



# Australian Forestry Standard Limited

**ANNUAL REVIEW OF ACTIVITIES  
2012-13**

# OBJECTS

The objects for which the Company is established are:

- (a) to promote sustainable forest management in Australia's forests through an Australian Forestry Standard to be owned by the Company (AFS);
- (b) to support and maintain the development of the AFS, and other related or complementary standards;
- (c) to maintain accreditation as a Standards Development Organisation;
- (d) to support and facilitate the use of the AFS, and any related standards, for forestry certification within Australia; and
- (e) to seek and maintain mutual recognition for the AFS internationally.

## 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 Programme for the Endorsement of Forest Certification (PEFC) and the AFCS is one of thirty 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 2012–13 and was presented to members at the Annual General Meeting of AFS Ltd in Melbourne in October 2013.



Cover photo:  
Village Centre, National Arboretum, Canberra  
Winner, Excellence in the use of Australian certified timber products, Australian Timber Design Awards 2013.  
Photographer: Brett Boardman

AFS Ltd thanks Australian Paper, Australian Sustainable Hardwoods and VicForests for imagery used.

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## **CHAIRMAN**

Geoff Gorrie

## **NATIONAL SECRETARY**

Richard Stanton

## **BOARD OF DIRECTORS**

Alison Carmichael  
Hans Drielsma  
Colin Fitzpatrick  
Erica Hansen  
Julian Mathers  
Craig Smith  
Nathan Trushell  
David West

# AUSTRALIAN FOREST 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 (AS4708) and the Australian Standard® for Chain of custody of forest products (AS4707).

Australian Standard® AS4708 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® AS4707 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 highest 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.



# 2012-13 REVIEW OF ACTIVITIES

In 2012-13 Australian Forestry Standard Ltd (AFS Ltd) made significant progress in the review of the Australian Standards® which underpin the Australian Forestry Certification Scheme (AFCS). The successful completion of these reviews 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 Programme for Endorsement of Forest Certification (PEFC).

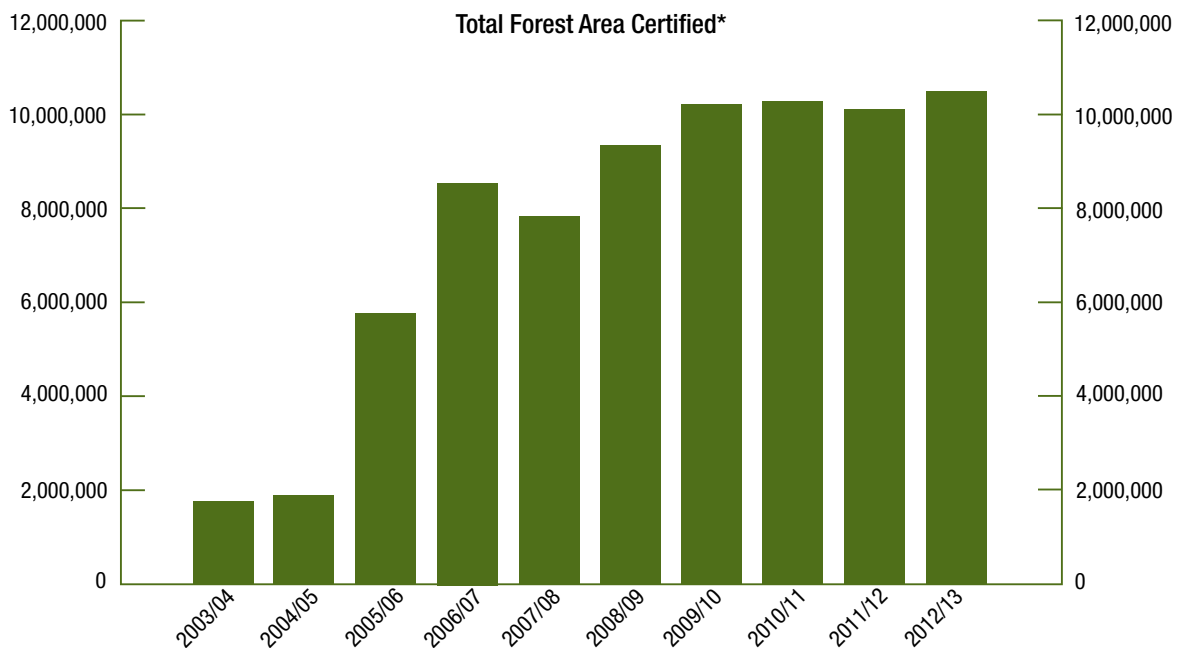
2012-13 has also seen further consolidation of AFS Ltd's circumstances and, in addition to operating and maintaining the AFCS, AFS Ltd continued to operate as the PEFC National Governing Body for Australia.

## CERTIFICATION

### Forest management certification

The majority of Australia's production forests (plantations and native forests) continued to be certified against the Australian Forestry Standard (AS4708-2007 Forest management – economic, social, environmental and cultural criteria and requirements for wood production) in 2012-13.

The total area of certified forest in Australia (the sum of the individual Defined Forest Areas (DFAs)) remained relatively constant at a little over 10 million hectares. The total number of forest management certificates declined from 25 to 22 and there were some minor changes in certificates and DFAs primarily as a result of mergers



\* Combined Defined Forest Area covered by all the current forest management certificates issued against AS4708 (Australian Forestry Standard) (hectares) as at 30 June 2013. Care should be taken in interpreting the above figures as the total area is highly sensitive to the way in which the public native forest managers and their certification bodies have determined the Defined Forest Area in each case.

and acquisitions and commercial and administrative changes in the operations of certified forest managers.

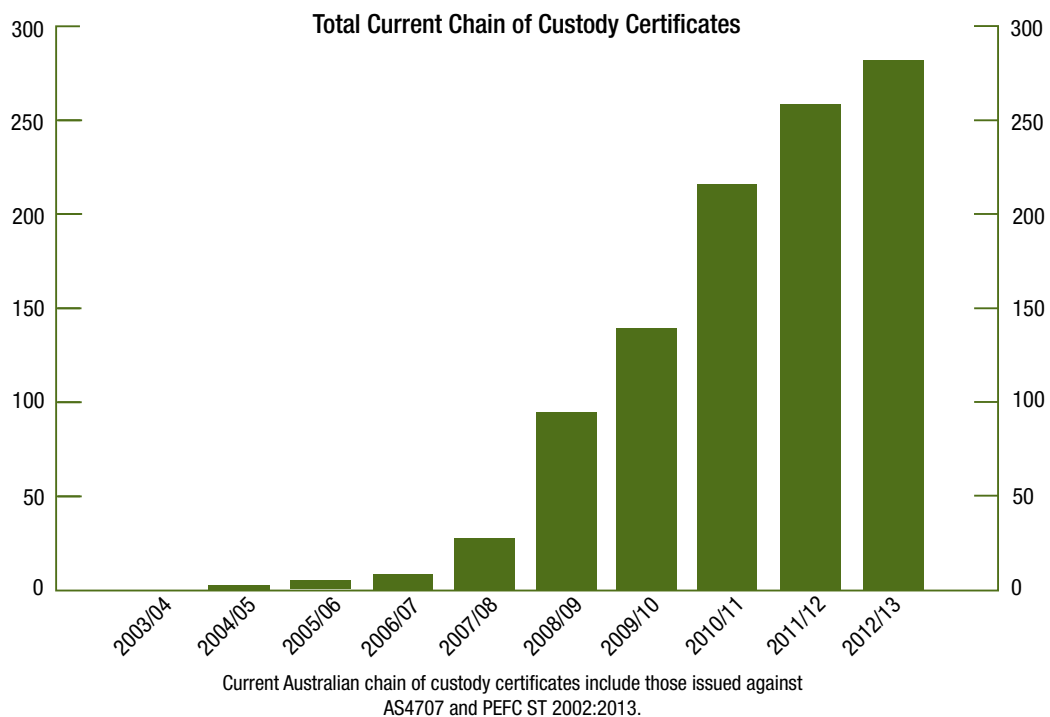
### Chain of custody certification

AFS Ltd recognises chain of custody certificates issued against the Australian Standard (AS4707-2006 Chain of custody for certified wood and 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 registered increased by 9%, from 216 at 30 June 2012 to 235 at 30 June 2013.

### Accredited certification bodies

There were no substantial changes to the number of certification bodies accredited to issue certificates against the three standards identified above. 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 addition, seven other certification bodies are accredited internationally (by the relevant national accreditation body) and recognised in Australia to certify against the PEFC chain of custody standard.



## STANDARDS AND ACCREDITATION

### ABSDO

AFS Ltd is one of five Australian entities accredited as a Standards Development Organisation (SDO) by the Accreditation Board for Standards Development Organisations (ABSDO). AFS Ltd was audited by ABSDO in November 2012. As a result of the audit it was determined that AFS Ltd have its accreditation as a SDO continued and a full reaccreditation audit be carried out in one year.

### PEFC

The Australia Forest Certification Scheme (AFCS) is endorsed by the Programme 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. With about 30 endorsed national certification systems and approximately 250 million hectares of certified forests, PEFC is the world's largest forest certification system.

PEFC is an umbrella organization. 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.





The AFCS was most recently reindorsed by the PEFC in July 2009 for a five year period ending July 2014. The reindorsement process takes approximately nine months and, in light of a number of recent developments, AFS Ltd has sought a six month extension to its endorsement. If this extension is granted AFS Ltd will need to submit the necessary documentation to PEFC for the next reindorsement of the AFCS in the first quarter of 2014.

In addition to the routine reindorsement process mentioned above, the PEFC Council General Assembly adopted three new standards (PEFC ST 1001:2010 (Standard setting – requirements), PEFC ST 1002:2010 (Group forest management certification – requirements) and PEFC ST 1003:2010 (Sustainable forest management – requirements)) and decided on a transition period of 30 months (until 13 May 2013) for all schemes which have been assessed against the current PEFC Council requirements. AFS Ltd submitted documentation to the PEFC Extraordinary Assessment process before the 13 May 2013 deadline.

### **Standards Review**

The review of AS4708–2007 which commenced in earnest in 2011-12 was essentially completed in May 2013. The revised Standard AS4708 –2013 was published in August 2013.

Consistent with Standards Australia requirements, the review was undertaken by a Standards Review Committee made up of individuals with a broad range of interests and expertise in relation to forest management.

The Committee released two versions of a revised draft standard for public comment, one in March 2012 and the second in August 2012. A substantial

number of submissions were received in response to each draft and these submissions included several hundred specific comments suggesting how particular clauses in the draft could be further improved. The Committee considered all the comments prior to achieving consensus on the final wording of the revised Standard.

A Standards Reference Committee (SRC4707) has been formed to undertake the required review of AS4707. This process was delayed by the revision of the PEFC chain of custody standard with the revised PEFC Standard (PEFC ST 2002:13) being published in May 2013. Changes were made to the PEFC Standard to ensure that the Standard could become a means for liable parties to demonstrate their compliance with the European Union Timber Regulation.

In September 2013 a draft revised AS4707 was released for a two month public comment period.

## **COMMUNICATIONS**

AFS Ltd continues to undertake a range of communication activities including maintenance of its website ([www.forestrystandard.org.au](http://www.forestrystandard.org.au)), limited advertising, publication of media releases and occasional opinion pieces. Distribution of a new monthly e-newsletter to members, certified organisations and stakeholders commenced in July 2012. The AFS Ltd website was replaced with a new and much improved version in February 2013.

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 the number of certified companies increase, logo use is becoming more common and logo recognition is increasing.

Several high profile companies producing consumer goods (particularly paper and sanitary products) have begun using the logo in recent years and this is now the major vehicle driving increased awareness of certification.

## FINANCE AND ADMINISTRATION

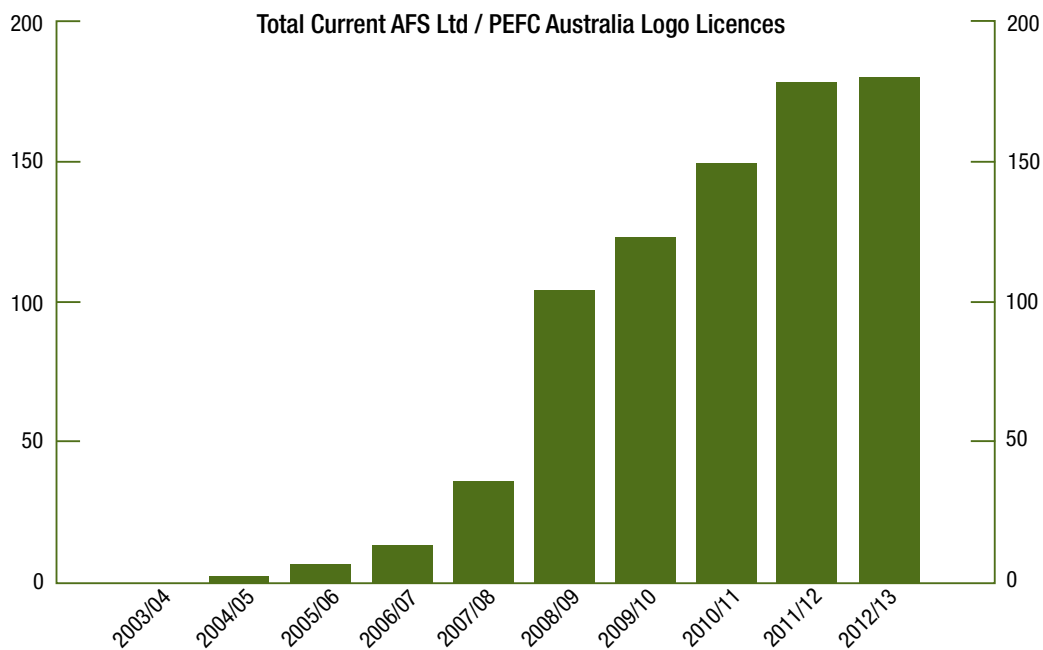
### Membership

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 2013 the number of AFS Ltd members had declined slightly on the previous year, from 30 to 26 members.

### Governance

The Directors Report and Audited Financial Reports for 2012-13 were prepared and provided to members in accordance with the Corporations Act requirements.

Geoff Gorrie, Hans Drielsma, Julian Mathers and Nathan Trushell continued their dedicated service as Directors of AFS Ltd throughout 2012-13. Several Directors retired or resigned during the 2012-13 financial year. AFS Ltd thanks Wayne Hammond, Jodie Mason, David Pollard, Malcolm Tonkin, and Ian Tyson for their contribution to the organisation as Directors. The Board also welcomed several new Directors: Alison Carmichael, Colin Fitzpatrick, Erica Hansen, Craig Smith, and David West.



Includes logo licences issued to Category B (Forest Management), Category C (Chain of Custody) and Category D (Off-product) logo user groups. Companies holding more than one certificate can have a single logo licence.

## Finance

The audited accounts show the financial outcome for AFS Ltd for 2012-13 was a surplus of \$122,301, increasing Net Assets (Total Equity) to \$202,811. Net Current Assets improved from \$43,610 at 30 June 2012 to \$178,994 at 30 June 2013. Cash increased by \$131,255 over the year to \$253,358 at 30 June 2013 due to the surplus and some prepayments of membership and logo licence fees for 2013-14.

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.

The majority of certified companies, both forest management and chain of custody, purchase a logo licence which allows them to use the AFS and/or PEFC logos on products and in promotional materials provided they do so in accordance with the logo use rules. Certified companies are not required to purchase a logo licence if they do not wish to use the logo. As the number of certificates registered has increased the number of logo licences has also increased, but to a slightly lesser degree. In the past year there has been an increase in the number of companies holding chain of custody certification but not purchasing a logo licence.

2012-13 saw little change in the balance of income sources between subscription fees paid by members and logo licence fees.

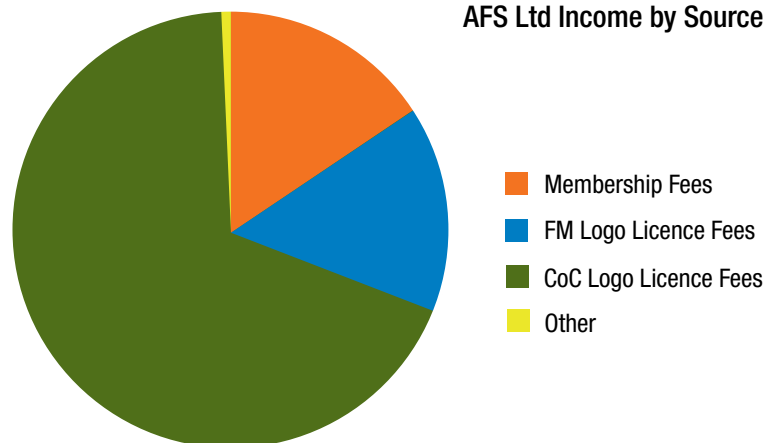
## MANAGEMENT

Richard Stanton continued as National Secretary for the 2012-13 year. Jennifer Littleboy took up a part-time role as Administration/Communications Officer in September 2012. AFS Ltd had no other employees in 2012-13.

On-going contract services were provided by:

- Gary Featherston (Forest Strategy Pty Ltd)  
*Project Manager for the Review of AS4708*
- Mark Parsons  
*Project Manager for the Review of AS4707*
- Alan Snow (Alan Snow Consulting)  
*Standards development and SDO accreditation advice*
- Pat Lavery  
*Book-keeping and administrative support.*

AFS Ltd Income by Source



# USING WOOD IS GOOD, USING CERTIFIED WOOD IS BETTER

It's sustainable... It's traceable... It's the right choice.

Australian Forest Certification Scheme (AFCS) is globally recognised by PEFC, the worlds largest sustainable forest management certification scheme.

www.forestrystandard.org.au  
Ph: +61 (0) 6122 9000  
Em: info@forestrystandard.org.au



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The Australian Standards for sustainable forest management and wood products (AFS 1001 and AFS 1002), are globally recognised by the Programme for the Endorsement of Forest Certification (PEFC), the world's largest sustainable forest management certification scheme.

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Glenworth Valley House by Sanctum Design  
Winner of Excellence in the use of timber products category  
Australian Timber Design Awards 2012  
Photographed by Simon Wood Photography  
Excellence in the use of timber products category  
sponsored by Australian Forestry Standard Limited/ PEFC Australia

# 2003- 2013

Celebrating 10  
years of setting  
the standard for  
sustainable forest  
management in  
Australia

Village Centre, National Aboriginal Children's Centre, Erina, NSW

Examples of AFS Ltd print and online advertising undertaken since June 2012.

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