Vision
The world’s forests meet the social, ecological, and economic rights and needs of the present generation without compromising those of future generations.

Mission
The Forest Stewardship Council A.C. (FSC) shall promote environmentally appropriate, socially beneficial, and economically viable management of the world’s forests.
# MESSAGE FROM THE CHAIR

<table>
<thead>
<tr>
<th>Directors report</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>directors and meeting attendance</td>
<td>2</td>
</tr>
<tr>
<td>office bearers</td>
<td>3</td>
</tr>
<tr>
<td>proceedings on behalf of the company</td>
<td>3</td>
</tr>
</tbody>
</table>

# DIRECTORS REPORT

<table>
<thead>
<tr>
<th>Principal activities</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>organisational development and administration</td>
<td>5</td>
</tr>
<tr>
<td>membership</td>
<td>6</td>
</tr>
<tr>
<td>certification</td>
<td>10</td>
</tr>
</tbody>
</table>

# PRINCIPAL ACTIVITIES

<table>
<thead>
<tr>
<th>Marketing training &amp; events</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>agm and international generic indicator forum</td>
<td>13</td>
</tr>
<tr>
<td>trademarking team</td>
<td>14</td>
</tr>
<tr>
<td>fsc knowledge tree series</td>
<td>15</td>
</tr>
<tr>
<td>fsc friday – consumer engagement campaign</td>
<td>16</td>
</tr>
<tr>
<td>fsc international work</td>
<td>20</td>
</tr>
</tbody>
</table>

# MARKETING TRAINING & EVENTS

<table>
<thead>
<tr>
<th>Policy and standards</th>
<th>21</th>
</tr>
</thead>
<tbody>
<tr>
<td>terms of reference</td>
<td>22</td>
</tr>
<tr>
<td>independent chair of the sdg</td>
<td>22</td>
</tr>
<tr>
<td>international generic indicators</td>
<td>22</td>
</tr>
<tr>
<td>first draft of the fsca-fss</td>
<td>23</td>
</tr>
<tr>
<td>indigenous engagement project</td>
<td>24</td>
</tr>
</tbody>
</table>

# POLICY AND STANDARDS

<table>
<thead>
<tr>
<th>Administration, staff and premises</th>
<th>25</th>
</tr>
</thead>
<tbody>
<tr>
<td>strategic action plan</td>
<td>26</td>
</tr>
<tr>
<td>fsc in new zealand</td>
<td>26</td>
</tr>
<tr>
<td>staffing update</td>
<td>27</td>
</tr>
</tbody>
</table>

# ADMINISTRATION, STAFF AND PREMISES

<table>
<thead>
<tr>
<th>Operating and finance review</th>
<th>28</th>
</tr>
</thead>
<tbody>
<tr>
<td>finance</td>
<td>29</td>
</tr>
<tr>
<td>operating results</td>
<td>29</td>
</tr>
<tr>
<td>significant changes in state of affairs</td>
<td>29</td>
</tr>
<tr>
<td>after balance date affairs</td>
<td>29</td>
</tr>
<tr>
<td>future developments</td>
<td>29</td>
</tr>
<tr>
<td>dividend payments</td>
<td>29</td>
</tr>
<tr>
<td>auditor’s independence decleration</td>
<td>30</td>
</tr>
</tbody>
</table>

# OPERATING AND FINANCE REVIEW

<table>
<thead>
<tr>
<th>Appendix 1 directors’ particulars</th>
<th>31</th>
</tr>
</thead>
<tbody>
<tr>
<td>high conservation values evaluation framework</td>
<td>24</td>
</tr>
</tbody>
</table>
MESSAGE FROM THE CHAIR

It is my pleasure to present to you the 2014 Annual Report for Responsible Forest Management Australia Ltd.

It has been another successful year of change and expansion for the organisation. We welcomed three new staff members, four volunteers, and four new Board members. As the year ended, we prepared to farewell our hard working CEO, Natalie Reynolds, and welcome her replacement, Adam Beaumont in 2015.

Developing the national standard for forest management has continued to be our top priority, with the Standards Development Group meeting on a regular basis, seeking feedback from not only our members but experts in many fields. We are indebted to them for their service in this incredibly important task.

With the help of our members we were able to launch our first, and very successful, consumer engagement campaign which has not only increased our presence on our social media accounts but also introduced us to a new target market that we can build on in the coming years.

We continued to be mindful of expenditure and the surplus that is shown will be utilised to continue our standards development process in 2015.

It was a pleasure to welcome Gemma Boetekees, Global Network Director of FSC International to the 2014 Annual General Meeting. This was an important opportunity for FSC Australia Members to speak with a senior representative of FSC International, and to hear her presentation on the current challenges and opportunities FSC has globally and in the Asia Pacific region.

Myself, the board and the FSC Australia staff look forward to continuing to work with the membership in the next 12 months on the final stages of the national standard development process and continue to build awareness of and demand for FSC throughout supply chains in Australia.

Jonathan La Nauze
Chairman
Your directors present this report on the company for the financial year ended 31 December 2014.

DIRECTORS AND MEETING ATTENDANCE

The Board of Directors met seven times in 2014 as follows:

7 February    Hobart
4 April       Melbourne
30 May        Melbourne
25 August     Melbourne
27 October    Melbourne
5 December    Videoconference

The name of each person who was a Director during the year 2014 and their meeting attendance is shown below. Director’s details are shown in Appendix 1.

Stars indicate alternate Director’s attendance, appointed pursuant to rule 10.6 of the Constitution.

<table>
<thead>
<tr>
<th>DIRECTOR</th>
<th>NUMBER OF MEETINGS ATTENDED</th>
<th>MEETINGS ELIGIBLE TO ATTEND</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEGENT-MCGEACHIE, Jacqueline</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>**WHICKER, Scott, for JFM</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>FIENBERG, Linda</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>GROENHOUT, Pat</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>LANAUZE, Jonathan</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>PEACHEY, Kevin</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>REES, Sarah</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>RUSSELL, Susie</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>SCHIRMER, Jacki</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>**ADAMS, Jim, for JS</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>SPEECHLEY, Cheryl</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>TAYLOR, Chris</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>
OFFICE BEARERS

Chair: Groenhout, Pat (until 30 May)
La Nauze, Jonathan (30 May - Current)

Company Secretary: Reynolds, Natalie

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.
FSC Australia is a not-for-profit membership based organisation established to promote responsible forest management in Australia and in countries supplying the Australian wood and fibre market. Principal activities in pursuit of this mission fall into three broad areas: Organisational Development and Administration, Policies and Standards Development and Market Development.

» Organisational Development and Administration
» Membership
» Certification
ORGANISATIONAL DEVELOPMENT AND ADMINISTRATION

The year 2014 has seen an increased focus on the Development of the FSC Australian National Forestry Standard, Domestic and International compliance, Governance requirements, Consumer Engagement, and appropriate staffing and fundraising efforts.

FSC Australia was in the position to take on volunteers to provide vital support for our priority projects. It is the first time in a number of years that we have had the capacity to provide guidance and development for volunteers from a variety of backgrounds. We were able to utilise their diverse skills while growing their understanding of the FSC system and providing valuable on the job experience. Due to their commitment to FSC and the support they provided as volunteers, a number of them have now joined the FSC team in permanent positions.

The projects our volunteers assisted with were:

- FSC Governance
- Policy
- Fundraising
- Trademark Services
- Legal Support
- Human Resources
MEMBERSHIP

In 2014, FSC Australia made significant progress in achieving an alignment of membership requirements with FSC International criteria. This included the passing of a special resolution at the AGM in May, which enabled the revision of membership criteria in the FSC Australia constitution to incorporate this change. As a result of this process, FSC Australia is now able to offer and administer Joint Membership of FSC Australia and International from the Australian office. The process of activating Joint membership required significant changes to membership application forms and internal processes, and consequently, no new memberships were approved until 2015.

While this process has resulted in a contraction in overall membership of FSC Australia, in the long term, the ability to offer membership of both FSC Australia and International is a very positive outcome and will increase engagement of Australian stakeholders, by allowing them to be involved in the International decision-making.

In December, we received four membership applications to be reviewed at the first Board meeting of 2015.

In 2014, the following members did not renew their membership due to a variety of reasons, including financial, business restructure, change of organisational focus.

<table>
<thead>
<tr>
<th>Name</th>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charters Paper</td>
<td>Economic</td>
<td>Enviro Industries Pty Ltd.</td>
</tr>
<tr>
<td>Gunns Ltd</td>
<td>Economic</td>
<td>Net Balance Foundation</td>
</tr>
<tr>
<td>Nick Reynish</td>
<td>Economic</td>
<td>Nikpol</td>
</tr>
<tr>
<td>TABMA</td>
<td>Economic</td>
<td>Telstra</td>
</tr>
<tr>
<td>Timber Queensland</td>
<td>Economic</td>
<td>Urban Design Systems</td>
</tr>
<tr>
<td>Gitte Kragh</td>
<td>Environment</td>
<td>Western Australian Forest Alliance</td>
</tr>
<tr>
<td>Chris Taylor</td>
<td>Social</td>
<td>Drew Cooper</td>
</tr>
<tr>
<td>Timberworkers For Forests Inc</td>
<td>Social</td>
<td></td>
</tr>
</tbody>
</table>

FSC Australia Members
This resulted in a decrease of ten members in the Economic chamber, two in the Environment chamber, and three in the Social chamber. Overall, FSC Australia closed 2014 with a total of 97 members.
INTERNATIONAL AND JOINT MEMBERS

FSC Australia now facilitates both Australian, and International membership on behalf of FSC International. At the conclusion of 2014, there were 6 International members, and 15 members who held both International and Australian membership.
RETAIL SUPPORTERS PROGRAM

In addition to the membership, FSC Australia welcomed five new Retail Supporters in 2014: Aldi, The Warehouse (NZ), Systems Commercial Furniture (NZ), Harmony Timber Floors, and Stylo Traders. Organisations that retail or distribute FSC certified products to final end users of the products are eligible to apply to become a Retail Supporter of FSC Australia.

Retail supporters must have a commitment to FSC and its values of openness, transparency and responsible use of the world’s resources. Retail supporters must also commit to using the FSC Trademarks only with permission in accordance with the Trademark standard FSC STD 50-002.
At the close of 2014, no new Forest Management Certificates had been issued, however, FSC certified forest hectares in Australia increased from 878,944 (2013) to 977,038 (2014) across 12 Forest Managers.

This net increase was a result of the reinstatement of Australian Bluegum Plantations’ FSC Certification in April. Notably, PF Olsen also increased their hectares by 40,115, or 190% year on year, Forest Strategy increased their area by 19%, and SFM Forest Products increased by 6%.

Two Forest Management Certificates were not renewed (Elders Forestry and Green Triangle), and one (Australian Sustainable Timbers) was listed as suspended at the end of 2014.
Chain of Custody Certificates reduced by 4 in 2014, to a total of 302 certificates.

There are now a total of nine Certification bodies accredited to operate in Australia, details can be found at http://au.fsc.org/fsc-accredited-certification-bodies.228.htm
MARKETING TRAINING & EVENTS

In 2014, FSC Australia’s focus was on consumer engagement and supply chain confidence. To achieve this, we ran our first ever consumer engagement campaign, expanded the Knowledge tree series to include new topics, and delivered to New Zealand for the first time. To ensure that the FSC trademarks were being used correctly, training was provided to all new Retail Supporters, and additional training offered for existing Non-certificate holders. FSC Australia worked with Retail Supporters to leverage use of the FSC trademarks to increase awareness and drive change in the supply chain. Through the Knowledge tree series, we provided an introduction for certificate holders to new FSC Initiatives, such as the Online Claims Platform and Marketplace.

» AGM & International Generic Indicator Forum
» FSC Australia Policy Forum
» FSC Knowledge Tree Series
» Trademark Team
» FSC Friday – Consumer Engagement Campaign
» FSC Australia Excellence Awards
» FSC International Work
AGM AND INTERNATIONAL GENERIC INDICATOR FORUM

The AGM was held on the 27th of May in Melbourne. Three out of the four proposed Special Resolutions were passed by the membership. The successful resolutions will help strengthen FSC Australia, adding to the strong body of work already undertaken by the Board of Directors and CEO in recent years.

The new Board is comprised as follows (from the 27th of May 2014):

**ECONOMIC CHAMBER**

<table>
<thead>
<tr>
<th>*Ms Cheryl Speechley</th>
<th>Tetra Pak Oceania</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Pat Groenhout (FSC Chair)</td>
<td>PF Olsen</td>
</tr>
<tr>
<td>Ms Jacqueline Fegent-McGeachie</td>
<td>Kimberley-Clark Australia</td>
</tr>
</tbody>
</table>

**ENVIRONMENT CHAMBER**

<table>
<thead>
<tr>
<th>*Mr Jonathan La Nauze</th>
<th>Australian Conservation Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Ms Sarah Rees</td>
<td>Australian Forests and Climate Alliance</td>
</tr>
<tr>
<td>Ms Susie Russell</td>
<td>North East Forest Alliance</td>
</tr>
</tbody>
</table>

**SOCIAL CHAMBER**

<table>
<thead>
<tr>
<th>*Ms Linda Fienberg</th>
<th>Individual Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Mr Kevin Peachey</td>
<td>National Timber Council Association</td>
</tr>
<tr>
<td>Ms Jacki Schirmer</td>
<td>Individual Member</td>
</tr>
</tbody>
</table>

*Indicates a newly appointed seat

FSC Australia CEO, Natalie Reynolds, said: “The FSC’s great strength lies in its ability to encourage communication between people with different interests, ideas and philosophies. I look forward to working with our new and existing Board members across our Economic, Environment and Social Chamber to deliver on FSC Australia’s Strategic plan.

“The next twelve months are an exciting and important period for FSC Australia as we move towards codifying a national Forest Stewardship Standard for Australia.”

**FSC AUSTRALIA POLICY FORUM**

On the afternoon of the AGM FSC Australia and the Standards Development Group launched draft 1 of the FSC Australia – Forest Stewardship Standard. The public consultation period on this draft ran until 1st of August.
TRADMARKING TEAM

FSC Australia continued in 2014 to provide Trademark services to non-certificate holders under FSC standard FSC-STD-50-002.

Administration of the Trademark Services Program (TSP) is an important part of FSC Australia’s role in monitoring use of the FSC trademarks in both Australia and New Zealand. The main goals are to reduce trademark infringements, increase the visibility of the FSC trademarks across sectors, and to support retailers, non-profit organisations and educational institutions to educate about the benefits of the FSC system.

In December 2014 FSC Australia had 26 valid Trademark Licence Agreements, an increase of over 73% from 15 valid agreements in January.

This places Australia & New Zealand (combined) in the top 10 FSC Trademark Service Providers globally.

The services provided by FSC Australia include;
• monitoring of trademark email address
• responding to general inquiries
• approval of FSC certified products for promotion by retailers
• approval of educational statements about FSC
• identification and resolution of trademark infringements and
• market development support.

A key part of the TSP is the Retail Supporters Program. This includes approvals of FSC Certified products, as well as staff training and the opportunity to participate in campaigns and other initiatives. In 2014 FSC Australia increased the number of Retail Supporters to 15 of various sizes, with 5 trading exclusively in New Zealand.

In 2014 there were 8 official Educational uses of the FSC logo, which is a large increase in the number of requests for Educational use of the FSC Logo and information about FSC, compared to previous years (1 in 2013 and none in 2012). These requests have been from mixed sources such as local councils & high school textbook writers.
The incredibly successful FSC Knowledge Tree Series was relaunched in 2014. Based on Certificate Holder requests and general enquiries from members and the public the topics selected were: ‘Introduction to Green Star & FSC Project Certification’ and ‘Achieving and keeping FSC Chain of Custody Certification’. New, comprehensive training materials were developed for both of these workshops.

**Introduction to Green Star & Project Certification**

Designed for Architects and Builders who not only want to specify FSC for their projects or would like to receive timber credits and FSC Project Certification. This event was also attended by representatives from local government who were interested in how to specify and verify FSC materials for building projects.

**Achieving & Keeping FSC Chain of Custody Certification**

A practical workshop explaining the process on gaining the right to use the FSC logo on your products and expanding their market through FSC Chain of Custody Certification. This workshop was attended by existing Certificate Holders keen to update their knowledge to train new staff, as well as prospective Certificate Holders.

**KNOWLEDGE TREE SESSIONS HELD IN 2014:**

<table>
<thead>
<tr>
<th>Location</th>
<th>Session</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland</td>
<td>Intro to Green Star and FSC Project Certification</td>
<td>Thursday 16th October</td>
</tr>
<tr>
<td>Melbourne</td>
<td>Achieving and keeping FSC Chain of Custody Certification</td>
<td>Thursday 20th November</td>
</tr>
<tr>
<td>Sydney</td>
<td>Achieving and keeping FSC Chain of Custody Certification</td>
<td>Thursday 27th November</td>
</tr>
<tr>
<td>Sydney</td>
<td>Intro to Green Star and FSC Project Certification</td>
<td>Thursday 27th November</td>
</tr>
<tr>
<td>Auckland</td>
<td>Intro to Green Star and FSC Project Certification</td>
<td>Thursday 4th December</td>
</tr>
<tr>
<td>Auckland</td>
<td>Achieving and keeping FSC Chain of Custody Certification</td>
<td>Thursday 4th December</td>
</tr>
</tbody>
</table>

“Great overall explanation of FSC, and how to review & remain compliant. Information was clear, well presented and helpful. Presenters were knowledgeable and approachable.”

“It’s a growing area of interest for our customers and as a customer led company we need to follow our customers. Very worthwhile, excellent presenters and content.”
FSC FRIDAY – CONSUMER ENGAGEMENT CAMPAIGN

Considerable thought was put into what Australia’s FSC Friday message should be, and it was decided that the message was that everyone can leave a positive forest legacy, through their every day purchases.

There were hundreds keen to test their forest knowledge through a custom app designed by FSC Australia for FSC Friday.

The campaign was a great success: We received almost 1,900 unique pledges; 17 minor prizes were awarded, plus the major prize of a luxury holiday and flights for 4 people, and throughout the campaign we reached in excess of 515,000 people across Australia and New Zealand on Facebook alone.

FSC Friday was supported by more than 50 amazing businesses & organisations. The FSC offices in New Zealand & Australia celebrated with a party & the installation of a beautiful green wall.

The full story can be viewed here: https://storify.com/FSCAustralia/fsc-friday-2014

Pledge Contents:

Of the 1,860 pledges received during the campaign period, 1,205 (59%) specifically pledged to buy FSC products in the future, with most identifying particular product categories such as personal hygiene products, building materials or home & office supplies. There was notable understanding of issues surrounding forestry with frequent mentions of deforestation as a topic people wanted to learn more about after completing the quiz.
Demographics of Engagement
Following the campaign FSC’s Facebook page has 78% female fans (from a starting point of 58%) indicating that the targeting of the campaign to those responsible for the majority of household purchasing decisions was effective. Women also had a higher level of engagement with the campaign overall.

Women
- 84% People Engaged
- 78% Your Fans

Men
- 16% People Engaged
- 21% Your Fans

Facebook engagement
The image below shows some of the key metrics demonstrating the activity on the FSC Facebook page. The 22,773 link clicks refers to clicks on the competition app, but also links to sponsors, ‘Forest Fact Friday’ sources etc. The very high number of photo album views indicates many were engaging with the legacy messaging, and going beyond a single impression.

Link Clicks 22,773
Photo views 121,979
Other Clicks 159,326
To track traffic we used a custom shortened link for people to enter the competition. Many sponsors also used shortened links, and those who used Bitly were also available for tracking.

TRAFFIC

2,656 clicks (72%) on this Bitlink
1,031 clicks (28%) on other Bitlinks to this content

Facebook likes & pledges

Shown below is the total number of likes on the FSC Facebook page in dark blue, and total number of pledges. The two data sets correlate strongly, and show the same building momentum as the campaign progressed.
The Winning Pledge

The top 10 most creative and inspiring pledges were shortlisted by FSC Australia staff and added to an anonymous poll. The pledges were voted on by the Australian board members, representatives from the New Zealand Standards Development Group & FSC International staff. Tamsien flew up to Sydney on FSC Friday to officially present the winner Gill D with her prize, and arranged a professional photographer to take some high quality promotional images.
FSC INTERNATIONAL WORK

FSC Australia has been working with FSC International on a number of significant projects in 2014.

MOTION 8 STEERING GROUP AND IMPLEMENTATION TEAM

Natalie has been involved in the Motion 8 Implementation Team in Amsterdam, a significant piece of work named after the Motion passed at the 2011 General Assembly where the members requested FSC examine its global finance, structure and business model. As part of the former Steering Group, Natalie represented Asia Pacific and worked with other representatives to seek advice from Price Waterhouse Coopers, London who gave a number of significant recommendations. The international board accepted the recommendations of the Steering Group and has now created the Implementation Team on which she is part.

Natalie attended the following meetings relating to Motion 8:

- February – Amsterdam (3 days)
- June – Malaysia (3 days)
- October – Frankfurt (4 days)

REGIONAL NETWORK MEETING

In March, the Asia Pacific Regional Meeting was held in Hong Kong, which is an annual meeting to ensure consistency of service delivery, information sharing and cooperation.

GENERAL ASSEMBLY

Every three years, FSC members, supporters, and stakeholders come together to discuss a sustainable future for the world’s forests and the people that inhabit them. The 7th FSC General Assembly 2014 took place in Seville, Spain, from 7 to 14 September 2014. The FSC General Assembly is FSC’s highest decision-making body. It gathered over 500 participants from 70 countries, representing social, economic and environmental interests from geographical North and South.

Initially, 96 motions were proposed, and FSC International Director General Kim Carstensen stated ‘Clearly, the volume of motions was a sign of frustration amongst members, but it also showed that they cared. From helping save the largest remaining forests on Earth to working with local and indigenous communities, the proposals showed that people deemed these issues, and FSC, important.’

Of these 96 motions, they were condensed down to 32, of which, 19 motions were approved by the membership. To view the motions that passed/failed, visit http://ga2014.fsc.org/motion-updates
POLICY AND STANDARDS

Development of the FSC Australia – Forest Stewardship Standard (FSCA-FSS)
Following the appointment of the Standards Development Group (SDG) in late 2013, 2014 began with the SDG signing off on an agreed Terms Of Reference.

» Terms of Reference
» Independent Chair of the SDG
» International Generic Indicators (IGI’s)
» First Draft of the FSCA-FSS
» Indigenous Engagement Project
» High Conservation Values Evaluation Framework
The Standards Development Group collaborated together to develop and agree to the Terms of Reference. The Terms of Reference establish the group’s guidelines the scope of the group’s work, its decision-making procedures and roles.

The full terms of Reference can be viewed at http://au.fsc.org/standards-development-group.327.htm

In January, FSC International published the 2nd Draft for consultation (http://igi.fsc.org). Part of the SDG’s responsibility was to provide feedback to FSC International on behalf of the FSC Australia membership. In February and March, the Deputy CEO – Policy travelled around Australia to facilitate the following consultation forums in key locations, to encourage input into the draft.

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bunbury (WA)</td>
<td>Monday 10th February</td>
</tr>
<tr>
<td>Hamilton (Victoria)</td>
<td>Wednesday 12th February</td>
</tr>
<tr>
<td>Bairnsdale (Victoria)</td>
<td>Friday 14th February</td>
</tr>
<tr>
<td>Brisbane (QLD)</td>
<td>Monday 17th February</td>
</tr>
<tr>
<td>Grafton (NSW)</td>
<td>Wednesday 19th February</td>
</tr>
<tr>
<td>Hobart (TAS)</td>
<td>Friday 21st February</td>
</tr>
<tr>
<td>Sydney (NSW)</td>
<td>Thursday 13th March</td>
</tr>
<tr>
<td>Canberra (ACT)</td>
<td>Tuesday 18th March</td>
</tr>
<tr>
<td>Melbourne (VIC)</td>
<td>Wednesday 19th March</td>
</tr>
<tr>
<td>Mt Gambier</td>
<td>Thursday 27th March</td>
</tr>
</tbody>
</table>

Early in 2014, SDG announced appointment of Dr Evelyne Meier to the Independent Chairperson’s position. Dr Meier has extensive experience working in high-level policy related roles across government, the private sector and a number of multi-stakeholder initiatives. She is an experienced chairperson and director with a strong record of guiding policy processes in natural resource management and stakeholder engagement.
FIRST DRAFT OF THE FSCA-FSS

Following a considerable amount of work put in by the SDG the first draft of FSCA-FSS was released in late May. This opened a 60 day period of public consultation.

As part of the Public Consultation process FSC Australia conducted a series of Webinars for Stakeholders to attend.

Webinars were held at 5:30pm Eastern Standard Time and were scheduled for approximately 2 - 3 hours. Each webinar covered:

• A brief introduction to the standard.
• An overview of the Principle and how it relates to FSC.
• An opportunity for participants raise concerns and questions for Standards Development Group members.

A total of 10 webinars were held throughout the consultation period, one for each FSC Principle.

<table>
<thead>
<tr>
<th>PRINCIPLE</th>
<th>Topic</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Compliance with laws</td>
<td>Friday 13th June</td>
</tr>
<tr>
<td>2</td>
<td>Workers’ rights and employment conditions</td>
<td>Tuesday 17th June</td>
</tr>
<tr>
<td>7</td>
<td>Management Planning</td>
<td>Friday 20th June</td>
</tr>
<tr>
<td>4</td>
<td>Community relations</td>
<td>Tuesday 24th June</td>
</tr>
<tr>
<td>5</td>
<td>Benefits From the Forest</td>
<td>Friday 27th June</td>
</tr>
<tr>
<td>6</td>
<td>Environmental values and impacts – Part 1</td>
<td>Tuesday 1st July</td>
</tr>
<tr>
<td>6</td>
<td>Environmental values and impacts – Part 2</td>
<td>Thursday 3rd July</td>
</tr>
<tr>
<td>3</td>
<td>Indigenous peoples’ rights</td>
<td>Tuesday 8th July</td>
</tr>
<tr>
<td>8</td>
<td>Monitoring and Assessment</td>
<td>Tuesday 15th July</td>
</tr>
<tr>
<td>9</td>
<td>High Conservation Values</td>
<td>Thursday 17th July</td>
</tr>
<tr>
<td>10</td>
<td>Implementation of Management Activities</td>
<td>Monday 21st July</td>
</tr>
</tbody>
</table>

31 submissions to the standard were received, from a broad range of organisations and interests representing social, environmental and economic concerns.
INDIGENOUS ENGAGEMENT PROJECT

FSC Australia partnered with the Aboriginal Carbon Fund (AbCF) on a separate consultation process with Indigenous Australians, in recognition of the unique status of Indigenous Australians as the original forest owners and managers holding ownership of large forest areas in northern Australia, and also because modern approaches to consultation are not always culturally appropriate. AbCF received a number of submissions from Indigenous stakeholders on the first draft of the FSCA-FSS as a broader FSC related issues.

In October, a Terms of Reference document was formulated for the recruitment of an Indigenous Working Group (IWG). The Terms of Reference covers the objectives of the group. Following an expressions of interest in late 2014 the Indigenous Working Group was appointed in early 2015.

HIGH CONSERVATION VALUES EVALUATION FRAMEWORK

The FSC Australia website was updated with a short note regarding the old growth definition.

Clarification regarding definition of ‘old growth’:

A request for interpretation was made to FSC International and FSC Australia regarding a potential contradiction between the definition of 'old growth' in the HCV Assessment Framework on page 13 and that provided in the glossary at the end of the document. The following was issued as an interpretation:

Resolution (for FSCA Board): Recognising the apparent inconsistency between the ‘old-growth’ definition on page 13 (HCV 3 Section) of the HCV Assessment Framework and the definition provided in the glossary, the Board of FSC Australia re-affirms the page 13 definition as being the official, normative definition. This reflects the original intention of the document drafters (and stakeholders) as supported by the Board.
ADMINISTRATION, STAFF AND PREMISES

» Strategic Action Plan
» FSC In New Zealand
» Staffing update
STRATEGIC ACTION PLAN

In April, the FSC Australia Board announced the new Strategic Action Plan for 2014-2017. This document forms the foundation of operational strategies for the coming three years, with the ability to be revisited annually in light of changing circumstances. To view the plan, visit http://au.fsc.org/newsroom.257.159.htm

FSC IN NEW ZEALAND

In 2014, FSC Australia entered into a contract with FSC International to provide key accounts, trademarks (already in place) and events services to New Zealand. This follows a long standing call of the supply chain in New Zealand to have information available in a similar time and geographic zone, and provides an opportunity to test a sub regional approach to service delivery, seeking to make sure that the cross-country linkages between certificate holders, retailers and members are maintained and service is provided.

FSC Australia has no influence or involvement in anything relating to Policy in New Zealand. The existing Standards Development Group will remain completely independent and continue to have its advice and assistance provided by FSC International.

The New Zealand Business Development Manager, John Castle commenced his role on the 14th of July. John was trained over a three-day period by our staff in Melbourne, at the same time as the voluntary interns were trained. John was enthusiastic and started forming ideas on approaching certain organisations and associations about membership after he completed contacting NZ certificate holders initially to introduce himself and make them aware of the consumer engagement campaign.

John established contact with a good catchment of our certificate holders in New Zealand and was involved in meetings with some larger organisations relating to FSC procurement, including Fonterra.

Tamsien also developed relationships with different levels of the supply chain and provided on the ground assistance for certificate holders during 2 trips to New Zealand in October and December, complementing the Knowledge Tree Series which had a focus on the print and construction industries. Some of the notable meetings were with Jazmax (architectural firm), The Warehouse, The Warehouse Stationary, NZ Green Building Council, Countdown, Carter Holt Harvey, OfficeMax NZ, and Abodo.

John finished up with FSC in December, to pursue other opportunities. A replacement will be recruited in early 2015 to continue the project, whilst FSC Australia continues to provide support in the interim.

The New Zealand office was physically set up on 17th July in the shared office hub of ‘Mover and Shakers’ in the Auckland CBD. The desks were all recycled pallets and the space is open and airy for meetings, functions and workspaces. The location is central to many FSC members, certificate holders, and prospects head offices.
STAFFING UPDATE

Natalie Reynolds  
(Chief Executive Officer) – Full Time  
Primary Responsibilities:  
• Governance, including acting as the Company Secretary  
• Financial and Management  
• Media and Government  
• Membership and Stakeholder Management  
• International Liaison  
• Human Resources

Daniel Mackey  
(Deputy CEO – Policy) – Full Time  
Primary responsibilities:  
• Policy and standards development;  
• Stakeholder engagement;  
• Knowledge Tree sessions;  
• Salesforce Administration; and  
• Contract management.

Renee Andreacchio  
(Finance and Compliance Manager) – Part Time 2 days  
Primary responsibilities:  
• High level finance administration and budgeting;  
• Reconciliation advice and reporting;  
• Government, ASIC, Environment Register, taxation and contractual compliance;  
• FSC International contractual compliance and reporting;  
• Key accounts reporting oversight; and  
• Audit and Reporting for end of year.

Tamsien West  
(Trademarks, Events & Fundraising Officer) – Full Time, Commenced February  
Primary responsibilities:  
• Key accounts management;  
• Consumer awareness;  
• Marketing and instructing;  
• Administration personnel and social media campaigns;  
• Trademark Services Program administration;  
• Trademark use and compliance.  
• Implementation of FSC International initiatives  
• Arranging and delivering training and networking events.  
• Revenue generation via Key Accounts and funding streams; and

Belinda Marino  
(Accounts Officer) – Casual 2 days, ceased September  
Primary Responsibilities:  
• Maintenance of Financial records  
• Accounts Receivable  
• Accounts Payable  
• Payroll and Banking  
• Reconciliations and Reporting  
• Preparation of Statutory returns

Jess John  
(Accounts and Administrative Officer) – Casual 3 days, commenced September  
Primary responsibilities:  
• Accounts administration and processing;  
• Trademark infringements;  
• Generating retail supporters; and  
• IT support and assistance.

Charlee Foster  
(Events and Communications Trainee) – Full Time  
Primary responsibilities:  
• Website administration and content development;  
• Newsletter development;  
• Design of fact sheets & materials;  
• Events organisation and resourcing;  
• Administration support and office management;  
• Communications

Daniel Goldsworthy  
(Casual appointment, commenced November, voluntary Company Secretary from 2015  
Primary responsibilities:  
• Board Meeting agendas and minutes;  
• Advice to the Board;  
• Delivering AGM; and  
• Assistance to CEO and Board Members.)
OPERATING AND FINANCE REVIEW

» Finance
» Operating Results
» Significant Changes in state of Affairs
» After Balance Date Affairs
» Future Developments
» Dividend payments
» Auditor’s Independence Declaration
FINANCE

Whilst our accounts show a net surplus of $284,320, the majority of these funds are already allocated to Policy related costs that were budgeted to be spent in 2014, however, due to International delays will be spent in the 2015 financial year instead.

OPERATING RESULTS

The surplus for the 2014 calendar year was $284,320. The Company is exempt from paying income tax.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the company during the financial year, other than those referred to elsewhere in this report.

AFTER BALANCE DATE AFFAIRS

No matters or circumstances have arisen since the end of the financial year which significantly affected, or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in the future financial year.

FUTURE DEVELOPMENTS

It is most probable that developments in operations of the Company and the expected results of those operations in future financial years will follow the current pattern.

DIVIDEND PAYMENTS

The Company is a company limited by guarantee incorporated and domiciled in Australia. It does not have share capital. The directors of the Company are precluded by the Company’s Constitution from recommending the payment of any dividend.
AUDITOR’S INDEPENDENCE DECLARATION

The independent audit report of the auditor for the year ended 31 December 2014 is attached.

Signed in accordance with a resolution of the Board of Directors:

Jonathan La Nauze
Director

Dated 30th April 2015
FEGENT-MCGEACHIE, JACQUELINE

Qualifications:
Masters of Sustainability, Public Policy and Governance at Sydney University (completing)
Graduate Diploma in Social Impact (University of NSW)
Bachelor of Communications (Public Relations and Organisational Communications)

Experience:
2011 - present: Sustainability and Social Responsibility Manager at Kimberly-Clark Australia and New Zealand
2010 - 2011: Sustainability Strategist, Ogilvy Earth
2006 - 2010: Practice Director of Responsible Brands, Ogilvy
2001 - 2006: Consultant

Responsibilities:
Economic Chamber Member
Director
Member of the Membership sub-committee

Alternate Director: Scott Whicker.

FIENBERG, LINDA

Qualifications:
Master of Design, UTS; Bachelor of Arts, University of Sydney; 2-year full-time Fine Woodwork course at the Sturt School for Wood, Mittagong, Carpentry and Joinery Trade Certificate.

Experience:
Carpenter, furniture designer/maker, and for the last 15 years. Technical officer and Design tutor at the University of Sydney and UTS. Team Leader with Healthabitat, working on housing in indigenous communities. Previously on the Committee of the Society for Responsible Design (7 years).

Responsibilities:
Social Chamber Member
Director
Chair of Indigenous Engagement sub-committee
Member of the Membership sub-committee
Member of the Policy and Standards sub-committee
Chair of the Membership sub-committee
GROENHOUT, PATRICK

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

Experience: Pat is a forest industry executive with 22 years experience in sustainable management of native and plantation forests throughout Australia, in both the public and private sectors. Prior to joining the PF Olsen Group to run the Australian company, Pat held senior operational and executive positions in commercial forestry organisations in New South Wales and Victoria and has extensive networks throughout the Australian forest industries.

Pat’s specific areas of expertise include:
- Timber resource, market and financial analysis.
- Forest management regulation, certification and quality systems.
- Forest management planning.
- Management of forestry projects in complex and conflicted stakeholder environments.
- Australian forest policy.
Chairman of the Board of Directors (Jan - May)

Responsibilities: Economic Chamber Member
- Director
- Member of the Policy and Standards sub-committee
- Member of the Business and Finance sub-committee

LA NAUZE, JONATHAN

Qualifications: Bachelor of Arts (University of Melbourne), Associate Diploma of Music (Performance) (Australian Musical Examinations Board)
Graduate Certificate of Business (Queensland University of Technology)


Responsibilities: Environment Chamber Member
- Director
- Member of the Business and Finance sub-committee
- Member of the Indigenous Engagement sub-committee
Chairman of the Board of Directors (May - Current)
PEACHEY, KEVIN

Qualifications: Bachelor of Science (Forestry) (ANU)

Experience:
- Executive Officer for the National Timber Councils Australia (2012 - Current)
- Executive Officer for Timber Towns Victoria (2012 - Current)
- Coordinator for Council Alliance for a Sustainable Built Environment (2012 - Current)
- Program Manager for Municipal Association of Victoria's Planning Improvement Program (2013 – Current)

Responsibilities:
- Social Chamber Member
- Director
- Member of the Business and Finance sub-committee

REES, SARAH

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

Experience:
Sarah Rees has worked on forest and water conservation programs since 1998 with local and national conservation organisations such as The Wilderness Society, Friends of the Earth and Environment East Gippsland. The priority area for her work is in the million hectares of forests in the Central Highlands of Victoria - Melbourne’s water catchments, however she also participates in strategy development on national forest programs developing community awareness programs, educational outreach, NGO policy and planning, fundraising, media strategy, social media message and development, marketing and online positioning, science and conservation planning for endangered species such as the Baw Baw Frog and Leadbeater’s Possum and strengthening forest stewardship through timber standards. In 2013, Sarah participated in the scheme assessment of the Australian Forestry Standard, commenced a working group for the Great Forest National park and commissioned the first national legal review of the Australian Regional Forest Agreements.

- President of MyEnvironment since 2008
- President of The Central Highlands Alliance 2000-2008
- Committee of Management - The Wilderness Society 2007
- Member of the Victorian Forest Alliance since 2001
- Marketing consultant Icon Global Link Pty Ltd - Risk management and supply chain - from 2005 -2011
- Environmental and marketing consultant - Access Environment Pty Ltd 2006-2007
- Marketing and design consultant since 2000 – 11 Butterflies Design Group
- Mother of two teenagers

Responsibilities:
- Environment Chamber Member
- Director
- Member of the Membership sub-committee
- Member of the Communications sub-committee
RUSSELL, SUSAN

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

Responsibilities: Environment Chamber Member
Director
Member of the Indigenous Engagement sub-committee
Chair of the Policy and Standards sub-committee

SCHIRMER, JACKI

Qualifications: Bachelor of Economics, Bachelor of Science (Forestry) (Hons), PhD (all from the Australian National University)

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

Responsibilities: Social Chamber Member
Director
Deputy Chairman of the Board of Directors (May - Current)
Member of the Membership Committee
Member of the Communications sub-committee
SPEECHLEY, CHERYL

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

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

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

Responsibilities: Economic Chamber member
Director
Member of the Membership sub-committee
Member of the Communications sub-committee

TAYLOR, DR. CHRIS

Qualifications: Bachelor of Architecture (honours) RMIT (1997)
PhD, RMIT (2012)

Experience: Dr Chris Taylor is a research fellow at the Global Change Institute at the University of Queensland, and an honorary research fellow at the Melbourne Sustainable Society Institute at the University of Melbourne. Chris has been involved with the FSC since 2003 and is a founding member. He has expertise in the development and interpretation of standards used under forest certification systems, which was the topic of his PhD dissertation. This expertise is enhanced in his previous role as an auditor assessing against the FSC Chain of Custody standards and his involvement with dispute resolution processes under that standard. Chris played a critical role in the establishment of the FSC Australia Controlled Wood Risk Assessment process and continues to work in this area, particularly with rural stakeholders. His most recent research interests include enhancing the resilience of rural communities and landscapes under various projected climate change scenarios.

Responsibilities: Social Chamber member
Director (Jan - May)
Member of the Policy and Standards sub-committee