



NEWS
THE AUSTRALIAN FINANCIAL REVIEW



ARTICLE 24 OF 24



MAY 29, 2014

Forest steward storm as state moves in

MATHEW DUNCKLEY

The body responsible for giving forestry products a sustainability tick is at risk of rupture because a state government logging business wants to join its board.

The Forest Stewardship Council is a global organisation and regarded as the gatekeeper for businesses wanting to market their timber as sustainable.

The FSC is important to native forestry in Australia because stateowned Forestry Tasmania and VicForests are pursuing accreditation.

There are serious divisions in the organisation over the nomination of VicForests chairman Gordon Davis for a three-year board position. The vote will be held the FSC annual meeting in Melbourne on Thursday.

Under FSC's local rules government representatives are not permitted to sit on the board of the organisation to ensure its independence.

FSC chief executive Natalie Reynolds said the nomination was not regarded as a breach of the organisation's current rules. However, she said the FSC's international rules had recently changed to specifically rule out representatives of government-owned organisations from board seats.

Those rules would be adopted locally within two years, meaning even if he was successful, Mr Davis's position on the board would be temporary, she said.

FSC chair Pat Groenhout nominated Mr Davis and said he was a good candidate given his "strong forestry, conservation and governance background".

The board does not make decisions on certification but it has an important role in ruling on complaints against certified and member organisations. It is running the drafting process for a new Australian-specific version of the standard that will apply to local forestry









THE AUSTRALIAN FINANCIAL REVIEW

Those rules would be adopted locally within two years, meaning even if he was successful, Mr Davis's position on the board would be temporary, she said.

FSC chair Pat Groenhout nominated Mr Davis and said he was a good candidate given his "strong forestry, conservation and governance background".

The board does not make decisions on certification but it has an important role in ruling on complaints against certified and member organisations. It is running the drafting process for a new Australian-specific version of the standard that will apply to local forestry businesses. A draft of the standard is due to be presented at the AGM.

VicForests chief executive Robert Green said Mr Davis was nominated because he was highly qualified and would bolster the board's forestry expertise.

"We, along with many other members of the industry, believe the addition of further forestry and governance expertise would complement the make-up of the FSC Australia Board," he said.

Outgoing board member and academic Chris Taylor said VicForests' nomination was problematic given its record. He warned that the move could undermine FSC's reputation.

"The election and appointment of VicForests risks undoing much, if not all, of that credibility, which evokes sentiments of extreme disappointment," he said.

VicForests is not accredited under FSC and would be the first forest manager without that accreditation to serve on the board.

VicForests recently received a pre-assessment audit of its operations which is the first stage in the two-step FSC accreditation process. Sources suggested the report found serious shortcomings by VicForests.

It is the second time VicForests has pursued FSC accreditation. In 2008 it dropped out after an audit found substantial noncompliance.