

# Australian Forestry Standard Limited

## Annual review of activities 2015-16



AFS/01-10-01



PEFC/21-1-1



# Foreword

## AFS certification: confidence, credibility, transparency ...

*It is an honour for me to present the 2016 Australian Forestry Standard Ltd Annual Report.*

You will see from the pages of this report, the tremendous effort and accomplishments of a very small group of very dedicated people.

The Australian Forestry Standard Certification System (AFCS) remains incredibly important to Australia's forestry and forest products sector as the AFCS continues to facilitate market access for the significant majority of Australia's forest products.

At a time when international attention is focused on the origin and environmental credibility of wood and timber based commodities, it is comforting to know that certification to the Australian standards for sustainable forest management provides the confidence, credibility, robustness and transparency to satisfy domestic and export markets that Australian certified products are from responsible and sustainable sources.

A key outcome from 2015-16 is that AFS Ltd has remained in a very sound

financial position. This has allowed an increase in marketing and promotional activities with much greater focus on brand promotion, marketing support and direct contact with many major specifiers of certified wood products, especially in high profile architectural uses.

AFS Ltd has been delighted with the positive feedback and the high regard in which the AFS system is held by the specification community.

In 2016-17, as part of the strategic marketing program, AFS Ltd is reviewing its branding and key messaging. We look

forward to the positive contributions that will be made by AFS members, certificate holders and supporters.

Finally, I wish to thank all AFS Ltd staff and directors for their hard work and dedication during the year. The achievements of AFS Ltd this year are a compliment to the dedication of all staff and directors.



– KATE CARNELL  
AO, Chair, Australian  
Forestry Standard Ltd

## Introduction

*Australian Forestry Standard Ltd (AFS Ltd) is a not-for-profit public company that promotes the sustainable management of Australia's forests and traceability of wood products through its management of the Australian Forest Certification Scheme (AFCS).*

At the heart of the AFCS sit two Australian Standards® and in order to manage the scheme effectively, AFS Ltd is a standards development organisation accredited by the Accreditation Board for Standards Development Organisations (ABSDO) to develop and maintain Australian Standards® within its scope

of accreditation.

AFS Ltd is the Australian member of the Program for the Endorsement of Forest Certification (PEFC) and the AFCS is one of 43 national forest certification schemes endorsed by the PEFC.

Each year, AFS Ltd publishes an

Annual Review of Activities to inform its members, stakeholders and the general public of progress in administering the AFCS.

This review covers the period 2015-16 and was presented to members at the annual general meeting of AFS Ltd in Sydney in October 2016.

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**AFS board members**

Kate Carnell AO  
 Alison Carmichael  
 Dr Hans Drielsma B.Sc. For (Hons), M.F.S., M.Phil., Ph.D., FAICD  
 Colin Fitzpatrick  
 Suzanne Little  
 Craig Smith  
 Nathan Trushell B.Sc. (REM), MIFA  
 David West B.Sc. (For), MBA  
 Alan Bones

**Chief Executive Officer**  
 Simon Dorries



Front cover, contents and back cover: Woodleigh School Homestead Redevelopment by Law Architects, Melbourne. Winner of the AFS Ltd Australian Certified Timber Award at the 2016 Australian Timber Design Awards. Photographer: Drew Echberg



# Australian Forestry Certification Scheme

*The Australian Forest Certification Scheme sets out the specifications and procedures that ensure the highest standards of management, transparency and accountability in Australia's forest sector.*

In order to ensure best practice, two Australian Standards sit at the heart of the Australian Forest Certification Scheme - the Australian Standard® for Sustainable forest management (AS 4708) and the Australian Standard® for Chain of custody of forest products (AS 4707).

Australian Standard® AS 4708 provides reassurance to consumers of certified wood and paper products that the forests

from which those products originated are independently audited and verified as well managed.

Obtaining certification demonstrates that management practices meet requirements for best practice in sustainable forest management, including:

- Biodiversity of forest ecosystems is maintained or enhanced
- The range of ecosystem services that forests provide is sustained
  - they provide food, fibre, biomass and wood
  - they are a key part of the water cycle, act as sinks capturing and storing carbon, and prevent soil erosion

- they provide habitats and shelter for people and wildlife; and
- they offer spiritual and recreational benefits

- Chemicals are substituted by natural alternatives or their use is minimized
- Workers' rights and welfare are protected
- Local employment is encouraged
- Indigenous peoples' rights are respected
- Communities have an opportunity to provide input into the process

Chain of custody certification against Australian Standard® AS 4707 ensures requirements for tracking certified material from the forest to the final product are met and that the wood

contained in the product or product line originates from certified forests and controlled sources.

Internationally, the Australian Forest Certification Scheme is endorsed by PEFC, the world's largest sustainable forest certification scheme, which sets high standards for forest certification and sustainable forest management in line with society's ever evolving understanding and expectations.

The standards are reviewed every five years to ensure they represent best management practice and reflect community expectations.







**Top left:** Promoting AFS-certified hardwoods at Furnitex 2016 in Brisbane are David Gossati, Inglewood Forest Products, Judi Pitcher, WA Forest Products Commission, Simon Dorries, CEO, AFS Ltd, Robert Vudrag, Quedos Billiard Tables, and Carlo Gosatti, Inglewood Products.

**Top right:** Senator Anne Ruston (second from left) presents the inaugural Richard Stanton Trophy to Marie Yee of Forestry Tasmania. Looking on are Kate Carnell OA, chair of AFS Ltd (left), and Sonia Stanton, wife of Richard Stanton.

**Bottom left:** Forest regeneration. (VicForests photo).

**Bottom right:** Furniture produced from Victorian AFS-certified forests. (VicForests photo)



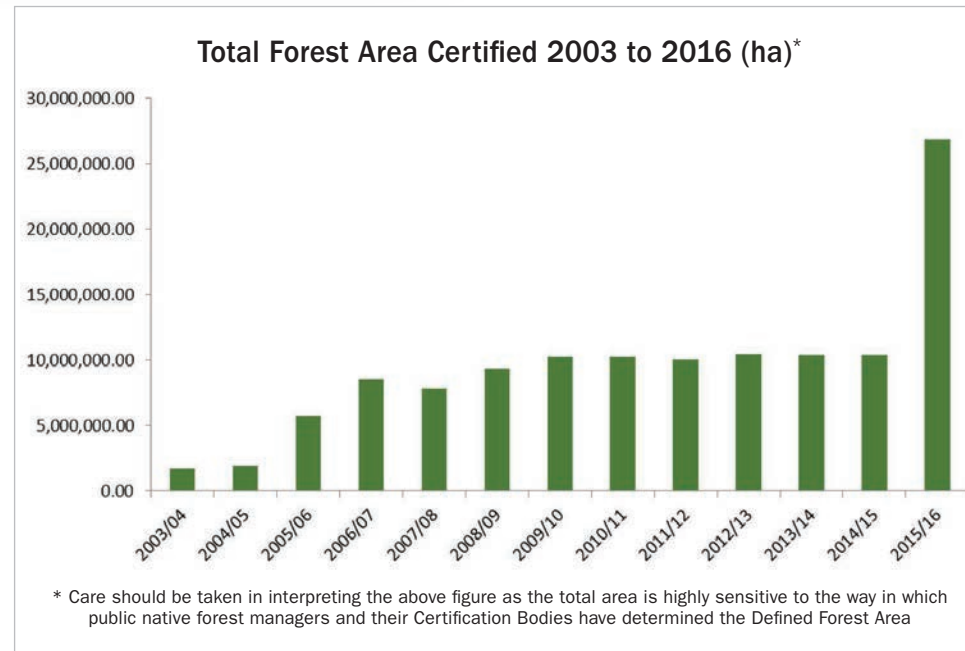
# Review of Activities 2015-16

*The Australian Forestry Standards Ltd has gone forward with renewed focus during 2015-16.*

AFS Ltd has expanded our marketing and communications programs while maintaining all crucial existing activities. Of particular note, the renewed focus on marketing and communication has been achieved in a cost effective and responsible manner.

During the period, Australian Standards AS4707 Chain of Custody of Forest Products and AS4708 Sustainable Forest Management were kept current and up to date with AFS Ltd welcoming any requests for minor revisions, modifications or updates.

This is a fundamental requirement of AFS Ltd's accreditation as a Standards Development Organisation (SDO) by the Accreditation Board for Standards Development Organisations (ABSDO) and the ongoing endorsement of the AFCS by the international Program for Endorsement of Forest Certification (PEFC).



In addition to operating and maintaining the AFCS, AFS Ltd continued to operate as the PEFC National Governing Body for Australia.

## Certification

### Forest management certification

The very significant majority of

Australia's production forests (plantations and native forests) continued to be certified against the Australian Forestry Standard (AS 4708 Sustainable Forest Management – economic, social, environmental and cultural criteria and requirements) in 2015-16.

The total area of certified forest in Australia (the sum of the individual

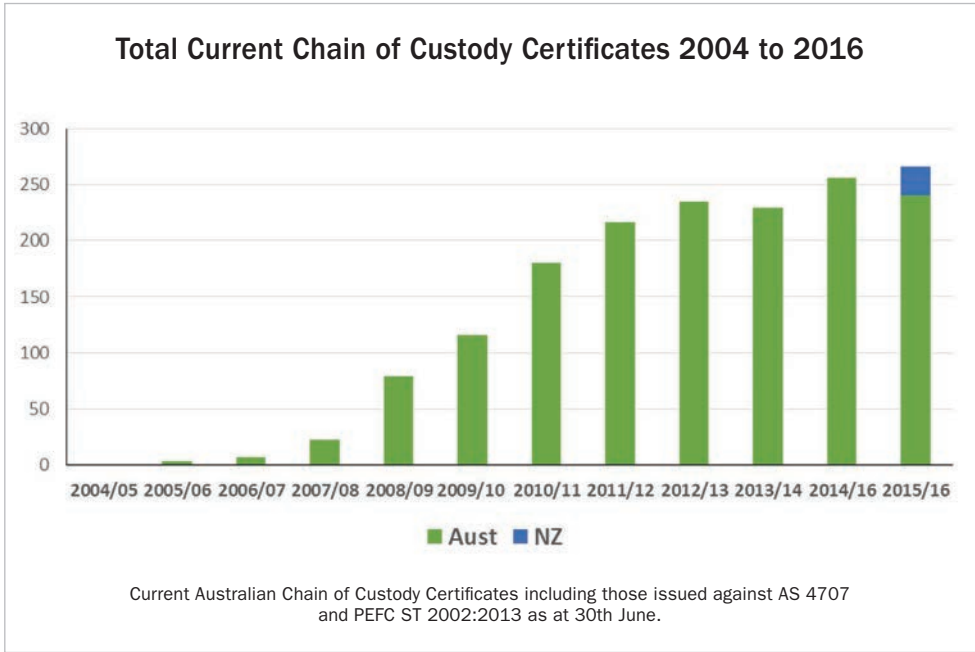
Defined Forest Areas (DFAs) increased substantially to almost 27 million hectares due to the certification of additional forests areas managed by the Queensland Department of Agriculture and Fisheries. The total number of forest management certificates increased by one to 24.

### Chain of custody certification

AFS Ltd recognises chain of custody certificates issued against the Australian Standard® (AS4707 Chain of custody for forest products) and the PEFC Standard (PEFC ST 2002:2013 Chain of Custody of Forest Based products - Requirements).

The total number of chain of custody certificates administered by AFS Ltd increased from 256 to 266 as at 30 June 2016.

The number of Australian-based certificates remained relatively unchanged while AFS Ltd has taken responsibility from PEFC International for a number of certificates registered in New Zealand. Some of these certificates are registered with Australian based certification bodies and were identified in the AFS system in previous years.



For clarity, the table below identifies both Australian and New Zealand based certificates for which AFS Ltd has responsibility.

**Accredited certification bodies**

The number of certification bodies notified to issue certificates remained constant during the year. There are four

certification bodies accredited by JAS-ANZ to issue certificates against AS4708 and these four, plus one additional body, are also accredited by JAS-ANZ to issue certificates against AS4707 in Australia. In addition, eight other certification bodies are accredited internationally (by the relevant national accreditation body) and recognised in Australia to certify against

Forest certification growth in New Zealand.

The PEFC scheme was endorsed in November 2016.



the PEFC chain of custody standard.

AFS Ltd has been active providing training to certification bodies to ensure they continue to meet mandatory staff training provisions and competencies required by JAS-ANZ. In addition, AFS Ltd has also been providing specific training to certification bodies required to extend their JAS-ANZ Scope of Accreditation to provide certification in New Zealand. To date, two Australian-based certification bodies have been registered by JAS-ANZ to provide Chain of Custody certification in New Zealand.

AFS Ltd is also engaging with certification bodies by facilitating workshops on a regular basis. The workshops are attended by AFS Ltd, JAS-ANZ and all accredited certification bodies. The workshops provide a forum where certification and accreditation requirements (including new provisions)

are discussed, changes and updates to Standards are reviewed, the activities of AFS Ltd and PEFC are communicated and feedback on the operation of the certification scheme is provided. Attendance at these workshops is recognised by JAS-ANZ as contributing to the mandatory training required by the relevant scheme rules.

**PEFC in New Zealand**

The PEFC scheme for New Zealand was endorsed in November 2016. The scheme is based on the New Zealand Standard for Sustainable Forest Management NZS AS4708. NZS AS4708 was an adoption of Australia Standard AS4708 with specific modifications made for New Zealand. The New Zealand scheme has not developed a national standard for chain of custody and instead uses the existing PEFC International Chain of Custody Standard PEFC ST 2002:2013.



# Review of Activities 2015-16

AFS Ltd is administering the New Zealand scheme on behalf of the New Zealand Forest Certification Association. This requires AFS Ltd maintain all registrations and notifications, take enquires and applications from New Zealand, liaise with certification bodies and ensure that the Scheme Rules administered by JAS-ANZ are applied in New Zealand, as they are in Australia.

## Richard Stanton Award for Excellence

In 2015, AFS Ltd established the Richard Stanton Award for excellence as an on-going memorial to the late AFS national secretary Richard Stanton. The Richard Stanton Award is given to an individual demonstrating excellence and is open to individuals that have made a significant contribution to, or can demonstrate:

- Innovation, improvement or excellence in Forest Management or Chain of Custody Certification.
- A strong commitment to the AFS Certification Scheme and sustainable forest management.



*Queensland Premier Annastacia Palaszczuk is welcomed to the Australian Forestry Standard Ltd stand at Furnitex 2016 in Brisbane by CEO Simon Dorries. The Queensland government has 20,611,593 ha of native forests under AFS 4708 certification - the largest area of certified forests in Australia and the largest area of forests under a single certificate.*

- Innovation and improvement in the promotion and marketing of AFS certified products.

The 2015 winner of the inaugural Richard Stanton Award for Excellent was Dr Marie Yee of Forestry Tasmania for her work on the Landscape Context Planning System (LCP) which provides a conservation planning framework, backed by GIS technology, which enables landscape-scale ecological principles to be integrated into forest management.

The LCP system provides the necessary rigour to strategically manage biodiversity at a range of spatial scales, streamlines biodiversity planning process and provides measurable results to enable continuous improvement.

## Standards & Accreditation

### ABSDO

AFS Ltd remained one of only five

Australian entities accredited as a Standards Development Organisation (SDO) by the Standards Development and Accreditation Committee (SDAC). SDAC sits under the Board of Standards Australia and has replaced the previous Accreditation Board for Standards Development Organisations (ABSDO).

AFS Ltd was subject to a surveillance audit by an SDAC appointed auditor in November 2015. As a result of the audit SDAC accreditation of AFS Ltd as an SDO to develop Australian Standards® for forest management and Australian Standards® that support the Australian Forest Certification Scheme was maintained. AFS Ltd will undergo full reaccreditation in November 2016.

### PEFC

The Australia Forest Certification Scheme (AFCS) is endorsed by the Program for Endorsement of Forest Certification (PEFC), an international non-profit, non-governmental organization dedicated to promoting Sustainable Forest Management (SFM) through independent third-party



certification. PEFC has 43 endorsed national certification systems and approximately 300 million hectares of certified forests, PEFC is the world's largest forest certification system covering approximately 20,000 individual sites and representing over 750,000 individual forest owners. PEFC certifies two thirds of all certified forests globally.

PEFC is an umbrella organisation; it works by endorsing national forest certification systems developed through multi-stakeholder processes and tailored to local priorities and conditions.

To ensure consistency across all PEFC-endorsed standards, all national systems wishing to be PEFC recognized undergo rigorous independent assessment to ensure their compliance with PEFC's Sustainability Benchmark.

PEFC criteria, regulations and guidelines also include provisions for standards development and implementation, and define requirements for stakeholder engagement in standard setting and scheme development; regional and group certification, certification

and accreditation procedures; chain of custody; logo use; and complaints and appeals mechanism.

Following the 2015 successful re-endorsement of the Australian Forestry Standards Certification Scheme, PEFC endorsement has been extended to April 2020.

AFS Ltd was delighted to host the PEFC International Secretary-General Ben Gunneberg in Australia to celebrate the United Nations International Day of Forests in March 2016.

The International Day of Forests was

*At the AFS Ltd AGM and dinner in Melbourne last year are David West, HQ Plantations, Alan Bones, Carter Holt Harvey New Zealand, and Nathan Trushell, general manager, stakeholders and planning, VicForests.*



*At the Richard Stanton Memorial Award presentation dinner in Melbourne last year are Alan and Vicki Snow, ASKonsulting, and Craig Smith, CMEU and director, Australian Forestry Standard Ltd.*

celebrated with a dinner in Melbourne attended by the Federal Assistant Minister for Forestry Senator Anne Ruston and a large contingent of AFS members and supporters.

**Standards Review**

The two Australian Standards® which underpin the Australian Forestry Standard Certification Scheme are:

- AS4708-2013 Sustainable Forest Management and,
- AS4707-2014 Chain of Custody for Forest Products

Were kept current and up to date during the period. The responsibility for maintaining these standards sit with two standing committees, the AS4708 and AS4707 Standards Reference Committees (SRC). Representatives for these committees are provided by nominating organizations representing economic, social and environmental interests. Nominating organisations represent a broad and diverse range of stakeholders include manufacture's associations, environmental groups, trade unions, academics, certification bodies and the supply chain.

During the period, one amendment to AS4707 was commenced aimed at clarifying the formal claim made for certified products, to ensure consistent recognition of AFS certified products in export and International markets. During the period, the proposed amendment underwent the committee



# Review of Activities 2015-16

review and public comment processes with completion and approval expected early September, 2016.

There were no amendments to AS4708, however the AS 4708 Standards Reference Committee did approve a new ruling in relation to the recovery of wood products from water bodies. Rulings are mandatory interpretations of specific aspects or requirements of Standards. Under the AS4708 SRC ruling, wood products can be considered certified where the water body exists within a defined forest area.

## Marketing & Communications

*During 2015-16, AFS Ltd has reviewed our priorities with an increased focus on marketing and communications.*

AFS Ltd has commenced a specifier contact program with a focus on engagement with specifiers through direct contact and by attending selected events and seminars.

During the period, AFS Ltd met

directly with a number of large businesses either consuming directly, reselling or specifying forest and wood products to ensure that corporate procurement policies were favourable to AFS and PEFC certified materials. In addition, AFS attended a number of architectural conferences and expos to promote AFS directly to specifiers.

In addition, AFS Ltd continues to undertake a range of communication activities including maintenance of its website ([www.forestrystandard.org.au](http://www.forestrystandard.org.au)), an increased advertising program,

publication of media releases and regular opinion pieces.

AFS Ltd has been prominent in industry and trade, both electronic and print, and has been very successful in having material published.

The AFS Ltd quarterly e-newsletter has been revamped with more modern and professional styling and a more comprehensive content. The e-newsletter is being republished by a number of affiliated organisations and supporters as well being provided directly to members,

certified organisations and stakeholders.

In addition to the above activities, certified companies, through their own marketing and communication activities, make an enormous contribution to the promotion of the AFS and PEFC logos and the concept of forest management and chain of custody certification in Australia. As logo use is becoming more common, recognition is increasing.

## Finance & Administration

### Membership

AFS Ltd is a not-for-profit public company limited by guarantee. Membership of AFS Ltd is open to all organisations and individuals who support the objects of the company as set out in the constitution. As at 30 June 2016, AFS Ltd had 28 members, unchanged from the previous year.

### Governance

The Directors Report and Audited Financial Reports for 2015-16 were prepared and provided to Members prior



Enjoying an International Day of Forests celebration in Melbourne on March 21, organised by AFS Ltd, are HVPlantations representatives Cameron MacDonald, chief operating officer (left) and Lou Coultts, external relations manager, with Ben Gunneberg, CEO, PEFC International, and Dr Hans Drielsma, AFS Ltd director.



to the 2016 AGM, in accordance with the Corporations Act requirements.

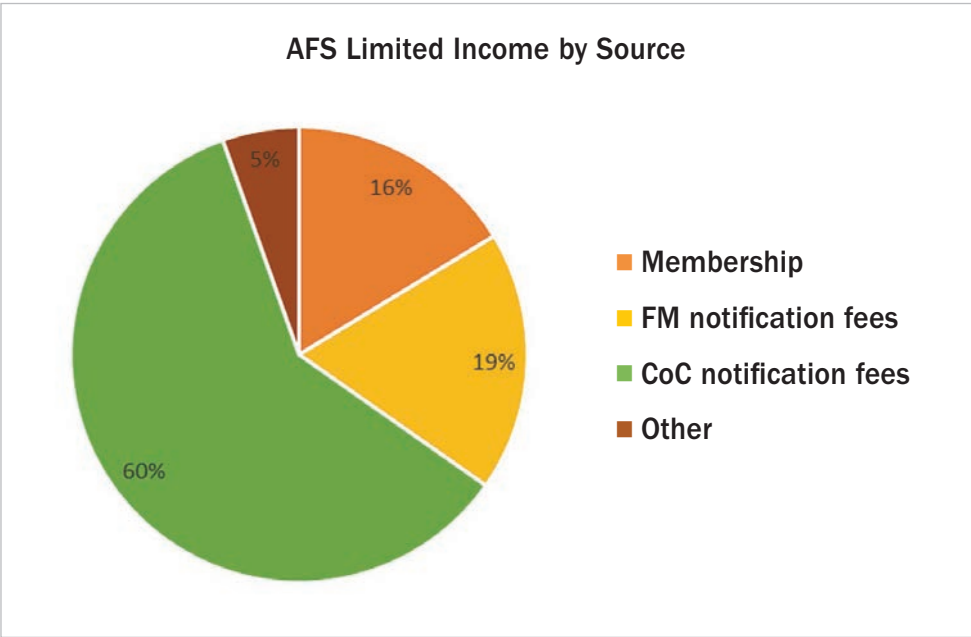
In accordance with the AFS Ltd constitution, three directors were required to retire at the 2015 AGM. As a result, David West, Colin Fitzpatrick and Craig Dunn submitted their resignation from the board of AFS Ltd. Mr Dunn chose not to re-nominate with Alan Bones being nominated as his replacement to represent processors. David West and Colin Fitzpatrick were re-elected at the 2015 AGM, while Mr Bones was elected for his inaugural term on the AFS board.

Alison Carmichael, Craig Smith and Nathan Trushall continued to serve through 2015-16 as directors appointed by the members while Hans Drielsma and Suzanne Little continued to serve as independent directors.

Ms Kate Carnell AO continued as an independent director and chair of AFS Ltd.

**Finance**

The audited accounts show the financial outcome for AFS Ltd for 2015-



16 was a surplus of \$123,276 increasing net assets (total equity) to \$710,166. Net current assets improved from \$584,232 at 30 June 2015 to \$707,384 at 30 June 2016. Cash decreased by \$36,518 over the year to \$473,360 at 30 June 2016.

AFS Ltd is a not-for-profit company. The board has sought to build a small surplus to ensure that the company can

operate effectively and manage any future changes in financial circumstances in an orderly manner.

2015-16 saw a decrease in notification fees (formally logo use fees) as a proportion of AFS Limited income while other income sources such as subscription fees paid by members increased slightly.

**Management & Staff**

- Simon Dorries, *CEO/National Secretary*
- Sue Crerar, *Accounts and Registrations*
- Tracey Schoemaker, *Administration*

On-going contract services were provided by:

- Alan Snow of Alan Snow Consulting (*standards development and SDO accreditation advice*)
- Jim Bowden, *Communications and Marketing*
- Mark Parsons, *Secretary AS4707 Standards Reference Committee*
- Gary Fetherstone, *Secretary AS4708 Standards Reference Committee*







AFS/01-10-01



PEFC/21-1-1

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