MyEnvironment Inc.

Natalie Reynolds
Chief Executive Officer
Forest Stewardship Council Australia

Dear Natalie,

VicForests are a member of the FSC and have been since 2007. As you are aware, VicForests failed its FSC audit with major non-conformances:

> **Overall conclusions**
>
> Following Main Evaluation Woodmark concluded that VicForests could not currently demonstrate adequate compliance with FSC Principles and Criteria to justify issue of a certificate.
>
> A number of non-compliances were noted that would require attention before a certificate could be issued. Major non-compliances were noted at Principle level for four Principles: P3 – Indigenous Peoples Rights; P6 – Environmental Protection; P8 –Monitoring; P9 – High Conservation Value Forests. Woodmark understands that VicForests is evaluating what action may be necessary in order to deal with these noncompliances.
>
> Further Minor non-compliances were noted under all Principles. VicForests would need to deal with these non-compliances within a year of issue of any certificate.
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> *Woodmark Soil Association. Public Feedback Statement relating to FSC evaluation of VicForests, Victoria, Australia. August 2009*

In the time since the failing of their audit, their principle client [Australian Paper] have also removed their claims of conformance with the principles and criteria of the FSC in their woodstream by removing their FSC Mixed Sources certification from their Reflex paper brand. This occurred after an investigation by Accredited Services International (ASI). The formal outcome of this investigation has never been made public, an issue we are still also pursuing.

Given that none of VicForests' customers are able to meet the FSC principles and criteria for VicForests' wood stream and VicForests itself failed their audit, we ask that their membership be revoked until a formal commitment is made by VicForests and measurable examples of consistency with the Standard are met.

The expectation of an FSC Australia member is clear. According to FSC Australia membership requirements for a forest manager the following is said:

PROSPECTIVE MEMBERS MUST EITHER:

- **Have obtained FSC certification for a significant part of their operations** (relative to the company's total production forest estate, plantation estate and/or product lines, as relevant), or

- Be in the process of obtaining FSC certification. Companies relying on this criterion must obtain certification within a reasonable timeframe (**normally no more than two years** from the date of acceptance as a member). **Companies that fail to obtain certification within what the Board considers to be a reasonable timeframe will have their membership suspended or cancelled.**

AND FURTHERMORE:

> The Board must be satisfied that any non-certified part of the company's operations: are of a **standard that would not damage the reputation of FSC by association** (in the case of forest managers, this means that **any uncertified portions of the estate must meet controlled wood standards)**, **and will become certified within a reasonable timeframe.**

Given that a 'reasonable time-frame' of two years to meet certification requirements has not been met, it has now been nearly five years since VicForests audit, and no subsequent attempt has taken place, the rules of the membership requirements of FSC Australia have been breached. If VicForests were to attempt recertification, we would expect that revocation or suspension of its membership is actioned first, VicForest would need to demonstrate material evidence of the FSC principles and criteria in its SFM system. No such evidence exists today. Issuing a special exemption for VicForests would flout the durability of the scheme and, in our opinion, would not be acceptable.

The absence of adherence to the principles and criteria and therefore the constitution of FSC Australia is a sound basis for the revocation of VicForests' membership. However, if in doubt, I refer you to the recent AFS audit of VicForests (provided on request by VicForests), emailed to Chair Jim Adams in early March 2013. This audit makes it very clear that VicForests are not aligning operations or systems with the FSC (page 7 of 9 attached audit):

> **FMS System Elements**
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> Criterion 1 – Forest Management Shall Be Undertaken in a Systematic Manner
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> A new Sustainable Forest Management Policy was signed by the CEO and released in August 2012. **The main change was the removal of the FSC principles.**

We ask that you investigate VicForests' membership and provide demonstrable evidence of VicForests' application of the FSC principles and criteria to their SFM system. All evidence to date supports a contrary view, and on this basis we support the revocation of VicForests' membership from the chamber until such time as VicForests can demonstrate consistency and commitment with the FSC constitution and principles and criteria of the Standard.

Kind Regards,

Sarah Rees

On behalf of

MyEnvironment Inc

Environment East Gippsland