpaid leave.

FSC Australia encourages employees to take their annual leave and enjoy an extended break over the quieter December/January period, taking into account organisational requirements and in consultation with other staff members. Given that we are a very small office, where possible, annual leave of greater than 2 days will not be approved for more than one staff member at a time, unless it is the Christmas/New Year/Easter holiday period or there are exceptional circumstances. It is the staff members interest not to book flights, etc before your leave is approved. This approach is respectful of the organization and of your fellow workers.

In some circumstances, leave in advance of what leave has accrued may be approved. This is conditional on the employee agreeing to the business deducting any advance in the event of termination, or to the employee accepting leave without pay. Approval is entirely at FSC Australia’s discretion, and is not automatically approved.

For New Zealand, employees are governed by the Employment Relations Act 2000. Employees are entitled to 4 weeks paid annual leave after 12 months of continuous employment with the same employer.

Fixed term employees can either accrue holidays as they work and then elect to take paid leave or be paid out on termination of employment or, with the employee’s agreement, FSC Australia can pay annual leave entitlements on top of ordinary remuneration. Refer to the employment contract for details of which option applies.

12.4.3 Time in Lieu

FSC Australia will grant time in lieu to an employee who is required to work outside their usual hours, or who accrues more hours in an averaging period than is taken (Refer to “Averaging of hours and Additional Hours”). Time worked towards time in lieu must be approved in advance unless exceptional circumstances exist, in which case management will consider granting approval after the time is worked. Details of what will and wont accrue TOIL is provided for in section 12.3 of this manual.

TOIL is to be taken at a time which is mutually agreed between the employee and their Manager, and must be reflected on the employee's timesheet. TOIL is recorded on employees’ timesheets and within the timing system. TOIL must be taken within four weeks of accrual (as per Clerks Modern award conditions), and no more than one week may be accrued at a time. TOIL balance outstanding at 31st December will be forfeited unless prior approval has been granted by the CEO for the balance to carry over to the following year.

12.4.4 Personal and Sick Leave

An employee is entitled to a minimum of 10 days of personal/carer’s leave every 12 months which can all be taken as carer’s leave if required. Paid personal leave accrues at the rate of 10 days per year of service (pro rata if part time) and is cumulative, but not payable upon termination.

An employee should notify his/her Manager as soon as possible if they are unable to attend work due to illness or injury.

A maximum of 3 days per financial year can be taken without evidence, any further absences will require evidence such as a medical certificate showing that the employee was entitled to take personal leave during the relevant period.

If an employee takes 2 or more days personal leave, or if they take leave on a Friday or Monday they will need to obtain a medical certificate.

### 12.4.5 For New Zealand employees

Personal leave: is covered by the statutory entitlement of employee’s to have sick and bereavement leave. Employees are entitled to the following leave after 6 months of continuous service with the same employer.

Sick Leave: This entitles 5 paid days where the employee is sick or injured; or the employee’s spouse (or partner) is sick or injured; or a person who depends on the employee for care is sick or injured.

Bereavement leave: Depending on the nature of the bereavement 1 or 3 days paid leave is allowed. The employee is entitled to 3 days bereavement leave on the death of a spouse or partner, parent, child, brother or sister, grandparent, grandchild or spouse’s (or partner’s) parent. FSC Australia may allow an employee 1 day paid bereavement leave for the death of another person having regard to the following factors:

- The closeness of the association between the employee and the deceased person;
- Whether the employee has to take significant responsibility for all or any of the arrangements for the ceremonies relating to the death; and
- Any cultural responsibilities of the employee in relation to the death.

### 12.4.6 Carer’s Leave

Carer's leave is available to an employee for the care or support of an ill family or household member or if an unexpected emergency affects a family or household member. It is typically part of personal (sick) leave and is dealt with similarly to above.

Employees including casual employees are entitled to take up to two days unpaid carer’s leave for each occasion of family or household member illness or unexpected emergency. An employee cannot take unpaid carer’s leave if they could instead take paid carer’s leave.

### 12.4.7 Compassionate Leave

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Compassionate leave is paid leave taken by an employee to spend time with a family member/member of the employee’s household, who has a personal illness, or injury, that poses a serious threat to his/her life, or after the death of a family member/member of the employee’s household\textsuperscript{123}. Each employee is entitled to a period of two days paid compassionate leave for each occasion where a family member has died, or the employee needs to spend time with a seriously ill family member. Additional leave may be taken as annual leave, or unpaid leave maybe granted at management discretion. Casual employees are entitled to two days unpaid compassionate leave for each occasion. The equivalent in NZ is Bereavement Leave.

12.4.8 Long Service Leave

Employees are entitled to long service leave in line with Victorian long service leave laws (or per a relevant Award or Agreement). In New Zealand, Long Service Leave is not a legal requirement, however it can be negotiated as an additional entitlement in the employment agreement.

12.4.9 Emergency Services Leave

If an employee needs to take temporary absence from work because of voluntary emergency management activities (for example, as a volunteer dealing with an emergency or natural disaster as a member of SES, CFA or Army Reserve) then they should ask management for leave as soon as possible after they become aware of the need to take leave.

FSC Australia will support such activities wherever possible, as an important community service. FSC Australia may require evidence of these activities at its discretion.

12.5 Confidentiality

All FSC Australia staff members are required, in conjunction with their employment contract, to sign a confidentiality agreement that ensures sensitive information about FSC Australia and FSC International is kept confidential during and after employment\textsuperscript{124}.

Release of private company information, such as financial records or internal Board documents is a serious breach and may constitute termination of employment.

12.6 Intellectual Property and Security

All intellectual property developed by employees during their employment with FSC Australia, including discoveries or inventions made in the performance of their duties related in any way to the business of FSC Australia, will remain the property of FSC Australia. Employees may be given access to confidential information, data, business property, keys to premises or any other business related property/information in the performance of their duties. This must be protected and used only in the interests of FSC Australia.

\textsuperscript{123} http://www.fairwork.gov.au/leave/compassionate-leave

\textsuperscript{124} Self Assessment 2013 o.2
12.7 Travel

Reasonable travelling expenses, incurred in the performance of an employee’s duties, will be reimbursed, provided that all claims are made on the appropriate form, signed by the appropriate Manager and supported with the necessary substantiating documentation. The payment of expenses is at all times subject to the prior authorisation of, and at the discretion of FSC Australia Management.

Employees should arrange travel and accommodation through the FSC Australia preferred travel suppliers prior to departure to prevent large expenses being personally accrued. FSC Australia has an arrangement with Flight Centre that is available for us.\textsuperscript{125}

Generally air travel will be by economy class, with a carrier chosen by FSC Australia.

As FSC Australia is a Charity, our policy is to use the lowest cost fare wherever possible. All flights will be booked economy class unless exceptional circumstances occur depending entirely on the work schedule to be performed at either end of the trip. FSC International will only allow reimbursement of economy class flights. The Chair is to exercise his/her discretion in determining what constitutes exceptional circumstances for the purposes of this section.

Frequent flyer benefits can be retained by the employee, but should not be the basis for switching air schedules, hotel accommodation or car rentals unless such choice is reasonably equal in cost to the lowest acceptable alternative. FSC Australia will not reimburse any membership fees for frequent flyer clubs.

Employees may elect to upgrade travel class at any time if they personally pay the cost difference between the class fare on their ticket and the class fare desired, or use their points to do so.

All travel requests require approval from the CEO prior to booking by the travelling staff member.

12.7.1 International Travel

FSC Australia understands the toll that international travel can take on employees in Australia. To ensure that employees are fit for duty, employees will be given an allowance of recovery time (paid at ordinary rates), depending on the duration of the return flight, to recover from jet lag. This recovery time can be taken at once, or in blocks in the week following return as appropriate, with approval from your Manager.

\textsuperscript{125} Key contact is Linzi Blackwell – 03 9452 0600 or linzi.blackwell@flightcentre.com.au. FSC Australia has a monthly credit account where any bookings are captured, job code given and a monthly bill provided.
Accordingly, employees are entitled to the following recovery days per return flight:

- Total flight time under 6 hours – 0 days;
- Total flight time of 6-12 hours – maximum of one day; and
- Total flight time over 12 hours – maximum of two days

### 12.8 Gross or Serious Misconduct

Summary (instant) dismissal for gross or very serious misconduct is possible (depending on the facts involved). Management should seek advice before taking this step.

#### 12.8.1 Procedure

- The CEO/Chair is to investigate the alleged offence thoroughly, including talking to witnesses, if any.
- The CEO/Chair should ask the employee for their response to the allegation (taking notes of this discussion) and allow them to have representation. The CEO/Chair should also have a witness present. The CEO/Chair shall give genuine consideration to the employee’s response and circumstances.
- If still appropriate, following a thorough investigation, the CEO/Chair can terminate/dismiss the employee.
- The CEO/Chair should keep a file of all evidence collected and action taken in these circumstances.
- Where the CEO exercises power to dismiss an employee, the CEO must inform the Chair and the Board of Directors and must provide the Chair and Board 24 hour’s notice of the decision before dismissal.
- FSC Australia will send the employee a letter of termination noting brief details.

### 12.9 Grievance and Complaints

#### 12.9.1 Policy

FSC Australia supports the right of every employee to lodge a grievance with their Manager if they believe a decision, behaviour or action affecting their employment is unfair. An employee may raise a grievance about any performance improvement action taken against them.

We aim to resolve problems and grievances promptly and as close to the source as possible. When necessary, FSC Australia will escalate a grievance to the next higher level of authority for more discussion and resolution, and continue escalating it to the level above until it is resolved.

Managers will do their utmost to action grievances objectively, discreetly and promptly. Be aware that grievances that are misconceived, vexatious, and lacking substance may result in disciplinary action being taken against the employee lodging the grievance.

#### 12.9.2 Procedure

- The employee should try to resolve the grievance as close to the source as possible. This can be informal and verbal. At this stage, every possible effort should be made to settle a grievance before the formal grievance process starts. If the matter still can’t be resolved, the process continues and becomes formal.
• To start the formal grievance the complainants must fully describe their grievance in writing, with dates and locations wherever possible and how they have already tried to settle the grievance.

• The person(s) against whom the grievance/complaint is made should be given the full details of the allegation(s) against them. They should have the opportunity and a reasonable time to respond before the process continues.

• If the grievance still can’t be resolved, refer the matter to the most senior manager for consideration and a final decision. A grievance taken to this level must be in writing from the employee.

**12.10 Conflict of Interest**

**12.10.1 Policy**

Conflict of interest arises whenever the personal, professional or business interests of an employee are potentially at odds with the best interests of FSC Australia and/or FSC International.

All employees are required to act in good faith towards FSC Australia and/or FSC International. Employees need to be aware of the potential for a conflict of interest to arise and should always act in the best interests of the Organisation.

As individuals, employees may have private interests that from time to time conflict, or appear to conflict, with their employment with FSC Australia. Employees should aim to avoid being put in a situation where there may be a conflict between the interests of FSC Australia and their own personal or professional interests, or those of relatives or friends. Where such a conflict occurs (or is perceived to occur), the interests of FSC Australia will be balanced against the interests of the staff member and, unless exceptional circumstances exist, resolved in favour of FSC Australia.

It is impossible to define all potential areas of conflict of interest. If an employee is in doubt if a conflict exists, they should raise the matter with their Manager.

**12.10.2 Procedure**

Employees must:

• Declare any potential, actual or perceived conflicts of interest that exist on becoming employed by FSC Australia to Management;

• Declare any potential, actual or perceived conflicts of interest that arise or are likely to arise during employment by FSC Australia to Management; and

• Avoid being placed in a situation where there is potential, actual or perceived conflict of interest if at all possible.

If an employee declares such an interest, FSC Australia will review the potential areas of conflict with the employee and mutually agree on practical arrangements to resolve the situation.

Employees must disclose any other employment that might cause a conflict of interest with FSC Australia to their Manager. Where there are external involvements that do not represent a conflict of interest, these must not affect performance or attendance whilst working at FSC Australia. If such involvement does affect performance or attendance it will be considered a conflict of interest.

Employees must not set up or engage in private business or undertake other employment in direct or indirect competition with FSC Australia using knowledge and/or materials gained during the course of employment with FSC Australia.

Engaging in other business interests during work hours will result in strong performance improvement action.
Failure to declare a potential, actual or perceived conflict of interest or to take remedial action agreed with FSC Australia, in a timely manner, may result in performance improvement proceedings including dismissal if deemed necessary.

12.11 Cessation of Employment

Employment will normally end at the agreed date defined in the contract. However, it may be terminated beforehand by either party, by providing notice of termination. The notice period shall comply with Fair Work Act 2009 and it is ordinarily specified in the employees’ contract of employment.

12.11.1 Termination by FSC Australia

FSC Australia may terminate employment due to inappropriate professional behaviour, unsatisfactory performance or redundancy of the position. Ill health can also be a reason for termination when there is conclusive medical evidence that the staff member is incapacitated for further service.

An employee may request, in the case of termination by FSC Australia, a reduction of the notice period without pay.

The delegation of the Small Business Fair Dismissal Code\(^{126}\) policy also establishes that FSC Australia has the authority to terminate an employee without notice if the employee was guilty of serious misconduct.

FSC Australia Management sets expectations for performance, conduct and informs employees of their status.

- FSC Australia Management identifies, documents and attempts to correct problem situations, reporting to the CEO of any continuing performance or conduct that is of concern;
- Management ensures these procedures comply with state and federal conditions of service legislation; and
- Acknowledges resignations and issues notices of termination in all cases.

In all cases of contract termination by either employee or FSC Australia, Management shall hold an exit interview with the employee to assist with administrative procedures.

Probationary period - FSC Australia may terminate a contract of employment during the probation period.

Inappropriate professional behaviour - FSC Australia may terminate a contract of employment due to inappropriate professional behaviour. For such a case the procedures specified in the grievance compliant section will be implemented.

Unsatisfactory performance - FSC Australia may terminate a contract of employment due to unsatisfactory performance. The Performance Management Section details FSC Australia’s procedure of assessing employee performance management. Reiterated unsatisfactory performance can form the basis for termination of an employment contract.

Ill health - FSC Australia may terminate an employee’s contract of employment for reasons of ill health when it is established by conclusive medical evidence that the employee is incapacitated for further service.

12.11.2 Resignation

Should an employee wish to terminate their contract of employment, he/she should submit a letter of resignation to FSC Australia Management. The normal notice period will vary per employee and is provided in the contract of employment. FSC Australia Management have the authority to request for the employee to work the full notice period in order to finalise essential tasks.

12.12 Compliance with Environmental Requirements

FSC Australia will comply with all local, state and federal laws and regulations on:

- Disposing of hazardous waste (including EPA’s list of prescribed industrial waste), trade waste (i.e. waste added to the sewer) and waste water;
- Safe handling, storage and transport of hazardous waste and dangerous goods;
- Noise;
- Land use; and
- Air pollution and carbon emissions.

Where FSC engages a third party to provide office space, all reasonable attempts should be made to ensure that energy, water and waste management practices seek to minimise resources and impacts on the environment.

12.13 Discrimination, Sexual Harassment and Bullying

12.13.1 Responsibility

All FSC Australia employees and leadership have a responsibility for keeping the work environment free of discrimination, sexual harassment and bullying. Any employee who becomes aware of an incident of harassment, whether by witnessing the incident or being told of it, must report it to the Manager. When FSC Australia Management becomes aware of the existence of harassment, it is obligated by law to take prompt and appropriate action, whether or not the victim wants the Organisation to do so.

Employees will not be victimised or treated unfairly for raising an issue or making a complaint.

12.13.2 Discrimination

FSC Australia is committed to providing a workplace environment that is pleasant, professional, and free from intimidation, hostility or other offences, which might interfere with work performance. Behaviour that constitutes discrimination, sexual harassment or bullying of any sort be it verbal, physical or visual will not be tolerated. All employees, including Managers involved in discriminatory practices will be subject to disciplinary action.

For the purposes of this policy, the following definitions apply:

Direct discrimination:
Occurs when someone is treated unfavourably because of a personal characteristic protected by the law. Direct discrimination often happens because people make unfair assumptions about what people with certain personal characteristics can and cannot do.

Indirect Discrimination:

Occurs when an unreasonable requirement, condition or practice is imposed that disadvantages a person or group because of a personal characteristic. This can include a rule implemented in an Organisation which seems neutral, but has a discriminatory impact on certain people.

12.14 Harassment and Bullying

12.14.1 Sexual harassment

Includes unwelcome conduct of a sexual nature in circumstances in which it could reasonably be expected to make a person feel offended, humiliated or intimidated. A reasonable person, having regard to all the circumstances, would have anticipated that the person harassed would be offended, humiliated or intimidated.

12.14.2 Workplace bullying

May include behaviour that is directed toward an employee, or group of employees, that creates a risk to health and safety e.g. physical and/or verbal abuse, excluding or isolating individuals; or giving impossible tasks.

FSC Australia provides equal opportunity in employment to people without discrimination based on a personal characteristic protected under State and Federal equal opportunity legislation.


Under State and Federal legislation they include:

- Age;
- Breastfeeding;
- Disability;
- Employment activity;
- Gender identity;
- Industrial activity;
- Lawful sexual activity;
- Marital status;
- Parental status or status as a Carer;
- Physical features;

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128 Ibid

Any employee found to have contravened this policy will be subject to disciplinary action, which may include dismissal.

12.15 Reporting Procedure

12.15.1 Making a Complaint

If you believe you are being, or have been, discriminated against, sexually harassed or bullied, you should follow this procedure.

- Tell the offender the behaviour is offensive, unwelcome, and against business policy and should stop (only if you feel comfortable enough to approach them directly, otherwise speak to the CEO). Keep a written record of the incident(s).
- If the unwelcome behaviour continues, contact the CEO for support.
- If this is inappropriate, you feel uncomfortable, or the behaviour persists, contact the FSC Chair or another Board Director. Employees may also lodge a complaint with the Victorian Equal Opportunity and Human Rights Commission, the Australian Human Rights Commission, or take action under the Fair Work Act 2009.

Employees should feel confident that any complaint they make is to be treated as confidential as far as possible.

If the complaint relates to the behaviour of the CEO, you should contact FSC Australia’s Chair.

12.15.2 Receiving a Complaint

When a Manager receives a complaint or becomes aware of an incident that may contravene FSC Australia EEO (Equal Employment Opportunity) policy, they should follow this procedure.

- Listen to the complaint seriously and treat the complaint confidentially. Allow the complainant to bring another person to the interview if they choose to.
- Ask the complainant for the full story, including what happened, step by step.
- Take notes, using the complainant’s own words.
- Ask the complainant to check your notes to ensure your record of the conversation is accurate.
- Explain and agree on the next action with the complainant.
After review, if an investigation is not requested (and the Manager is satisfied that the conduct complained is not in breach of FSC Australia EEO policies) then the Manager should act promptly, maintain confidentiality and pass any notes on to the CEO.

If an investigation is requested or is appropriate, follow the next procedure.

12.15.3 Investigating a Complaint

When the CEO or Chair investigates a complaint, they should follow this procedure;

- Do not assume guilt.
- Advise on the potential outcomes of the investigation if the allegations are substantiated.
- Interview all directly concerned parties separately.
- Interview witnesses, separately.
- Keep records of interviews and the investigation.
- Interview the alleged harasser, separately and confidentially and let the alleged harasser know exactly of what they are being accused. Give them a chance to respond to the accusation. Make it clear they do not have to answer any questions, however, the Manager will still make a decision regardless.
- Listen carefully and record details.
- Ensure confidentiality, minimise disclosure.
- Decide on appropriate action based on investigation and evidence collected.
- Check to ensure the action meets the needs of the complainant, complaine and FSC Australia.
- If resolution is not immediately possible, refer the complainant to more Senior Management. If the resolution needs a more Senior Manager’s authority, refer the complainant to this Manager.
- Discuss any outcomes affecting the complainant and/or complanee with them to make sure where appropriate you meet their needs.

12.15.4 Possible Outcomes

If after investigation the complaint is justified, Management will discuss with the complainant the appropriate outcomes which may include:

- Disciplinary action to be taken against the perpetrator (counselling, warning or dismissal);
- Staff training;
- Additional training for the perpetrator or all staff, as appropriate;
- Counselling for the complainant;
- An apology (the particulars of such an apology to be agreed between all involved); and
- Possible legal action could also be taken against the individual employee responsible for the conduct and the business.

12.16 Pregnancy at Work
12.16.1 Advising of Pregnancy

FSC Australia encourages employees to inform their Manager of their pregnancy as soon as possible. However, we respect that an employee may not wish to advise FSC Australia of her pregnancy earlier than the minimum notice period. We also respect an employee’s wishes regarding when it is appropriate to tell colleagues about the pregnancy.

12.16.2 Harassment While Pregnant

FSC Australia is committed to ensuring the safety of pregnant employees and considers harassment, bullying and discrimination to be unacceptable behaviour.
(Refer the Equal Employment Opportunity Policy on our general policy and procedure on harassment, bullying and discrimination.)

12.16.3 Safety at Work

FSC Australia understands pregnancy to be a healthy and normal process and recognises that women have different experiences. When an employee notifies her Manager that she is pregnant, the Manager will ask the employee to let them know if they experience any changes to their work capacity during the pregnancy. The employee and her Manager will then discuss what is needed to keep the employee safe at work and adjustments will be made accordingly where possible.

Options to reduce hours, change of duties, light duties, rotated tasks and provision of additional breaks are common ways to ensure safety at work, and will be considered on a case-by-case basis.

12.16.4 Transfer to a Safe Job

If it's not safe (due to illness, risks or hazards) for a pregnant employee who is entitled to parental leave to continue in her usual position, she can be transferred to a 'safe job' with no change to terms and conditions, provided one is available considering the nature of the position.

The employee needs to provide FSC Australia with reasonable evidence that she is fit for work, but it would be inadvisable to continue in her present position. FSC Australia may insist on a medical certificate.

If FSC Australia can't transfer the employee to a safe job, she may be required to take leave for the time stated in the medical certificate or until the pregnancy ends. Sick leave can be used for this purpose. Alternatively, unpaid parental leave is available.

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12.16.5 Working until Birth

A pregnant employee may work until the expected date of birth of her child. If she wishes to continue working in the last six weeks of her pregnancy she may be requested to provide a medical certificate within seven days confirming she is fit to work.

If the medical certificate indicates the employee is not fit for work, she may be required to start parental leave or take a period of unpaid leave as soon as practicable.

12.16.6 Return to and contact with the Workplace

While an employee is on parental leave, they will continue to be invited to important staff meetings, feed into important decisions and staff events in order to maintain contact with the workplace and ensure an easy transition back following the period of leave.

When an employee returns from parental leave they are entitled to return to an equivalent level of position held before going on leave.

FSC Australia will consider reasonable requests from employees to adjust working arrangements so they can meet their parental responsibilities, but due to the small size of the Organisation, these requests cannot always be accommodated. We are a very small Organisation and need time to plan appropriately for both the taking of and returning from parental leave.

Employees should ensure they stay in close touch with their Manager and update them on how they're going when they're on leave, and give us as much notice as possible to be able to accommodate employees’ needs and wishes wherever we can.

12.16.7 Breastfeeding at Work

FSC Australia aims to understand and support mothers in the workplace, including accommodating breastfeeding as much as possible e.g. providing a private space to provide for expressing.

12.17 Learning and Development

FSC Australia will give employees adequate training to do their job safely and competently. The philosophy focuses on the 80:20:10 approach, where 80% of development is learnt on the job, 20% in coaching and mentoring and 10% in formal training.

The Organisation believes training is a two-way process. We encourage employees to participate and to highlight any gaps in their own skills or knowledge they believe they have. Training includes internal on-the-job training, written instructions such as standard operating procedures, coaching, external training and courses.

FSC Australia commits to providing every employee with training and development throughout the year and as training and development needs are identified will ensure employees are able to attend them.

12.18 Performance Management & Disciplinary Processes

12.18.1 Policy
The purpose of performance management is to improve performance. It is an ongoing process. It should include informal and formal review. We encourage a two-way process, that is, employees can also give Management feedback on performance\textsuperscript{132}.

All employees will undergo an annual formal performance review with Management prior to the upcoming anniversary of the contract of employment. The CEO will also seek to have structured weekly or fortnightly catchups and have a performance discussion every 3 months to provide and receive feedback.

### 12.18.2 Procedure

The review process will be led by the CEO but can consider the following steps.

- The Manager and the employee agree on the date for a performance appraisal meeting to allow time to prepare.
- The Manager and employee will meet and openly and constructively discuss performance over the period.
- The Manager and the employee will agree any objectives and outcomes for the next appraisal period.
- Training and development will be considered as part of the process.
- Notes should be taken of the meeting and copies kept.
- Outside of this formal process, employees are encouraged to raise any issues they have when they arise.

### 12.19 Performance Improvement

#### 12.19.1 Policy

Where warranted FSC Australia will use improvement processes to improve performance. Should such improvement processes be unsuccessful in improving an employee’s performance, FSC Australia may decide to end an employee’s employment. Depending on the circumstances, performance improvement action may include verbal or written warnings, counselling or retraining.

FSC Australia requires a minimum standard of conduct and performance which will be made clear to employees in Management appraisals. If an employee does not meet this standard, FSC Australia will take appropriate corrective action, such as training. Formal performance improvement procedures will generally only start when other corrective action fails.

If an employee deliberately breaches business policy or procedure, or engages in misconduct, FSC Australia may start improvement procedures, or, in cases of serious misconduct or breach of policy, such conduct may result in the termination of employment.

Each employee must understand their responsibilities, be counselled and given the opportunity to reach the standards expected of them. FSC Australia will give an employee the opportunity to respond before Management takes further action.

NB: Where reference below is given to the CEO/Chair, the appropriate person with authority over a specific matter is determined by the position of the employee. For Organisational staff, the appropriate authority is the CEO. For the CEO, the appropriate authority is the Chair.

\textsuperscript{132} Self Assessment 2013 e.8
12.19.2 Procedure

The process and approach to performance improvement will be led by the CEO but can consider the following steps.

- FSC Australia will advise the employee of any shortfall in their performance, and give them an opportunity to respond.
- Once they respond, the CEO/Chair will consider their response and decide if performance improvement action should be taken. FSC Australia will provide support such as training where appropriate.
- If the employee is given a verbal warning, the CEO/Chair should make a note of it, date it and sign it.
- The CEO/Chair will advise the employee in clear terms what they see as the performance problem or the unacceptable conduct. To highlight the deficiency they should use specific examples, and refer to the correct policy or procedure.
- The CEO/Chair will allow the employee to respond before making a decision and consider the employee’s responses. The employee may have a support person present at such meetings.
- The CEO/Chair will decide if more action is needed.
- If a written warning is to follow, the CEO/Chair is to:
  - Document it and give the employee a copy;
  - Give the employee the opportunity (and their support person the opportunity) to sign the warning; and
  - Keep a copy on file.
- The warning must clearly define:
  - The deficiency;
  - A clear explanation of the expected standard;
  - By when the employee needs to achieve it;
  - How the business will help the employee achieve the improvement required; and
  - Consequences of failing to improve.
- The CEO/Chair concerned will keep a record of all meetings, training and/or coaching given and a summary of discussions, and put a copy on the employee’s personnel file. This should include date, location and time of discussion.
- They will continue to support the employee and note the support they give, for example, training or counselling.
- If the employee’s performance or conduct doesn’t improve, the CEO/Chair will give the employee a final written warning and follow dot points 4–10 above. This document needs to warn the employee in clear terms FSC Australia will terminate their employment if there is not enough improvement, and a sustained improvement in their performance.

NB: Where reference is given to the CEO/Chair, the appropriate person with authority over a specific matter is determined by the position of the employee. For organisational staff, the appropriate authority is the CEO. For the CEO, the appropriate authority is the Chair.
12.20 Recruitment and Induction

12.20.1 Recruitment Policy

FSC Australia recognises a robust and professional approach to recruitment and selection helps us to attract and appoint individuals with the necessary skills and attributes to fulfil our aims and support our business goals.

Importantly, the cultural fit and motivation of new employees is critical. FSC Australia has a clear 5-year Strategic Plan and outlines the Behaviours, Values and Principles under which operations will occur. A key component of any recruitment is consideration of how the applicant will fit with the team and Organisational culture we are trying to create.

All appointments should be made on the principle of merit, compliance with all relevant Federal & State Legislation and adherence to this policy and related processes.

Due to the nature of FSC Australia’s funding and work, no appointments can be made as providing an ‘on-going role’. The maximum term of appointment for staff is 2 years unless approved by FSC Australia’s Board.

FSC Australia does not indulge in any questions which results in the applicant having to divulge information which is private in nature and which does not have a direct impact on their ability to perform in the position. Examples includes:-

- Marital status;
- Height and weight;
- Partner’s name, age and occupation;
- Parents, next of kin’s name, age and occupation;
- Number, names, ages, occupations etc. of children, dependants, brothers and sisters;
- Religion;
- Nationality;
- Past addresses and telephone numbers;
- Accommodation - ownership, rental;
- Financial status including details of past bankruptcies etc. ;
- Sources of income ;
- Details of assets ;
- Details of liabilities ;
- Spending habits ;
- Drug usage - legal and illegal ;
- Past illnesses, diseases, operations and conditions ;
- Health of partner, family etc.;
- Criminal history including arrests and convictions

However FSC Australia may ask questions which appear on the list provided depending on the nature of your employment. For example, if FSC Australia is employing a person who will be required to handle large sums of money, we may well have a valid reason for inquiring about any past criminal convictions.
12.21 Competency

All FSC Australia staff must have the requisite capacity and experience to provide a comprehensive range of services to Members, Certificate Holders, Stakeholders and Governments.

The person charged with the responsibility for recruiting the position must exercise discretion in ensuring competency of any prospective candidate\textsuperscript{133}.

12.22 Recruitment Procedure

As a guide, the following procedure can be used to inform any recruitment. The CEO has discretion regarding the recruitment approach within the limits of FSC Australia’s policy and relevant legal requirements.

- FSC Australia creates a simple position description for the job, covering key activities, tasks, skills required, expectations, deliverables and safety considerations. When advertising, we avoid discriminatory language \textit{e.g.} \textit{young person}. We emphasize the requirements of the job, \textit{e.g.} \textit{we seek an energetic person};
- The recruitment process may include some or all of these: an application form, interview procedure, practical testing, reference checks, criminal history and right to work in Australia checks. If undertaking an interview we ensure there are no possible discriminatory requests for information, \textit{e.g.} \textit{Do you plan to have a family in the near future}?;
- FSC Australia provides the successful candidate a contract of employment setting out clear terms and conditions. This includes the nature of employment \textit{e.g.} full time, permanent part time, casual, award free or award based employment. The contract should include a welcome note and employment commencement details;
- Once the candidate has accepted, we contact unsuccessful candidates as a matter of courtesy.

In accordance with FSC Australia’s Reconciliation Action Plan (RAP), all advertised vacancies are to make reference to the existence of, and access to the RAP. Advertisements should also include the following statement: “Aboriginal and Torres Strait Islander people are encouraged to apply.” Note that all position descriptions should make reference to the existence of FSC Australia’s RAP.

12.23 Induction

FSC Australia will make sure all new employees feel welcome and are ready to start work safely and competently through the use of a tailored induction process suited to the individual, which this manual forms part of.

Complete an induction plan for each new starter with details of:

- Introductions & Welcome;
- Workplace tour;
- OH&S procedures and evacuation;
- Business overview;
- Who’s who;

\textsuperscript{133} Self Assessment h.1
### 1. FSC Board Governance

#### 1. Board Meetings

- Nominated buddy;
- A working safely plan;
- Training plan;
- IT system orientation
- Create new login for FSCI Intranet (http://intranet.fsc.org/registration/?group=network-partners)
- FSC’s Reconciliation Action Plan, including access to, and an overview of, its contents;
- Cultural awareness training\(^{134}\)
- Policy and procedural requirements.
- Copy of the Fair Work Information Statement; and
- Documentation (located in Dropbox, Management, People, Staff Recruitment & Exit, New Employee Forms) to complete and return to the Account/Administration Officer:-
  - Employment details
  - TFN Declaration
  - Superannuation Choice Form

If the new employee can’t or doesn’t choose their own superannuation fund then their superannuation will be paid into FSCA’s default fund which is First Super.

Ideally induction will occur on the first day of employment, but may occur in stages depending on the nature of the position.

#### 12.24 Probation

FSC Australia can place their employees on a probation period to assess if employees are suitable for the role or business. This is explained in the employment contract as the probation period varies based on the specific conditions of employment attached to the position.

While on probation, employees continue to receive the same entitlements as someone who is not in a probation period. If hired on a permanent basis, an employee on probation is entitled to accrue and access their paid leave entitlements such as annual leave and sick leave, with the exception of particular requirements in NZ.

If an employee doesn’t pass their probation, they are still entitled to receive notice when employment ends and have their unused accumulated annual leave hours paid out.

The probationary period is a time for both the employee and the business to assess suitability, fit and competency within a role. During this period FSC Australia commits to reviewing employee performance and at the end of this time ongoing permanent employment will be confirmed.

**Procedure**

\(^{134}\) The expectation is that all new staff will receive cultural awareness training delivered by a consultant where sufficient numbers of staff or directors are present to warrant that investment or by an FSC staff member who has undertaken Cultural Awareness training in the last 12-18 months.
12.25 Process when staff leave or contract not renewed

Where FSC staff resign, or a contract is not renewed or is terminated a number of steps must occur to ensure online systems are not compromised.

The following steps should be taken by the CEO or administrative user where staff leave FSC:

- Before they leave, capture their personal email address for which final payment summaries will be sent.
- Invite them to complete an exit survey using the template in Management, People, Staff recruitment, Exit interview (Director 2, 1, 4, 4). Store the survey in CEO/HR – Staff Contracts/Personal Files. If the staff member conducting the Exit Interview does not have access to this folder, they should email the document to the CEO for filing.
- Login to XERO, issue their final payment summary, see XERO help for assistance.
- In XERO, change their access rights to 'None' with only payroll access until the end of the financial year. After this time you can delete them as a user.
- Login to Salesforce and delete them as a user.
- Login to Dropbox for Business, and in the admin console, log in as the user to ensure there are no other files stored outside of the core FSC directory structure. If there is, move them into a relevant archive folder.
- In Dropbox console, remove delete their account ensuring that all remotely stored files are deleted.
- Log into Office365, remove the person as a user in the admin console.
- If the person has access to NAB Connect, their user profile should be deleted.
- Send an email to FSC IT helpdesk advising them that the person has left and requesting that their password be reset and to be sent the new password.
- Remove their name from FSC Australia’s website.
- Move their folder in the Finance, People, Contracts, Staff, Existing into Historic staff.
- Email FSC Asia Pacific Regional Director so they can update the organisation chart.
- Email the Chair, Deputy Chair and then Board to advise them of the change.
- Email FSC Network Unit and advise them to remove the staff members access to the intranet.
13 DIGITAL INFRASTRUCTURE AND MEDIA POLICIES

The main principles of this section are mainly governed by the Privacy and Data Protection Act 2014 (PDPA) new act at http://www8.austlii.edu.au/cgi-bin/viewdb/au/legis/vic/consol_act/padpa2014271/135.

13.1 Customer Relationship Management System

FSC Australia maintains a Customer Relationship Management System (CRM) that records all client information to a centralised database. The current CRM system used is Salesforce.

Employees acknowledge and agree to access this database strictly for business purposes and cannot use the information in it for any other purpose, before or after the cessation of employment.

13.2 Internet Usage

The internet is provided by FSC Australia for business use. Limited private use is permitted if the private use does not interfere with a person’s work and that inappropriate sites are not accessed e.g. pornographic, gambling, torrent software or the like. Management has the right to access the system to check if private use is excessive or inappropriate.

Failure to comply with these instructions is an offence and will be subject to appropriate investigation. In serious cases, the penalty for an offence, or repetition of an offence, may include dismissal. Staff need to be aware that some forms of internet conduct may lead to criminal prosecution.

13.3 Email Usage

Email is the key form of written correspondence used at FSC Australia. The following factors must be considered in the use and administration of the email system.

- Email facilities are provided for formal business correspondence;
- All business email is synchronised to Salesforce and is visible against accounts.
- If an employee needs to send email on a private matter, they should access a private account using a web based mail application. Limited private use of email is allowed if it doesn’t interfere with or distract from an employee’s work. Email sent on FSC Systems and within the FSC Server environment is none the less visible to Management. If in doubt, use an external systems environment;
- All emails sent must include the approved signature.

To protect FSC Australia from the potential effects of the misuse and abuse of email, the following instructions are for all users:

13.4 Social Media

FSC Australia expects its employees to maintain a certain standard of behaviour when using Social Media for work or personal purposes.

This policy applies to all employees, contractors and sub-contractors of FSC Australia who contribute to or perform duties such as:

- Maintaining a profile page for FSC Australia on any social or business networking site (including, but not limited to LinkedIn, Facebook, Myspace, Bebo, Friendster or Twitter);
- Making comments on such networking sites for and on behalf of FSC Australia;
- Writing or contributing to a blog and/or commenting on other people’s or business’ blog posts for and on behalf of FSC Australia; and/or
- Posting comments for and on behalf of FSC Australia on any public and/or private web-based forums or message boards or other internet sites.

13.4.1 Professional Use – Procedure

No employee, contractor or sub-contractor of FSC Australia is to engage in Social Media as a representative or on behalf of FSC Australia unless they first obtain FSC Australia’s approval.

If any employee, contractor or sub-contractor of FSC Australia is directed to contribute to or participate in any form of Social Media related work, they are to act in a professional manner at all times and in the best interests of FSC Australia.

Employees, contractors or subcontractors will be given access to social media profiles limited to the duration that they are directed to contribute to them. Once the time period, event or other need has ended the account/s password should be changed, or in the case of Facebook, admin permission revoked. Facebook admin rights should be regularly reviewed and access updated in line with updates to functionality.
All employees, contractors and sub-contractors of FSC Australia must ensure they do not communicate any:

- Confidential Information relating to FSC Australia or its clients, business partners or suppliers;
- Material that violates the privacy or publicity rights of another party; and/or
- Information, (regardless of whether it is confidential or public knowledge), about clients, business partners or suppliers of FSC Australia without their prior authorisation or approval to do so; on any social or business networking sites, web-based forums or message Boards, or other internet sites.

Confidential Information includes any information in any form relating to FSC Australia and FSC International, clients, Members or businesses, which is not in the public domain. This includes, but is not limited to information relating to company information, client information, FSC Australia terms and conditions, policies or procedures.

If any of our employees or contractors engages in the types of the behaviour listed above, FSC Australia will initiate disciplinary procedures.

### 13.4.2 Personal Use – Procedure

FSC Australia acknowledges its employees, contractors and sub-contractors have the right to contribute content to public communications on websites, blogs and business or social networking sites not operated by FSC Australia. However, inappropriate behaviour on such sites has the potential to cause damage to the Organisation, as well as its employees, clients, business partners and/or suppliers.

For this reason, all employees, contractors and sub-contractors of FSC Australia must agree to not publish any material, in any form, which identifies themselves as being associated with FSC Australia or its clients, business partners or suppliers.

All employees, contractors and sub-contractors of FSC Australia must also refrain from posting, sending, forwarding or using, in any way, any inappropriate material including but not limited to material which:

- Is intended to (or could possibly) cause insult, offence, intimidation or humiliation to FSC Australia or its clients, business partners or suppliers;
- Is defamatory or could adversely affect the image, reputation, viability or profitability of FSC Australia, or its clients, business partners or suppliers; and/or
- Contains any form of Confidential Information relating to FSC Australia, or its clients, Members, business partners or suppliers.

If any of our employees or contractors engages in the types of the behaviour listed above, FSC Australia will initiate disciplinary procedures.

All employees, consultants, contractors and sub-contractors of FSC Australia must comply with this policy. Any breach of this policy will be treated as a serious matter and may result in disciplinary action including termination of employment or (for contractors and sub-contractors) the termination or non-renewal of contractual arrangements.

Other disciplinary action that may be taken includes, but is not limited to, issuing a formal warning, directing people to attend mandatory training, suspension from the workplace and/or permanently or temporarily denying access to all or part of FSC Australia’s computer network.

For the purposes of this policy, the following definitions apply:

**Social Media:** includes all internet-based publishing technologies. Most forms of Social Media are interactive, allowing authors, readers and publishers to connect and interact with one another. The published material can often be accessed by anyone. Forms of Social Media include, but are not limited to, social or business networking sites (i.e.
Facebook, LinkedIn), video and/or photo sharing websites (i.e. YouTube, Flickr), business/corporate and personal blogs, micro-blogs (i.e. Twitter), chat rooms and forums and/or Social Media.

### 13.5 Website

The following section outlines the role, hosting and editing of FSC Australia’s website.

FSC Australia maintains a website hosted by FSCI: [http://au.fsc.org](http://au.fsc.org) This website can be administered via the access link: [http://edit-au.fsc.org](http://edit-au.fsc.org)

The website is the main source of publicly available content for Members, stakeholders and the general public. As such it is important that the information on the website is updated regularly and periodically reviewed to improve its usefulness and accuracy.

Sections of the website which require specific updates (outside of responsive content such as event listings, news articles and media releases):

1. Officers & Directors information – To be updated whenever there are changes in Senior Management or Directors. In particular, following the AGM each year.

2. Current Consultations – This section of the website should be regularly updated with information regarding any public consultations submitted by certificate holders or certification bodies. In January each year the previous year’s information should be moved to an archive page.

3. Newsletters – The newsletter section of the website should be updated after each newsletter is sent, with the date and a link to the permanent digital archive of the newsletter. In January each year the previous year’s information should be moved to an archive page.
14 SERVICE DELIVERY

14.1 General Inquiries

14.1.1 Phone Inquiries

FSC Australia maintains an office number phone number for general inquiries. This phone number is hosted through a cloud-based VOIP service. All phone calls to this number ring through to a voicemail message encouraging callers to view the FAQs on the website and submit their inquiry via email, and if they would like to leave a message they should include their name, organisation, reason for call and phone number.

All messages are recorded as audio files and sent via email to the general inquiries email address info@au.fsc.org which shows their phone number and attaches a file that is the recording of the voice message. The message is then processed as per the email inquiries process.

14.1.2 Email Inquiries

FSC Australia maintains a general inquiries email address. General email inquiries are predominantly submitted via the contact form found on the FSC Australia website: https://au.fsc.org/en-au/contact-us. The text proceeding this form encourages people to review the FAQs before they submit their inquiry wherever possible.

Email inquiries should be reviewed at least twice a week (suggested days are Monday and Thursday). Basic inquiries should be dealt with by responding using any of the suggested template texts in the FAQ Response document stored in Dropbox > Administration > Templates, and by linking to relevant sections of the FSC Australia website. Detailed or area specific inquiries should be forwarded to the appropriate FSC Australia or, where relevant, FSC International department.

Wherever possible inquiries should be responded to within 7 business days.

14.1.3 Email Inquiries (New Zealand)

Email inquiries for New Zealand are predominantly submitted via the contact form found on the FSC New Zealand website: https://nz.fsc.org/en-au/contact-us. They are received by the Business Development Consultant in New Zealand, who is responsible for responding to these inquiries. Any inquiries which fall outside the scope of this person’s knowledge should be forwarded to the appropriate Australian or International staff member for resolution.

Response process should align with 17.1.2.

14.2 Consultancy and Commercial Services

FSC Australia, its agents, Directors or employees (whether paid or volunteer) do not provide consultancy services to certified companies or companies seeking certification unless approved in writing by the CEO.
In line with the 2015 5-year Strategic Plan approved by the Board at the 28 August 2015 Board Meeting, FSC Australia can provide commercial advice and training on the FSC System to help promote more people entering the system and diversify income streams. These services will be confined to chain of custody, trademark services and sellers / retailers of FSC products.

FSC Australia may not provide consultancy services relating to Forest Management without explicit approval from the Chair. If poorly managed, consultancy services can lead to a material conflict of interest, especially where decisions around the Board table may have the ability to impact upon certification decisions.

14.2.1 Consultancy versus Education

Consultancy services are distinguished in this context from educational or facilitation services. It is a requirement of FSC International that Network Partners facilitate understanding, engagement and education\textsuperscript{136}.

Education services:
- The provision of information about FSC and on the requirements of the FSC system are a core part of FSC Australia’s activities. They are limited to the provision of information only, as distinct from assisting an entity to gain certification. Professional consultants who are also Directors should keep the delineation in mind.

Facilitation services:
- The facilitation of interaction between FSC members and stakeholders is also a core part of FSC Australia’s activities.
- Facilitation services are provided on the basis of neutrality between stakeholders and cannot be provided in a manner that can be perceived as support for the entity seeking clarification or support for one stakeholder group over another.

14.3 Marketing, Communications & Consultation

14.3.1 Information Provision & Marketing

FSC Australia is committed to ensuring certificate holders, Members and stakeholders of either or both FSC Australia and FSC International in Australia and NZ are kept up to date and provided information about FSC, its standards, consultation processes and the market for products.

FSC Australia maintains a social media presence, website (including one for NZ) and a newsletter database on Mailchimp that is integrated with Salesforce. It is primarily through these online vehicles that FSC provides information and also encourages participation in consultation processes.

Newsletters are sent, generally, every fortnight to the entire database including information about new Members approved, new certificate holders and forests certified, changes to standards, new products available and notices about consultation processes occurring that we have been forwarded by the relevant Certified Auditing Body (CB) or applicant for certification. Any person can subscribe to the newsletter and receive information, it is not exclusive to the membership offer.

\textsuperscript{136} Network procedures 1.2
Each year FSC will contribute to FSC Friday to raise the profile of FSC and bring people together\(^{137}\). More detailed information on campaigns and engagement will be included as part of FSC Australia’s Annual Workplan. FSC Australia has also sought to bring all communication materials into alignment with the brand guidelines of FSC International. Markets have been segmented and tools created to meet the needs of the various stakeholder groups requiring information\(^{138}\). These materials will need to be continuously updated to reflect the brand positioning (including the ‘Forest for All Forever’ branding) as it changes at FSC International.

14.3.2 Consultation

FSC is only as strong as the people it listens to and brings together under our umbrella, working together to drive consensus in the standards to which forests should be managed. As such, it is respected that different stakeholder groups and even individuals wish to be consulted on things that matter to them in different ways.

We have dedicated processes to seek input from hard to reach groups, one pertinent example is Indigenous Australians. The Standards Development Group (SDG) has worked to introduce a dedicated strategy in relation to Indigenous peoples, creating a dedicated project around participation and an Indigenous Working Group. In New Zealand, the SDG and staff member on the ground are working together to consult with Maori peoples in relation to FSC standards, processes and policy\(^{139}\).

14.4 FSC International Programs

FSC Australia participates on behalf of Australia and NZ in international programs that are important for the progression of the consistent ‘one FSC’.

As part of the FSC International Workplan, we hold contracts for the delivery of Trademark Services Provision, Marketplace and Joint Membership programs. Where national capacities of staff allow, and the program fits with the needs of the country, FSC Australia will willingly participate in these programs\(^{140}\).

14.5 Leadership and Advocacy

FSC Australia is playing an increasing advocacy role for FSC and the responsible management of forests in both Australia and New Zealand. The CEO operates at the highest levels in advocacy in Key Accounts managed by FSC International and in government advocacy at Federal, State and Local level. It is our role to ensure that FSC can operate effectively in a region, countering risks, and taking advantage of opportunities to imbed FSC in the ethos of decision making around forestry issues. One example has been around advocacy in the Illegal Logging Act.

FSC Australia will advise the Asia Pacific Regional Office Key Account Management (KAM) of any developments in relation to key accounts, to ensure consistency throughout the region. Key retailers and supporters are identified and scored via Salesforce to ensure regular updates and contact occurs, driving FSC to becoming the dialogue platform in

\(^{137}\) Self Assessment 2013 c.3  
\(^{138}\) Self Assessment 2013 d.2  
\(^{139}\) Ibid  
\(^{140}\) Self Assessment 2013 d.1 & j.1
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Australia and NZ, that is well recognised, regarded and held in high standing\textsuperscript{141}. Reporting on the levels of engagement will be able to be extracted from Salesforce in order to provide the information to FSC International.

14.6 FSC Australia Policies and Declaration

You must read all the policies contained in this document and listed below. Company policies are a part of your employment contract and therefore must be read and understood to ensure you are fully aware of your responsibilities as an employee of FSC Australia.

Please read and tick off each of these policies to indicate you are aware of the rules and responsibilities you have whilst employed by FSC Australia.

1. Code of Conduct Policy
2. Dress Code Policy
3. IT, Email and Internet Policy
4. Recruitment & Selection Policy
5. Induction Policy
6. Training & Development Policy
7. Probation Policy
8. Occupational Health & Safety Policy
10. Pregnancy at work policy
11. Flexible Work Arrangements Policy
12. Leave Policy
13. Performance Management Policy
14. Performance Improvement Policy
15. Gross & Serious Misconduct Policy
16. Grievance and Complaint Policy
17. Conflict of interest Policy
18. Cessation of Employment
20. Compliance with environmental Requirements

Employee Declaration:

I have read and understand the contents of this manual along with the above policies and I agree to the terms of conditions of these documents.

\textsuperscript{141} Self Assessment 2013 k.1 & k.2

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Date: Friday, 20 September 19
File: C:\Users\Sara\Dropbox (FSC)\1. FSC Board Governance\1. Board Meetings\6. 2019\6. 19 Sept\13.2 Governance Manual V3.7 Draft Sept 19 v2.docx
14.7 Finance Procedures

14.7.1 Procedure for processing Payroll

FSC Australia’s payroll system is stored and managed through XERO. The below series of points outlines the high level processes to process staff payroll. More detailed guidance is available from XERO’s website.

Payroll is processed every 2nd Tuesday. The Administration Manager is required to undertake the following steps:

- Review any timesheets in XERO that are required by casual staff and have the CEO approve them.
- Confirm staff details in XERO’s payroll section
- Process payroll using the XERO ‘add pay run’ function selecting the relevant pay fortnight.
- Review the pay details and make any necessary adjustments eg; add reimbursement, amend tax amount if tax is to be calculated manually (eg; bonus payment, unused leave payout).
- Confirm the employees listed and ‘post pay run’ when details are correct
- to Dropbox, Finance, Banking & Merchant Information, EFT Authorisation, Payroll ABA Files, in the appropriate year and month folder ready.
- In NAB Connect, click payments and upload payment file
- Set the payment type to payroll
- Choose the file to upload, being the ABA file from XERO.
- Set the reference as Wageseyymmd – being the Pay Week ending date, e.g. PAYWe170128.
- Click upload and check that validation test passed and was accepted.
- Click view payment to ensure the correct pay details have transferred from XERO
- Inform CEO of payment ready by 3pm each Monday that payroll has been processed and that it is awaiting checking and filing under the Single Touch Payroll (STP) system in XERO and also for authorizing the payment in NAB Connect. This needs to be done by Tuesday afternoon of the pay week.
- CEO to sign into NAB connect, review the payroll transaction and authorise the payment
- When the payment appears in the Bank Account Feed process the payment against the Wages Payable - Payroll Liability Account.
14.7.2 Procedure for processing Bills

FSC Australia’s bill system is stored and managed through XERO. The below series of points outlines the high level processes to process payment of bills. More detailed guidance is available from XERO’s website.

- Bills are processed every Tuesday and Thursday afternoon, Bills are paid weekly.
- Bills are received via the ‘accounts’ email address, mail or via staff members. email address and loaded into the bills section of XERO.
- Record the bill in XERO making sure that there is a valid tax invoice attached to transaction. Any other documentation to hand such as receipts and emails to also be attached to transaction.
- Submit bill for approval by CEO. Advise the CEO that bills are awaiting approval in XERO. Bills are to be paid 2 – 3 days before the due date on the invoice.
- Download or save the ABA file to be imported into NAB connect. When the bills are due upload payments into NAB Connect for CEO to approval
- CEO to sign into NAB connect, review the bills and authorise the payment

14.7.3 Procedure for processing Superannuation

XERO automates superannuation payments based on the superannuation fund information stored for each staff member. XERO enables payment details to be automatically lodged with the relevant superfund.

Superannuation payments are made every 3 months by the Administration Manager and can be processed as part of according to the due dates as shown.

| Quarterly payment due dates for super payments |
|-------------------------------|------------------|
| Quarter | Period                     | Payment due date |
| 1       | 1 July – 30 September      | 28 October       |
| 2       | 1 October – 31 December   | 28 January       |

142 Note that pay slips are not mandatory. All staff using the ‘XERO-Me’ smart phone application can review any of their pay slips processed by XERO.
Detailed videos and instructions are available on XERO’s website but the high level process is outlined below and can be completed if the XERO users login is set as a payroll administrator.

- In XERO’s Payroll section, select Superannuation.
- Click ‘add super payment’ for the date end period you wish to pay.
- Copy and paste to an excel spreadsheet the pending Superannuation Payment Details and save at Dropbox, Finance, Staff, Superannuation, appropriate year.
- The CEO will then receive a text message to authorise the payment or otherwise advice the CEO by email.
- Following review of the list, CEO approves by entering the text authorisation code
- The batch payment can then be processed and a third party will debit the relevant amounts from FSC Australia’s accounts
- When the payment appears in the Bank Account Feed process the payment against the Superannuation Payable Liability Account.
- As the payment is automatically deducted by the third party super provider, you must ensure that there is sufficient funds in the operating transaction account to cover the transaction.

14.7.4 Procedure for processing Write offs/Credits

In line with approvals and delegation in section8.3.1, FSC staff can use XERO to record a write off/credit. Detailed help videos and guidance is available on XERO’s website however a high level procedure is outlined below.

- The Administration Manager will process the write offs/credits after receiving written approval. This approval must be in line with the approval and delegations in section 8.3.1
- Find the invoice in XERO that relates to the write off/credit.
- In invoice options, add a credit note and select Account 326 – write off/credit
- Ensuring the date, tax rate and amount credited are correct – click approve

14.7.5 Procedure for processing Overseas Payments

Processing International Payments - outgoing

FSC Australia monthly makes overseas payments to our NZ consultant and to the NZ tax office. Payments can be made through NABConnect. Administration Manager to process the payment through the Bank.

New payments process.

1. Log in to NAB Connect
2. Click on Payments tab, then International
3. Complete Beneficiaries details
5. Complete Payment Value noting that the overseas bank charge is to be paid by remitter.
6. Complete Settlement details – Funding account is the Operating Transaction Account and the Rate source is Bank to Convert (BTC)
7. Press submit.
8. Inform CEO that payment is in the Bank for them to authorize.
9. CEO to sign into NAB Connect, review the payment and authorise the payment.

14.7.6 Procedure for performing Bank reconciliations

Reconciliation Bank Accounts: Monthly

- Paper and electronic copies of source documents are required for audit trail, and specifically, the reconciliation reports and corresponding bank statements (or excerpts of bank statements).
- All scanned paper documents, electronic documents, bank statements should be saved in the Dropbox, Finance, Banking & Merchant Information, NAB Banking, Bank Statements folder in the relevant bank account folder.
- All bank reconciliation reports are to be filed with the monthly reports which are located in Dropbox, Finance, Reporting, Internal Reporting, End of month reports and workings, year and month folder.

XERO assists reconciliations by directly taking bank statement feeds and linking amounts to transactions stored in XERO such as invoices, expense claims, bills or PayPal transactions. A risk still exists of duplicate statement lines or omissions occurring in bank feeds. A monthly comparison of Bank accounts to XERO should identify any errors.

It is expected that reconciliations of transactions are conducted daily or Administration Managers days of work. Detailed guidance on conducting reconciliations is available from XERO’s website.

The below procedure should be used monthly.

1. Review and reconcile any outstanding items for each account in XERO
2. For each bank account, select Manage Account/Reconcile Account.
3. Ensure the status is ‘reconciled’ for each transaction.
4. In Credit Card account, and make sure that tax invoices have been attached to all credit card transactions.

14.7.7 Paying monthly Instalment Activity Statements
The following section outlines how IAS or Installment Activity Statements are generated in XERO and submitted using FSC Australia’s Australian Tax Office (ATO) portal.

The following steps should be undertaken:

- Log in to XERO
- Click on All Reports
- Generate Payroll Activity Summary. Below is a sample of a Payroll Activity Summary

### Payroll Activity Summary

Responsible Forest Management Australia Limited
From 1 August 2016 to 31 August 2016

<table>
<thead>
<tr>
<th>Earnings</th>
<th>PAYMENT</th>
<th>ACTIVITY STATEMENT</th>
<th>UNITS</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Leave</td>
<td></td>
<td>24/2000</td>
<td>6</td>
<td>764.79</td>
</tr>
<tr>
<td>Ordinary Hour</td>
<td></td>
<td>84/2000</td>
<td></td>
<td>34,454.40</td>
</tr>
<tr>
<td>Sick Leave Accrual</td>
<td></td>
<td>3/000</td>
<td></td>
<td>100.72</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>88,319.91</td>
</tr>
<tr>
<td>Tax</td>
<td>PAYMENT</td>
<td>ACTIVITY STATEMENT</td>
<td>UNITS</td>
<td>AMOUNT</td>
</tr>
<tr>
<td>Tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HELP Component</td>
<td></td>
<td>W2</td>
<td>-</td>
<td>733.00</td>
</tr>
<tr>
<td>PAYG Tax</td>
<td></td>
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<td>-</td>
<td>8,321.00</td>
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<tr>
<td>SFS Component</td>
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<td></td>
<td></td>
<td></td>
<td>9,386.00</td>
</tr>
<tr>
<td>Super</td>
<td>PAYMENT</td>
<td>ACTIVITY STATEMENT</td>
<td>UNITS</td>
<td>AMOUNT</td>
</tr>
<tr>
<td>Super</td>
<td></td>
<td></td>
<td>-</td>
<td>3,355.45</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Superannuation Guarantee Contribution (SSC)</td>
<td></td>
<td>3,355.45</td>
</tr>
<tr>
<td>Net Pay</td>
<td>PAYMENT</td>
<td>ACTIVITY STATEMENT</td>
<td>UNITS</td>
<td>AMOUNT</td>
</tr>
<tr>
<td>Net Pay</td>
<td></td>
<td></td>
<td>-</td>
<td>36,019.91</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>20,019.91</td>
</tr>
</tbody>
</table>

### Reimbursement

<table>
<thead>
<tr>
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<th>ACTIVITY STATEMENT</th>
<th>UNITS</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>E519 Meeting &amp; Travel Costs in VIC</td>
<td>-</td>
<td>27.35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E519 Meeting &amp; Travel International (only)</td>
<td>-</td>
<td>50.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>77.35</td>
</tr>
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</table>

### Payment

<table>
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<th>PAYMENT</th>
<th>ACTIVITY STATEMENT</th>
<th>UNITS</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment</td>
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<td></td>
<td>-</td>
<td>36,097.26</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20,097.26</td>
</tr>
</tbody>
</table>

- Select all employees and the relevant date (generally last month).
- Capture Total Earnings and Total Tax
- Now click on All Reports, Under Tax, click Activity Statement.
- Select the period and statement type as ‘Instalment Activity Statement’ and update.
- Confirm that the total earnings at W1 and the total tax withheld at 4 equal the amount of earnings and tax on the Payroll Activity Summary. Save the IAS and the Payroll Report.
Publish the report. Ensure the title is listed as IAS Month and Year then publish.

Log in to ATO portal using AusKey (see steps below).

Once in the ATO portal, click Activity Statement. The ATO automatically create a version.

Find the created IAS for the relevant period and click it.

Enter the corresponding values from the published IAS into the fields and click next. i.e. W1 and W2.

Note that W4 and W3 are only relevant where paying consultants without an ABN – XERO will have already calculated this if relevant. Click Save and Continue.

Check that the amount generated as owing to the Tax Office is the same as the XERO generated amount.

Lodge the form.

Creating a bill and payment in XERO and NAB:

- Create a new Bill in XERO for the relevant amount. Set the biller as the Australian Tax Office, the description as IAS Month 20xx, Account as L702– PAYG Withholdings Payable, Tax Rate – BAS Excluded, core service as general finance and attach the IAS receipt from the previous step and submit for Approval.

- Log into NAB Connect.

- Process the payment and let CEO know that payment is in Bank to be approved

- CEO reviews the payment and authorizes.

14.7.8 Paying monthly Business Activity Statements

The following section outlines how to generate and pay BAS or Business Activity Statements in XERO and submit using FSC Australia’s Australian Tax Office (ATO) portal.

Note that the ATO combine, as part of the quarterly BAS, the relevant month IAS. For example for Q4 BAS this will include December IAS.

The following steps should be undertaken:

- Log in to XERO
- Click on All Reports
- Under Tax, click Activity Statement.
- Select the period and statement type. XERO defaults to the next period after the last published activity statement. Your period should focus on the BAS quarter in question, e.g. Q4 1 Oct to 31 Dec.
- The statement type is Business Activity Statement, click update
- Shift tab to ‘GST Audit Report’ to ensure that the values that have been generated in the report reflect the correct GST amounts.
- Check that Bank fees have the correct GST code next to them
  - Bank charges and Interest paid – FRE
  - Interest received – FRE
Export the GST Audit Report to excel and review all transactions have been coded to the correct Tax Rate. Save this report in Dropbox, Finance, Reporting, External Reporting, BAS Submissions, appropriate year and month.

- Check that Bank fees have the correct GST code next to them
  - Bank charges and Interest paid – FRE
  - Interest received – FRE
  - Merchant and credit card fees – GST

- Note that PAYG withheld value (at W1) needs to be generated as part of the IAS section (see 14.7.1 Paying monthly Instalment Activity Statements), captured as the Total earnings.
- Confirm that the total tax from the IAS report equals that at W2 which has been generated by XERO.
- ‘Publish’ the report to create a record of the BAS values (i.e. the BAS working document that you are using to complete the ATO BAS). Ensure the title is listed as BAS month to month and year.
- The next step is to copy the values to your Business Activity Statement in the ATO portal
- Lodge the return using the ATO portal using the details below.
  - Once in the ATO portal, click Activity Statement. The ATO automatically create a version.
  - Find the created BAS for the relevant period and click it. Click Next and select option 1.
  - Enter the corresponding values from the published BAS into the fields and click next.
  - Again enter PAYG amounts noting that W4 and W3 are only relevant where paying consultants without an ABN – XERO will have already calculated this if relevant. Click Next.
  - Note that FBT (F1) should be $0 as FSCA does not pay FBT. Click Next.
  - Check that the amount generated as a refund or owing to the Tax Office is the same as the XERO generated amount.
  - Submit the form.

Select printer friendly version, print the PDF and save it to Export the GST Audit Report to excel and review all transactions have been coded to the correct Tax Rate. Save this report in Dropbox, Finance, Reporting, External Reporting, BAS Submissions, appropriate year and month.

- Use this PDF to attach as the receipt for the payment in XERO.

Creating a bill and payment in XERO and NAB:

- Create a new Bill in XERO for the relevant amount. Set the biller as the Australian Tax Office, the reference as BAS Qx 20xx, Account as L220 – GST, Tax rate – GST excluded service as general finance and attach the BAS receipt from the previous step and Submit for Approval.
- Log into NAB Connect.
- Process the payment and let CEO know that payment is in Bank to be approved.
- CEO to review payment and then authorize.
To log into the ATO portal you must:

- Have an AusKey. Access to an AusKey can only be granted by the CEO.
- With the AusKey installed on your computer, go to https://bp.ato.gov.au/
- Select user from the credentials drop down menu and enter your password.

### 14.7.9 Key Finance Reporting dates

- BAS statements – submit end of quarters by 28th.
- IAS – submit end of each month by 21st.
- PAYG Payment Summaries – Are submitted under the ‘Single Touch’ regime and are not longer required.

### 14.7.10 Procedure for uploading payments in NAB Connect

#### Logging In

The CEO can create logins for relevant staff from within the NAB Connect program.

Password is based on the authentication code generated by the physical NAB token or the registered NAB Connect iPhone App.

#### Suppliers

Go to Payments, Other Payment types, and select the file type as ‘Direct Credit’.

Find the invoice attached to the bill in XERO and enter the description as per the invoice instructions or the invoice #.

#### Payroll

Go to Payments, Upload Payment Files, and select the file type as ‘Payroll’. Find the ABA file prepared previously in XERO, and enter the description as the fortnight ending date for payroll.

#### International Payments

Go to Payments, International. If payments have previously been made, select the payee from the existing beneficiaries, and check all details against current invoice. If payment has not previously been made, all details will need to be manually entered. If a supplier is to be paid, you need to select the remitter as paying the overseas bank charge.

Once all payments are uploaded, compose a list of payments to be authorised and send to CEO for authorisation.

### 14.7.11 Procedure for authorising NAB Payments

The CEO is authorised to make payments in NAB connect.

- Using the token (physical or iPhone App) and user identification login to NAB Connect
Hover over the Payments tab, and click on payment register. It should default to ‘items to authorise’, ‘items to approve’ and ‘items to repair’.

If there are payments under the ‘Items to Approve’ tab, this means that the payment limit has been reached on a particular day. Payment limit is $10k.

‘Items to repair’ are payments that have not gone through because they have not been processed within their date or that have otherwise failed to be processed (eg wrong BSB number).

Clicking Payment ID will show the full details of a particular transaction.

Compare payment amounts to the Bills paid values in XERO. Ensure that payee and amounts are consistent.

The paying account should be listed as ‘the operating account’ ending in 2906.

If you are not happy to authorise a transaction, hover over the more button, and click “send for repair” and advise the Administration Manager. They will make the required changes and resubmit for authorisation.

If you are happy to authorise, click the tick boxes for the payments to be authorised, and click the authorise button.

It will ask you for a pin number which you will get from your token.

If an error occurs is likely that the transaction has approved the daily limit. Move to the “I can approve” tab and click approve. The payment will then return to the “I can authorise” tab. In this case, update the payment date to the next day and repeat the authorising procedure then.

14.7.12 Procedure for processing new/ceasing directors

New Director Forms

New Directors are required to complete a ‘New Director Form’ as part of their nomination for a Director.

New Director documents are found in the FSC Dropbox Server


We require the following documents to be completed and returned prior to Dropbox access being granted. Forms need to be returned within 28 days to ensure that we do not incur ASIC penalties.

Consent to Act as Director

The following forms need to be signed by new Directors.

- ASIC Change to Company details (form 484)
- FSC International Non-Disclosure and Confidentiality agreement
- The FSCI Non-Disclosure agreement is located in the FSC Dropbox Server:

From these documents, the information needs to be lodged electronically, within 28 days, with both ACNC and ASIC.
**FSC AUSTRALIA – GOVERNANCE MANUAL**

**Director Induction**

Director induction occurs at the first Board meeting following the AGM. Induction related documents are located in the FSC Dropbox Server: 2. Management \ 3. Governance \ 2. Director Management \ 3. Induction Documents

**Submission to ACNC**

When completed forms returned, log into the following sites:
Change Responsible Person
- Click add a responsible Person
- Click add responsible Persons now/or click to change one of the already listed responsible persons.
- Click add new record, Enter all the relevant information, and then click save, then submit. If a transaction number is provided, write this on the form, otherwise just double check that the person has been added/removed.

**Submission to ASIC**

- Enter the ACN or ABN: e.g. 120 667 870
- Click Start new form on left, then select form 484.
- Select the required change, then follow the prompts to add/cease, then enter the details of the change. Submit the changes, then click next.

Click to declare the information is correct, and click submit, and then next.
Click the Document acknowledgement button and Pdf the lodgement confirmation, and the original ASIC forms, and save in Dropbox, Governance, Company Registration, ASIC, ASIC Changes, and then file the original paperwork.
14.8 Working from home policy, agreement and location checklist

14.8.1 Document Purpose

Under the Occupational Health and Safety legislation, FSC Australia has a duty of care to provide a safe and healthy place of work for all employees. This also applies to staff that work from an off-site or home based location as part of their employment agreement.

This document outlines FSC Australia’s policy on working from home, provides an agreement for an employee and a checklist to ensure all reasonable steps have been taken to make the location safe.

14.8.2 Policy on working from home

FSCA Australia acknowledges the benefits of staff working from a home office. Benefits include fewer distractions, reduced travel time, a less stressful environment, reduced operating costs for the Organisation, quieter atmosphere and better work/home balance.

Clear and established goals, metrics, outcomes, communication methods and task allocation provides a sufficiently robust mechanism to ensure productivity is maintained regardless of office or remote based working.

Working from home agreements must be in-place to ensure the Organisation supports our people to undertake their role remotely. To support establishing a safe and healthy workplace, a Working from Home Agreement and Workplace assessment checklist must be completed as part of the agreement. The working from home policy, agreement and location checklist can be found at: Dropbox, Management, People, Health & Safety, Policy, Working from home policy.

Working from home agreement

Please ensure the following is completed in full and signed.

<table>
<thead>
<tr>
<th>1.</th>
<th>Applicant details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Applicant:</td>
<td></td>
</tr>
<tr>
<td>Role Title</td>
<td></td>
</tr>
<tr>
<td>Off-site street address:</td>
<td></td>
</tr>
<tr>
<td>Suburb:</td>
<td>State: WA</td>
</tr>
<tr>
<td>Off-site office phone:</td>
<td>Postcode:</td>
</tr>
<tr>
<td>Alternative e-mail address:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.</th>
<th>Off-site work arrangement details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commencement date of arrangement:</td>
<td></td>
</tr>
<tr>
<td>End date of arrangement:</td>
<td></td>
</tr>
</tbody>
</table>
3. Checklist

| Completed and attached the details of work to be performed at off-site location: | Yes ☐ No ☐ |
| Completed and attach the asset / equipment list: | Yes ☐ No ☐ |
| Completed and attached the **Off-site office checklist**: | Yes ☐ No ☐ |

4. Declaration & authorisations

I have read and understood the conditions set out in this agreement. I indicate my acceptance of the terms of this agreement by signing below.

| Applicant’s signature: | Date: | / | / |
| Print Name: | |

### 14.8.3 Workspace assessment checklist

Prior to working from an off-site location, the staff member should use the following checklist to assess their office in order to minimise the risk of illness or injury whilst performing FSC work.

<table>
<thead>
<tr>
<th>1. Workstation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you have a separate, designated office space to undertake computer work?</td>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Is the workstation adequate for the tasks to be performed?</td>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Is the work surface a single continuous surface?</td>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Are a footrest, mouse wrist rest and keyboard wrist rest available if required?</td>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Do you have adequate leg space under your desk?</td>
<td>Yes ☐ No ☐</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Chair</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you have a fully adjustable and stable ergonomic chair with a suitable backrest?</td>
<td>Yes ☐ No ☐</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Computer, Screen, Keyboard</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Where a laptop is used, do you use a separate mouse and keyboard?</td>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Are the screen, keyboard and mouse appropriately adjusted to reduce discomfort?</td>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Is the top of your screen around eye level, at arms’ length away and directly in front?</td>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Is the screen at right angles to any windows to avoid any sun glare?</td>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Is there adequate space to use the keyboard in front of the screen?</td>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>4. Mouse</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Is the mouse on the same height surface as the keyboard?</td>
<td></td>
</tr>
<tr>
<td>Yes ☐ No ☐</td>
<td></td>
</tr>
<tr>
<td>Is your mouse next to your keyboard, accessible without stretching?</td>
<td></td>
</tr>
<tr>
<td>Yes ☐ No ☐</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5. Other Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>If a document holder (for hardcopy documents while working on computer) is required, is it available?</td>
</tr>
<tr>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Is a telephone headset for fixed or mobile phone available if required?</td>
</tr>
<tr>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Telephone or other device readily available to allow communication in emergency situations?</td>
</tr>
<tr>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Is there adequate storage space?</td>
</tr>
<tr>
<td>Yes ☐ No ☐</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6. Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the area have enough light to give even illumination?</td>
</tr>
<tr>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Can glare be controlled by window coverings?</td>
</tr>
<tr>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Is the room temperature comfortable – heating / cooling to cater for different seasons?</td>
</tr>
<tr>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Is security sufficient to prevent unauthorised entry by intruders?</td>
</tr>
<tr>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Are all exit routes to a safe outdoors location free of obstruction?</td>
</tr>
<tr>
<td>Yes ☐ No ☐</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>7. Other considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have you considered any existing injuries in setting up your workspace space?</td>
</tr>
<tr>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Is the floor space free from tripping hazards?</td>
</tr>
<tr>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Is the computer and printer protected by an earth leakage circuit breaker?</td>
</tr>
<tr>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Are there sufficient power outlets to run the computer and other equipment?</td>
</tr>
<tr>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Have all electrical leads, powerboards etc been inspected by you and found to be in good condition?</td>
</tr>
<tr>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Is there a functioning and maintained smoke detector in the house?</td>
</tr>
<tr>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Is there a basic first aid kit available? (see requirements below)</td>
</tr>
<tr>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Are you aware of FSC International IT support services arrangements?</td>
</tr>
<tr>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Are you aware of your responsibility to report accidents or serious incidents to FSCA?</td>
</tr>
<tr>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>Do you take regular stretching breaks to reduce periods of repetitive movement?</td>
</tr>
<tr>
<td>Yes ☐ No ☐</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>8. OHS Issues or Hazards</th>
</tr>
</thead>
</table>

Version: 3.7 – August 2019  Page: 149 of 159
Date: Friday, 20 September 19
File: C:\Users\Sara\Dropbox (FSC)\1. FSC Board Governance\1. Board Meetings\6. 2019\6. 19 Sept\13.2 Governance Manual V3.7 Draft Sept 19 v2.docx
Are there any OHS issues or hazards that you are aware of that may affect your ability to work safely from home? If YES, please list below

| Yes □ | No □ |

9. Declaration & Authorisations

I have completed this checklist using the document Setting up a workstation as part of this document as a guide. This completed checklist is true and correct.

Applicant's signature: ____________________________

Date: / / 

14.8.4 Setting up a workstation

Desk, chair and posture

Seat height

- Your chair needs to be at a height so that your forearms are parallel to or slightly above the desk with your shoulders relaxed and elbows at approximately 90 degrees.
- Adjust seat height so that feet are flat on the floor, knees bent at right angles and thighs parallel to the floor.
- If your feet don’t rest comfortably on the floor, use a footrest.

Chair

- Make sure the chair has a 5 star base support.
- Ensure that the chair is height adjustable.
- Check out how the adjustments on the chair work so you can set it up as per your requirement.
- A chair with no arm rests is highly recommended as it enables you to sit in close to the desk.

Sitting posture

- An upright or slightly reclined posture is recommended – maintain hollow in the lower back.
- Make sure your chin is tucked in towards the chest and aligned with the spine rather than poking forwards or upwards.

Back rest

- Adjust backrest (vertically) so it supports the (lumbar) curve of the lower back and adjust the
back tilt to allow you to sit upright (90-100 degrees)

Seat tilt

• Adjust the seat tilt to be horizontal or slightly forward to be comfortable
• Not all chairs have a seat tilt adjustment – this is OK as long as you can maintain a right angle between your thigh and trunk.

Arm rests

• A chair with arm rests is not recommended for keyboarding. If they interfere with the operation of the keyboard or result in you having to reach to use the keyboard consider a chair without arm rests.

Leg clearance

• The space under your desk should be sufficient to allow free leg movement without obstruction.
• Your desk height should provide adequate clearance for your legs to allow close access to the work task.
• The guidelines for desk size are: minimum depth 550mm x minimum width 800mm.

Desktop layout

• Place all controls and task materials within a comfortable reach of both hands to avoid unnecessary twisting of any part of the body.
• Sit with the computer, keyboard and mouse directly in front of you.

Keyboard, mouse and monitor

Keyboard height

• When correctly seated at your desk the height of the keyboard should enable you to have your arms and forearms are at right angles/slightly greater.
• For a fixed height bench or counter, make the required height adjustment with an adjustable chair.

Positioning your keyboard

• Locate the keyboard in close proximity to your body and approximately 8cm from the edge of the desk in order to avoid over-reaching while keying. You should be able to relax your shoulders, and have your elbows hanging close to your body and forearms parallel to the keyboard.

Keyboard slope

• Keep the keyboard flat to avoid cocked wrist position.
• The keyboard should not be inclined in order to avoid excessive and prolonged extension of the wrist whilst typing.
• Resting on a wrist rest while typing or using a mouse is not recommended.
• If you feel it is necessary to use wrist rests avoid excessively wide wrist rests or wrist rests that are higher than the space bar of your key.

Typing posture

• Keep wrists in line with the forearm.
• Avoid supporting your wrists on any surface while typing or using the mouse.
• After prolonged absences from work the overall duration of keyboard work should be increased gradually using mini breaks.

Choosing and using your mouse correctly

• A well-designed mouse should not cause undue pressure on the wrist and forearm muscles.
• Select a mouse with a design that permits a fairly natural wrist posture.
• The mouse should be positioned to allow the elbow by the side of the user’s body and the wrist to remain in a neutral position.
• Moving the whole forearm and not just the wrist from side to side while operating the mouse is also important.
• Avoid holding elbow away from the body or wrist at an angle to use the mouse.
• Easy alternation between the left and right hand is a beneficial consideration if extensive mouse use is required.

Monitor height and distance
• Adjust the monitor height such that the top of the screen is at the eye level.
• Make sure the monitor is at a comfortable reading distance (about arm’s length).
• If using dual screens set them at the same height (as for one screen) and sit directly in front of the most frequently used monitor.
• Alternatively, you can sit directly in front of where the two screens meet.
• Get a regular eye examination and if necessary, wear corrective lenses. Tell your eye specialist how often you use the computer.

Visual comfort of the screen
• Characters on the screen should be clear, have no flicker and be of suitable size.
• Adjust the contrast and brightness on your computer screen to a comfortable level. Negative contrast screens (dark characters on light background) will reduce the influence of these reflections.
• If you use bi-focals you may need to position your monitor lower to avoid excessive neck extension.
• The monitor should be positioned to avoid glare - ideally, perpendicular to any window/strong light sources, not directly underneath. If it is unavoidable for your desk to be near a window, ensure that neither you or your screen face the window.
• If your monitor is well away from the window and there are no other sources of bright light, use a low level service light. This is important especially if you need to do prolonged desk work.
• Tilt the screen so that reflections are directed below eye level.
• Purchase a screen with matt or light diffusing surface. Or use a glare screen.

Laptops
What height?
• Position the laptop in front of you at a height that allows you to see the screen without bending your neck (your eyes should be at level with the top of the screen).
• This can be achieved by using a laptop stand, a docking station or a monitor raiser.

Safe typing
• Wherever possible laptops should be used in conjunction with an external keyboard and mouse so that forearms are parallel with work surface.
• If you don’t have an external mouse and keyboard available use light touch while keying and using mouse.

Posture
• Arms should be resting by your side, elbows bent to 90 degrees, and wrists straight while keying.

Portability
• Consider how you are going to transport your laptop. Backpacks or trolley style cases with wheels are much kinder on the body than the standard side-shoulder carry bags.
15 GLOSSARY OF TERMS

ACNC – Australian Charities and Not-for-profits Commission
AGM – Annual General Meeting
ASI – Accreditation Services International
ASIC – Australian Securities & Investments Commission
CEO – Chief Executive Officer
CNRA – Centralised National Risk Assessment
CSR – Corporate & Social Responsibility
FRAC – Finance, Risk & Audit Committee
NAIDOC – National Aborigines and Islanders Day Observance Committee
PSU – Policy & Standards Unit
RAP – Reconciliation Action Plan
RFMA – Responsible Forest Management Australia Limited
SDG – Standards Development Group
SWG – Special Working Groups
## 16 VERSION CONTROL

<table>
<thead>
<tr>
<th>Version</th>
<th>Date</th>
<th>Key changes</th>
<th>Approver</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.7</td>
<td>19/9/2019</td>
<td>Major review of Governance Manual. Removal of all personal references, update log in procedures, banking and other administrative procedures in light of the FSCA Board commitment to make the governance manual available to members.</td>
<td>Board (TBC)</td>
</tr>
<tr>
<td>3.6</td>
<td>20/11/2018</td>
<td>Update minor changes regarding legacy systems</td>
<td>CEO, Sara Gipton</td>
</tr>
<tr>
<td>3.5</td>
<td>28/2/2018</td>
<td>Update payment authorizations and schedule of Delegations</td>
<td>Board</td>
</tr>
<tr>
<td>3.4</td>
<td>30/1/17</td>
<td>Update to Banking accounts processes explaining how to add new users, including Admin users.</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td></td>
<td>30/1/17</td>
<td>New section inserted at 15.6 for when staff leave or are contract is not renewed as it relates to system security.</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td></td>
<td>30/1/7</td>
<td>Update to s8.6.2 relating to WorkSafe/WorkCover reporting to simply process of submitting annual premium.</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td></td>
<td>20/1/17</td>
<td>Update to section 19, Finance Procedures to better reflect activity and process steps relating to payroll (19.1.1), bill processing (19.1.2), superannuation (19.1.3), use of Transferwise (19.1.5) for international payments, management of Bank Fee post accountant review</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td></td>
<td>20/1/17</td>
<td>Update to s19.1.7, payment of non-resident contractor tax to NZ.</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td></td>
<td>20/1/17</td>
<td>Update to s19.1.8 relating to IAS and 19.1.9 relating to BAS.</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td></td>
<td>20/1/17</td>
<td>Update to ACNC Section 8.5.4 and 8.5.5 clarify reporting requirements and s5.1.1 explaining how to upload any updated FSCA’s constitution.</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td></td>
<td>20/1/17</td>
<td>Insert new section at 8.11 relating to management of the TaxOffice / Australian Government AusKey.</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td></td>
<td>20/1/17</td>
<td>Update to Workcover/Work Safe Report in section 8.6 to clarify payment of premiums and remuneration calculation.</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td></td>
<td>20/1/17</td>
<td>Update to IAS and BAS processes in section 19 to clarify XERO, AusKey, ATO processes.</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td>Version</td>
<td>Date</td>
<td>Key changes</td>
<td>Approver</td>
</tr>
<tr>
<td>---------</td>
<td>---------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>10/11/16</td>
<td>10/11/16</td>
<td>Update to section 4.4.2, regarding multiple seats becoming vacant and how to resolve who takes the longer seat between new appointees.</td>
<td>FSCA Board, 26/8/16</td>
</tr>
<tr>
<td>06/9/16</td>
<td>06/9/16</td>
<td>Update to section 1.2, definition of substantive change expanded to include ‘change the operations of the BoardBoard’</td>
<td>FSCA Board, 26/8/16</td>
</tr>
<tr>
<td>05/9/16</td>
<td>05/9/16</td>
<td>Insertion of a sample “Payroll Activity statement” into 19.1.8 - Paying monthly Instalment Activity Statements</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td>05/9/16</td>
<td>05/9/16</td>
<td>Insertion of new section 19.1.2 regarding the processing of Bill payments and the requirement to send each recipient of the payment remittance advice.</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td>3.3</td>
<td>15/8/16</td>
<td>Update to travel section (s12.7) to be clear that consultants are covered under FSCA’s insurance and to provide contact details and arrangements for Flight Centre provider.</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td>20/7/16</td>
<td>20/7/16</td>
<td>Minor changes to induction process post feedback from Adele (s15.4).</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td>22/7/16</td>
<td>22/7/16</td>
<td>Insertion of new section 11.6.8 regarding document management and use of Dropbox. Provides clear audit criteria to assess BYOD policy and staff's compliance with the policy.</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td>22/7/16</td>
<td>22/7/16</td>
<td>Change to s11.6.5 BYOD (Bring your own device) to expand life span of laptops from 2 years to 3-4 years on the basis that the operating system remains current.</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td>30/6/16</td>
<td>30/6/16</td>
<td>New section 5.1.1 relating to the process to update the Constitution with ASIC and on FSCA’s website following a successful resolution at an AGM.</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td>3.6</td>
<td>22/2/18</td>
<td>Update of sections regarding schedule of delegations, cheque signatories, credit card</td>
<td>FSCA 22/2/18</td>
</tr>
<tr>
<td>3.2</td>
<td>30/5/16</td>
<td>Update to s4.2.1 to make specific reference to the role of the Deputy Chair and the successional arrangements in place. Insert as directed as part of FSCA Board Meeting on 27/5/16.</td>
<td>FSCA Board, 27/5/16</td>
</tr>
<tr>
<td>18/5/16</td>
<td>18/5/16</td>
<td>Updates related to the draft Reconciliation Action Plan (RAP). Including, a new section 3.6, additions to s15.3 (Recruitment</td>
<td>FSCA Board, 27/5/16</td>
</tr>
</tbody>
</table>
1. FSC Board Governance

1.3.2 Governance Manual V3.7 Draft Sept 19 v2.docx

<table>
<thead>
<tr>
<th>Version</th>
<th>Date</th>
<th>Key changes</th>
<th>Approver</th>
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<tbody>
<tr>
<td></td>
<td>16/5/16</td>
<td>Insertion of new section to clarify the purpose, role and voting rights of the secondary contact</td>
<td>FSCA Board, 27/5/16</td>
</tr>
<tr>
<td></td>
<td>16/5/16</td>
<td>Insertion of new section 5.1.1 relating to the use of proxies. Section makes it clear that FSC staff should not be an allocated proxy where voting intentions haven’t been provided.</td>
<td>FSCA Board, 27/5/16</td>
</tr>
<tr>
<td></td>
<td>13/5/16</td>
<td>Insertion of section 1.2 – Changes to this document and explicit reference to the need for the Board to approved substantive changes.</td>
<td>FSCA Board, 27/5/16</td>
</tr>
<tr>
<td></td>
<td>12/4/16</td>
<td>Update to section 17.1 regarding treatment and management of general inquiries and note about treatment of NZ email inquiries.</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td></td>
<td>11/4/16</td>
<td>Update to s5.2.4 Board Minutes with instructions on adding Board Minutes to FSC Australia’s website.</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td>3.1</td>
<td>22/3/16</td>
<td>Update to s6.5.4 (non-payment of member fees) to reflect automated reminders for invoices set in XERO</td>
<td>FSCA Board, 8/4/16</td>
</tr>
<tr>
<td></td>
<td>22/3/16</td>
<td>Update to s8.2.2 (Financial Auditor) to reflect changes to timelines and report of independent audit reports</td>
<td>FSCA Board, 8/4/16</td>
</tr>
<tr>
<td></td>
<td>22/3/16</td>
<td>Insertion of section 8.6.2 (Workcover Report) to reflect process to generate workcover insurance / workcover report</td>
<td>FSCA Board, 8/4/16</td>
</tr>
<tr>
<td></td>
<td>25/3/16</td>
<td>Insertion of section 16.5 (Website) to capture the role of FSCA’s website and how editing can be done</td>
<td>FSCA Board, 8/4/16</td>
</tr>
<tr>
<td></td>
<td>25/3/16</td>
<td>Insertion of section 19.1.7 (Paying IAS) and 19.1.8 (Paying BAS) to layout steps for processing of statements to the ATO.</td>
<td>FSCA Board, 8/4/16</td>
</tr>
<tr>
<td></td>
<td>1/4/16</td>
<td>Insertion of section 5.2.4 Board Minutes to reflect how minutes are taken and made publicly available.</td>
<td>FSCA Board, 8/4/16</td>
</tr>
<tr>
<td></td>
<td>1/4/16</td>
<td>Section 8.5.1 has been updated to include information from FSCA’s constitution regarding structure of the fund.</td>
<td>FSCA Board, 8/4/16</td>
</tr>
<tr>
<td></td>
<td>1/4/16</td>
<td>Insertion of section 8.10 relating to Board or CEO seeking independent advice.</td>
<td>FSCA Board, 8/4/16</td>
</tr>
<tr>
<td>3.0</td>
<td>19/02/16</td>
<td>Significant update and review of Governance manual to take account of changes in finance systems to XERO, new project</td>
<td>FSCA Board, 26/2/16</td>
</tr>
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</tr>
<tr>
<td>12/02/16</td>
<td>New section 5.1.1, 5.1.2 and 5.1.3 relating to AGM and calculation of votes. Updated to reflect Action form May 2015 Board Meeting to ‘codify’ voting process prior to 2016 AGM.</td>
<td>FSCA Board, 26/2/16</td>
<td></td>
</tr>
<tr>
<td>19/02/16</td>
<td>Clarification in section 4.4.3 relating to reimbursement of Director for reasonable expenses without pre-approval.</td>
<td>FSCA Board, 26/2/16</td>
<td></td>
</tr>
<tr>
<td>19/02/16</td>
<td>Update to section 5.2.1, note that new Board dates set in the first meeting after the AGM</td>
<td>FSCA Board, 26/2/16</td>
<td></td>
</tr>
<tr>
<td>19/02/16</td>
<td>New section 5.2.3 – Board Papers, outlining the necessary format for Board papers and setting a 5 business day minimum before Board meetings</td>
<td>FSCA Board, 26/2/16</td>
<td></td>
</tr>
<tr>
<td>19/02/16</td>
<td>Update to section 8.3.3 relating to study leave and CEO discretion to provide up to 5 days per year</td>
<td>FSCA Board, 26/2/16</td>
<td></td>
</tr>
<tr>
<td>19/02/16</td>
<td>Update to 8.4.2 relating to timesheet and new project management system WorkflowMax</td>
<td>FSCA Board, 26/2/16</td>
<td></td>
</tr>
<tr>
<td>15/02/16</td>
<td>Update to section 8.5.1 – Public Fund to clarify purpose and role of fund.</td>
<td>FSCA Board, 26/2/16</td>
<td></td>
</tr>
<tr>
<td>19/02/16</td>
<td>Update to section 8.6.1 providing greater detail on insurance policies, costs and expiry</td>
<td>FSCA Board, 26/2/16</td>
<td></td>
</tr>
<tr>
<td>19/02/16</td>
<td>Update to section 8.9 relating submission of expenses in new Finance system ‘XERO’. Removal of paper expense claim forms</td>
<td>FSCA Board, 26/2/16</td>
<td></td>
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<tr>
<td>19/02/16</td>
<td>Update to section 9.1.3 removing CEO’s delegation to enter into staff contract beyond 2-years without Board Approval</td>
<td>FSCA Board, 26/2/16</td>
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<tr>
<td>19/02/16</td>
<td>New section 11.6 relating to bring your own device policy and FSC’s new digital infrastructure.</td>
<td>FSCA Board, 26/2/16</td>
<td></td>
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<tr>
<td>19/02/16</td>
<td>Update to section 12.3 relating to flexible working arrangements</td>
<td>FSCA Board, 26/2/16</td>
<td></td>
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<tr>
<td>19/02/16</td>
<td>Update to 12.12 regarding water, energy and waste management at FSC offices. Changes reflect move to shared accommodation.</td>
<td>FSCA Board, 26/2/16</td>
<td></td>
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<tr>
<td>19/02/16</td>
<td>Update to section 19 – financial procedures to take account of new finance system – XERO.</td>
<td>FSCA Board, 26/2/16</td>
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<tr>
<td>2.1</td>
<td>28/10/15</td>
<td>New section 11.5 and 20.0 – Working from home policy, assessment checklist and supporting ‘workplace setup’ guidance.</td>
<td>FSCA Board, 26/2/16</td>
</tr>
<tr>
<td></td>
<td>31/8/15</td>
<td>New section 6.5.4 – Non-payment of membership fee. Setting of timelines for strike-off. Updated post August 2015 Board Meeting.</td>
<td>FSCA Board, 26/2/16</td>
</tr>
<tr>
<td></td>
<td>16/9/15</td>
<td>Section 17.1 – Consultancy and Commercial Services modified to allow commercial advice and training inline with the Board Approved FSCA Strategic Plan short-term outcome 3 – Business Model (28/8/15 approval).</td>
<td>FSCA Board, 26/2/16</td>
</tr>
<tr>
<td>2.0</td>
<td>16/7/15</td>
<td>Insertion of Write off and credit procedure (section 8.2). Modified by FSCA Board to set &gt;$500 for Board approval.</td>
<td>FSCA Board, 28/9/15.</td>
</tr>
<tr>
<td></td>
<td>11/8/15</td>
<td>Change details to NZ payments (section 8.4.2)</td>
<td>CEO, Adam Beaumont</td>
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<tr>
<td></td>
<td>11/8/15</td>
<td>Update cash reimbursement procedures (section 8.8.3)</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td></td>
<td>17/8/15</td>
<td>Update to section 4.1.1, 6.2 and 6.3.1 to include changes to post 2015 AGM regarding government controlled entities and a statement of support from the company.</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td></td>
<td>18/8/15</td>
<td>Update to section 4.3.5 to reflect Code of Conduct discussion from May 2015 Board meeting.</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td></td>
<td>18/8/15</td>
<td>Update to section 4.6 to note induction for Directors in the first Board meeting post AGM.</td>
<td>FSCA Board, 28/9/15.</td>
</tr>
<tr>
<td></td>
<td>18/8/15</td>
<td>Update to section 4.8.2 and 4.8.3, Board Evaluation Tool, to include an annual evaluation. Update to section 4.9.1 and 4.9.2, Committees and Taskforces, to include the purpose and focus of committees approved in the May 2015 Board meeting.</td>
<td>FSCA Board, 28/9/15.</td>
</tr>
<tr>
<td></td>
<td>25/8/15</td>
<td>8.1.3 Change of name of committee to reflect Board decision</td>
<td>FSCA Board, 28/9/15.</td>
</tr>
<tr>
<td></td>
<td>25/8/15</td>
<td>8.5.2 Update information relating to the Register for Environmental Organisations</td>
<td>FSCA Board, 28/9/15.</td>
</tr>
<tr>
<td></td>
<td>25/8/15</td>
<td>8.5.3 Addition of section on ACNC and reporting requirements.</td>
<td>CEO, Adam Beaumont</td>
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<tr>
<td></td>
<td>25/8/15</td>
<td>8.9 Addition of Information re. Expense reimbursement claims.</td>
<td>CEO, Adam Beaumont</td>
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<tr>
<td></td>
<td>25/8/15</td>
<td>10.1 Updated the legislative information,</td>
<td>CEO, Adam Beaumont</td>
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<tr>
<td></td>
<td>25/8/15</td>
<td>10.2 Fixed wording error</td>
<td>CEO, Adam Beaumont</td>
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## FSC Australia – Governance Manual

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<tr>
<td>25/8/15</td>
<td>10.5</td>
<td>Updated Workers Comp information for NZ</td>
<td>CEO, Adam Beaumont</td>
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<tr>
<td>25/8/15</td>
<td>12.4</td>
<td>Updated information relevant to NZ</td>
<td>CEO, Adam Beaumont</td>
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<tr>
<td>26/8/15</td>
<td>12.4.3</td>
<td>Updated TOIL details as per award</td>
<td>CEO, Adam Beaumont</td>
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<tr>
<td>26/8/15</td>
<td>12.4.5</td>
<td>Updated section to reflect legislative requirements in NZ</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td>26/8/15</td>
<td>12.4.8</td>
<td>Updated section to reflect legislative requirements in NZ</td>
<td>CEO, Adam Beaumont</td>
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<tr>
<td>26/8/15</td>
<td></td>
<td>Addition 19.1.1 Procedure for processing Payroll</td>
<td>CEO, Adam Beaumont</td>
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<tr>
<td>26/8/15</td>
<td></td>
<td>Addition 19.1.2 Procedure for processing Superannuation</td>
<td>CEO, Adam Beaumont</td>
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<td>26/8/15</td>
<td></td>
<td>Addition 19.1.3 Procedure for Processing Write Offs</td>
<td>CEO, Adam Beaumont</td>
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<tr>
<td>26/8/15</td>
<td></td>
<td>Addition 19.1.4 Procedure for Processing Overseas Payments</td>
<td>CEO, Adam Beaumont</td>
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<tr>
<td>26/8/15</td>
<td></td>
<td>Addition 19.1.5 Procedure for Processing Bank reconciliations</td>
<td>CEO, Adam Beaumont</td>
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<tr>
<td>26/8/15</td>
<td></td>
<td>Addition 19.1.6 Procedure for End of month/quarter</td>
<td>CEO, Adam Beaumont</td>
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<td>26/8/15</td>
<td></td>
<td>Addition 19.1.7 Procedure for Uploading Payments</td>
<td>CEO, Adam Beaumont</td>
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<tr>
<td>26/8/15</td>
<td></td>
<td>Addition 19.1.8 Procedure for Authorising Payments</td>
<td>CEO, Adam Beaumont</td>
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<tr>
<td>26/8/15</td>
<td></td>
<td>Addition 19.1.9 Procedure for Filing Finance Documents</td>
<td>CEO, Adam Beaumont</td>
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<tr>
<td>26/8/15</td>
<td></td>
<td>Addition 19.1.10 Procedure for Processing new/ceasing directors</td>
<td>CEO, Adam Beaumont</td>
</tr>
<tr>
<td>1.1</td>
<td>1/5/15</td>
<td>Inclusion of document and version control.</td>
<td>FSCA Board, 28/9/15.</td>
</tr>
<tr>
<td>1.0</td>
<td>5/12/15</td>
<td>First version, Presented to Board</td>
<td>Chair, Jonathan Lamaze</td>
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