

# STRENGTHENING REGIONAL IMPACT

FAIRTRADE AUSTRALIA  
& NEW ZEALAND  
2015/16 ANNUAL REPORT



FAIRTRADE  
AUSTRALIA  
NEW ZEALAND



# FAIRTRADE BY THE NUMBERS




**192**   
**LICENSEES  
& TRADERS  
IN AUSTRALIA  
54 IN NZ**

 **352**  
**MILLION**  
RETAIL SALES (AUD) OF  
**FAIRTRADE  
CERTIFIED  
PRODUCTS  
IN AUSTRALIA  
AND NZ**

**OVER  
3000**  


FAIRTRADE CERTIFIED  
PRODUCTS FOUND IN  
**AUSTRALIA  
& NEW ZEALAND**

**1 OUT OF 4  
AUSSIES**  
RECOGNISE THE  
FAIRTRADE  
SOURCING PROGRAM LABEL FOR  
**COCOA** 

**FAIRTRADE  
RETAIL SALES  
EQUIVALENT TO  
57 MILLION  
BLOCKS OF 200GM  
CHOCOLATE +**   
**371 MILLION**   
**CUPS OF COFFEE +**  
 **OVER 182  
MILLION  
TEA BAGS**

**79%**  
**OF KIWIS AND  
ONE IN TWO AUSSIES  
RECOGNISE  
THE FAIRTRADE MARK**

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# ABOUT FAIRTRADE

Fairtrade changes the way trade works through better prices, decent working conditions and a fairer deal for farmers and workers in developing countries. By choosing Fairtrade products, people can create change through their everyday actions, and farming communities can improve their lives and invest in their future.

Fairtrade Australia & New Zealand (Fairtrade ANZ) is a full and active member of Fairtrade International and has the sole right to license the use of the international Fairtrade Mark in Australia and New Zealand. Fairtrade ANZ has three key objectives:

### ➡ **Market Growth**

Increase the range, availability and sales of Fairtrade Certified products

### ➡ **Credibility and Trust**

Promote, position and protect the Fairtrade Mark

### ➡ **Producer Support and Relations**

Increase impact and sales for producers in the Pacific region

## FAIRTRADE VISION

A world in which all producers can enjoy secure and sustainable livelihoods, fulfil their potential and decide on their future.

## FAIRTRADE MISSION

Connect disadvantaged producers and consumers, promote fairer trading conditions and empower producers to combat poverty, strengthen their position and take more control over their lives.

## FAIRTRADE VALUES

Our brand values are characterised overall by a sense of responsiveness. Responsiveness is absolutely critical for creating better relationships, trust, and rapport with all our stakeholders.

### **1. Action**

We get the right things done promptly and effectively to deliver services to achieve maximum impact for people and communities.

### **2. Integrity**

We nurture and promote fairness and equality in global trade by being open, trustworthy and transparent in our work.

### **3. Respect**

We treat everyone with equality, respect and understanding.

### **4. Challenge**

We strive to increase the impact of our work, going beyond expectations to set the agenda for rights in trade.

### **5. Optimism**

We believe we can make lives better and explore opportunities for working together to make long term improvements.

# NOTE FROM THE CEO AND CHAIR

For more than 10 years, Fairtrade Australia & New Zealand has been building a unique model of partnership to help alleviate poverty in the Pacific and beyond. By connecting the markets of Australia and New Zealand with some of the poorest farmers in the region, we've driven positive growth in the number of Fairtrade Cooperatives and farmers in the Pacific, Fairtrade supply chains and sales of Fairtrade certified products across Australia and New Zealand.



As a much younger part of the Fairtrade family, we find the needs in our markets differ in so many ways from our long-established European counterparts. We're proud that our work to demonstrate new market-based approaches to converting supply chains in Asia, and supporting producers in the Indo-Pacific created a real buzz amongst our colleagues at the 2016 Fairtrade International General Assembly and also saw our own Board Chair, Val, elected to serve on the Fairtrade International Board.

Closer to home, in the past year, here at Fairtrade Australia & New Zealand we have made significant progress to strengthen our business systems including governance, financial, auditing, certification and licensing. These systems enable a strong foundation for growth, and their benefits are evidenced by the continued growth of our retail sales which, in the past year, rose more than 17% to \$352 million.

Our public engagement and advocacy programs have also benefited from growth in the past year with many

exciting new activities, including the release of our first national policy paper "Delivering the Sustainable Development Goals through Trade – A Five Point Agenda for Policy Coherence".

Through speaking engagements at many traditional corporate supply chain conferences and trade forums we have been encouraging a different kind of thought leadership. These opportunities have ensured we are regularly contributing a voice to national government forums on 'Aid for Trade' across both Australia and New Zealand.

With the support of our partner EY we have developed tools for an integrated approach to scale up growth and impact in regional Fairtrade supply chains. Research undertaken by Swinburne University has enabled us to incorporate targeted supply chain and commodity information in our latest growth strategies.

Over the coming year we will be continuing to invest in strengthening our monitoring, evaluation and learning (MEL) process so we can more clearly report the impact of our work and

the difference Fairtrade is making to alleviate poverty and create sustainable livelihoods. Enhanced MEL will help us scale up our work faster and deliver more impact for smallholder farmers and workers in our region.

Profound change takes many partners and stakeholders. We cannot achieve impact and scale up growth for producers without our committed companies (licensees and workplaces); partners such as the Ministry of Foreign Affairs and Trade in New Zealand, the Department of Foreign Affairs and Trade in Australia and the International Fund for Agricultural Development; our retail partners; our skilled teams in the Pacific and the markets of Australia and New Zealand; our dedicated Board; and the vital support from informed consumers who purchase Fairtrade. We thank you and look forward to expanding our work with you in the coming year.

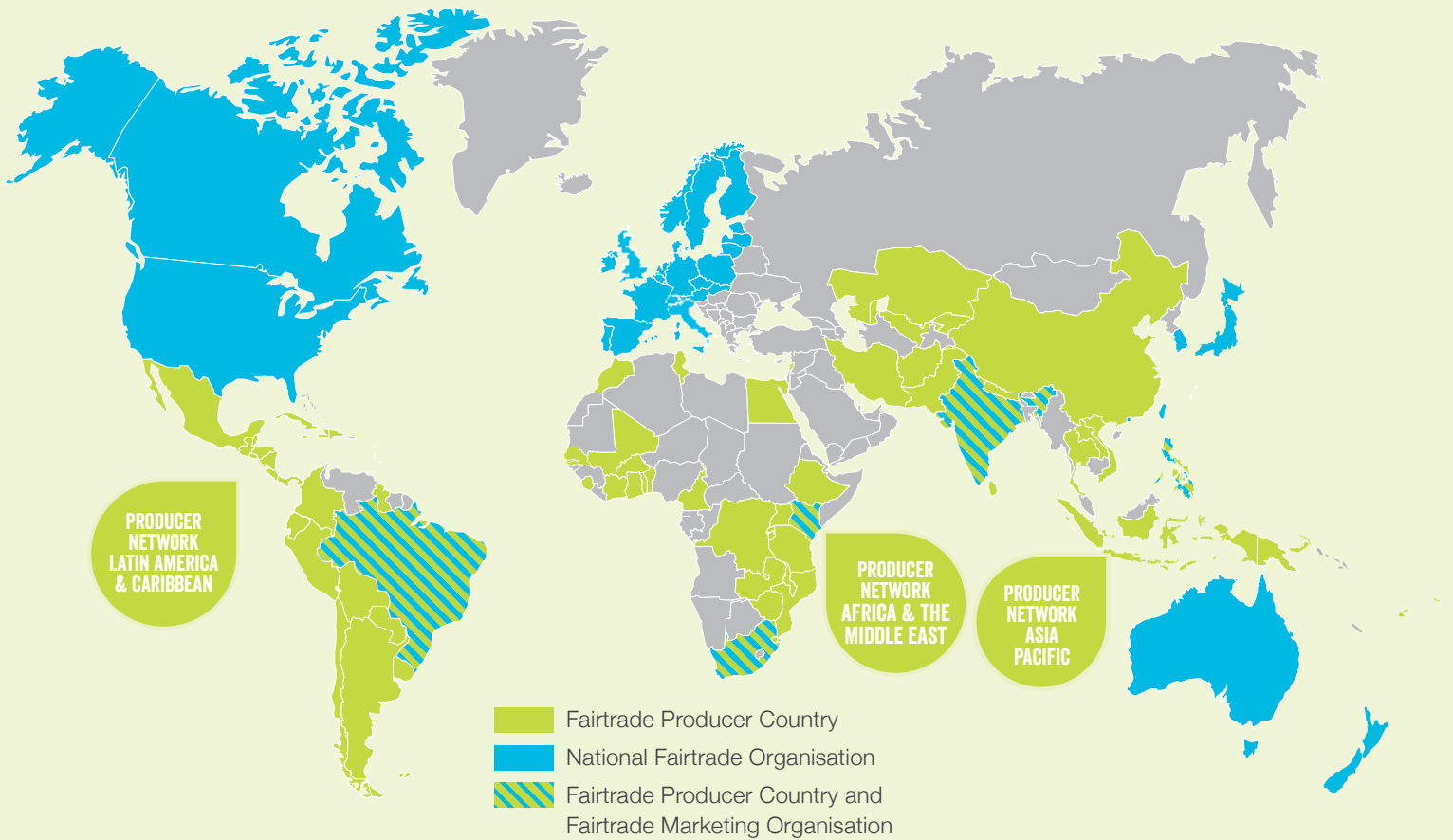
**Valentina Tripp**  
Board Chair,  
Fairtrade ANZ

**Molly  
Harriss Olson**  
CEO, Fairtrade  
ANZ

# ABOUT US



# OUR REACH



## FAIRTRADE INTERNATIONAL

Fairtrade International is the organisation that coordinates Fairtrade at an international level. From the offices in Germany, they set international Fairtrade Standards, organise support for producers around the world, develop global Fairtrade strategy, and promote trade justice internationally.

### NATIONAL FAIRTRADE ORGANISATIONS

National Fairtrade Organisations license the Fairtrade Mark on products and promote Fairtrade in their territory. Your local Fairtrade organisation is the best place to find out where you can buy Fairtrade products.

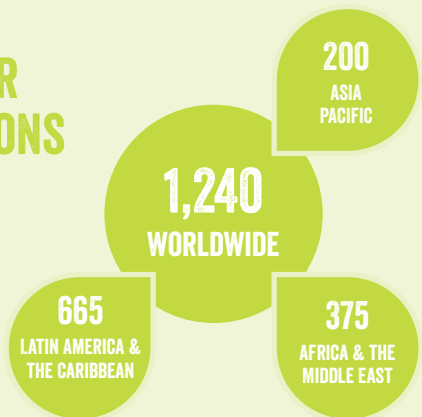


Representatives of small-scale producers and workers have a voting share of **50%** in the General Assembly of Fairtrade International.

### PRODUCER NETWORKS

Producer networks are regional associations that Fairtrade certified producer organisations may join if they wish. They represent 1.6 million small-scale producers, workers and other producer stakeholders worldwide. There are producer networks on three continents; Africa, Asia and Latin America and the Caribbean.

## FAIRTRADE PRODUCER ORGANISATIONS



**MORE THAN 1.6 MILLION** FARMERS AND WORKERS WORLDWIDE

**FARMERS AND WORKERS WORLDWIDE INVESTED \$AUD204 MILLION IN PROJECTS USING THEIR FAIRTRADE PREMIUM**



# OUR CAMPAIGNS

## PROTEST WITH YOUR PURCHASE

It used to be that you had to chant, strike, march or chain yourself to a tree to stand up for what you believed in. Now you can do it every time you choose Fairtrade at the checkout. This is the message consumers were reminded of when Fairtrade’s awareness campaign, *Protest with your Purchase*, launched in Australia in March.

### PROTEST WITH YOUR PURCHASE SUCCESS

- ➔ The campaign reached more than 7 million Aussies online, in magazines and on billboards outside supermarkets.
- ➔ 950+ Woolworths stores featured the campaign on in-store check-out screens, in-store radio and the Fresh Magazine.
- ➔ Day one of the campaign achieved the highest traffic ever to the Fairtrade Australia website, with more than 82% being first time visitors.
- ➔ Online advertisements were clicked on more than double the average rate by shoppers who were keen to learn more about Fairtrade.
- ➔ Fairtrade’s most popular campaign post was shared over 230 times on Facebook.

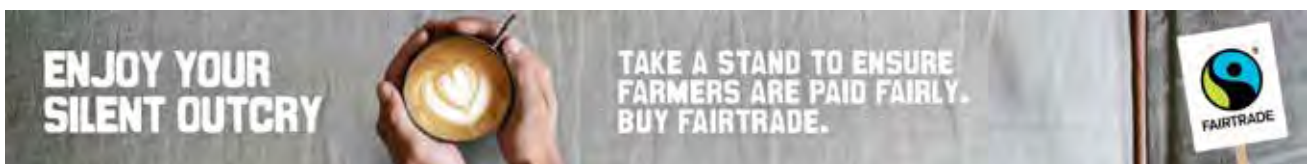
The campaign featured Fairtrade’s three largest commodities in Australia – coffee, chocolate and tea – with each product linked to a thematic issue where Fairtrade focuses its efforts – fair prices for farmers, stopping child labour and improving gender equality. Our insights showed us that these issues are at the heart of what’s important to Aussies.

Our supporters got behind the campaign, especially when invited to challenge the idea of *slacktivism*. What’s slacktivism? It’s the idea that by liking, sharing or tweeting something online, it will positively impact the issue. Like when you change your Facebook profile for a cause. At Fairtrade, we think it’s important to share information and ideas with one another, but also know that the biggest impact to farmers around the world comes when people choose to buy Fairtrade.

Featured online, in magazines and on digital billboards outside supermarkets across the country, the campaign encouraged more than 7 million

Aussies to take a stand against unfair trade by choosing Fairtrade. More than 950 Woolworths stores across the country also encouraged action from consumers, with the promotion featured in-store via check-out screens, radio and the Fresh Magazine. The next phase of the campaign will work more closely with Fairtrade licensees and supermarket retailers to reach more consumers.

Following its success in Australia, *Protest with your Purchase* will be launched in New Zealand later in 2016 with an exciting addition.







World Fairtrade Challenge coffee break event

World Fairtrade Challenge Host Kit



## WORLD FAIRTRADE CHALLENGE SUCCESS

- ➔ From 50 participating countries, Australia hosted the second-highest number of World Fairtrade Challenge events (176).
- ➔ 1.63 cups of Fairtrade coffee were drunk per 1000 Kiwis during the World Fairtrade Challenge.
- ➔ Almost 500 World Fairtrade Challenge 'Host Kits' were sent out across Australia and New Zealand full of goodies such as posters, coasters, stickers and coffee samples to help supporters run their events.
- ➔ Cafes reported a significant growth in sales throughout the World Fairtrade Challenge.
- ➔ 950+ Woolworths stores and 180 Countdown, Fresh Choice and Supervalu stores got involved with promotions during Fairtrade Fortnight 2016.

## FAIRTRADE FORTNIGHT – THE WORLD FAIRTRADE CHALLENGE

In 2016 community and business partners once again supported our annual campaign, Fairtrade Fortnight.

This year, in collaboration with Fairtrade's International Marketing and Campaigns Team (IMCT), Fairtrade Australia & New Zealand participated in the inaugural World Fairtrade Challenge. The event challenged consumers around the world to drink

Fairtrade coffee during 13-15 May 2016 (coinciding with World Fair Trade Day) to support coffee farmers in their fight against climate change. This campaign provided an opportunity to work towards our key goals, including raising awareness of Fairtrade through media

and digital advertising, educating consumers about climate change and how Fairtrade supports farmers to mitigate its impact, as well as driving sales by encouraging consumers participating in the challenge to purchase Fairtrade certified coffee.



## FAIRTRADE AT 10

In 2015, we celebrated a major milestone - 10 years of Fairtrade in New Zealand.

We've come a long way together from when the Fairtrade Mark first appeared on products on Kiwi shelves. From small beginnings with a select few pioneers in coffee, the number of brands and range of products has grown, now incorporating products such as tea, chocolate, bananas, cotton, and soft drinks. After 10 years in the market, recognition of the Fairtrade Mark in New Zealand reached 78% and sales eclipsed NZ\$89 million.

The Fairtrade movement has gathered an enormous amount of support in New Zealand over the past 10 years,

as campaigners and businesses have worked together to transform the way that the nation shops. We've seen three major cities (Wellington, Auckland and Dunedin) reach Fair Trade City status and parliament even went Fairtrade in 2013! Our 10th birthday celebrations were a wonderful opportunity to thank our supporters and commercial partners for the important role they have played in New Zealand's Fairtrade journey and to consider how we can deepen our impact over the next 10 years.

[www.10yearsfairtrade.org.nz](http://www.10yearsfairtrade.org.nz)

## STRATEGIC PARTNERSHIPS

### 2015- 2016

In 2016, Fairtrade Australia & New Zealand increased its strategic partnership resources to further develop existing relationships and create new opportunities for innovative collaboration, in both the international development and private sectors. We are proud to collaborate with partners who support our work to empower and improve the lives of farmers and workers in developing countries. We gratefully acknowledge the contribution of our 2015-2016 key strategic partners:

#### THE NEW ZEALAND MINISTRY OF FOREIGN AFFAIRS AND TRADE (MFAT)

This partnership enabled Fairtrade to deliver economic benefits to producers in Pacific Island countries through Fairtrade certification, while also increasing demand for Fairtrade products in New Zealand.

#### THE AUSTRALIAN DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT).

This partnership enabled Fairtrade to build market demand and local consumer support for Fairtrade products in Australia.

#### THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)

This partnership enabled Fairtrade to improve farmers' entrepreneurial and organisational capacity through the use of information and communication technology (ICT).

## COMMUNITY PROGRAMS

Fairtrade Australia & New Zealand is proud to support community action for education and promotion of Fairtrade. Through our Fairtrade Innovation Fund, five groups (two in New Zealand and three in Australia), were supported to run innovative community activities which created greater awareness of the benefits of Fairtrade and mobilised conscious consumers and Fairtrade advocates in communities across Australia and New Zealand. Funded activities included: events, exhibitions, conference support, advocacy work, and a video and podcast interview series. As a result, 52,000 people were reached and a new Fairtrade District was even established in New Zealand.

Throughout the year we also provided support and advice to many other groups looking to promote Fairtrade. Partnerships and collaboration with other non-government organisations enabled us to develop a range of educational and advocacy materials highlighting the issues Fairtrade works to address and our approach to changing the balance of power in trade for farmers and workers.

**Many of the outcomes across Fairtrade awareness, unlocking supply chains, producer support and community engagement which have been highlighted through this annual report are supported by these key partnerships.**



# OUR IMPACT

## FAIRTRADE AND CARE INTERNATIONAL JOIN FORCES TO TACKLE GENDER INEQUALITY IN PAPUA NEW GUINEA

Gender inequality is a major barrier to human development. It is estimated that closing the gender gap in agriculture would reduce the number of undernourished people by 100-150 million. To address this need, Fairtrade Australia & New Zealand joined forces with CARE International, to embark on a project aiming to unlock the power of female farmers in Papua New Guinea.

Phase one of this project was delivered in May 2016 when 42 smallholder farmers attended Fairtrade and CARE's first joint workshop on gender equality and governance. The workshop focused on issues of identity, gender equality, the values and principles of co-operation, and the roles and responsibilities of governance bodies within smallholder producer organisations. Through the workshop participants were given the opportunity to discuss traditional gender roles and actively

challenge them. Chairperson of Alang Daom Cooperative Society put words into action when he elected to babysit his granddaughter, enabling his daughter to attend the training.

The week concluded with a day of reflection and assessment, which allowed participants to focus on improving their producer organisations' approaches to addressing gender inequality through good governance.

Fairtrade International's Global Gender Strategy for 2016-2020, *Transforming Equal Opportunity, Access and Benefits for All*, seeks to promote gender equality and women's empowerment in producer organisations by building the power and autonomy of women and girls. Fairtrade's work in tackling deeply rooted social and economic injustices is strengthened with CARE's invaluable experience and understanding of gender inequality.

The organisation's joint efforts will improve access to information, training and networks and support producer organisations' efforts to reduce inequality amongst their members.

A shared understanding of the need to go beyond women's participation in activities and institutions, by challenging accepted gender norms, which in these communities is enabling Fairtrade and CARE to profoundly and permanently rebalance the power distribution in Papua New Guinea.



Winsum Minewa and his granddaughter

**“IT IS NICE THAT WOMEN WERE GIVEN HALF OF THE SEATS IN THE TRAINING, SO MY DAUGHTER HAD THE CHANCE TO COME TOO. WHILE SHE IS IN THE TRAINING I WILL BABYSIT MY GRANDDAUGHTER- LITTLE HONOUR IS HERE WITH US AS WE COULDN'T LEAVE HER AT HOME.”**

-Winsum Minewa, Chairperson of Alang Daom Cooperative Society



Fairtrade producers join CARE and Fairtrade ANZ in Goroka

**44,000**  
**PACIFIC FARMERS**  
**IN**  
**FAIRTRADE PRODUCER**  
**ORGANISATIONS**

# INFORMATION AND COMMUNICATION TECHNOLOGY IMPROVES LIVELIHOODS OF FARMERS IN RURAL PAPUA NEW GUINEA



PNG producers at an ICT training session.



In June 2016, Fairtrade Australia & New Zealand completed the *Linking Farmers in Papua New Guinea to Fairtrade Markets under the Technology as Development Solution* project, funded by the United Nations International Fund for Agricultural Development (IFAD). This pilot project worked with more than 6,000 farmers, their families and communities in rural Papua New Guinea (PNG) and aimed to increase the entrepreneurial abilities of Fairtrade certified and pre-applicant cocoa and coffee producer organisations.

Fairtrade producers in PNG face isolation, poor telecommunication infrastructure, and limited access to information, which reduces their ability to participate as influential actors in their communities and supply chains. The project sought to address these issues through research, consultation, and the trialling of new technologies. Participants benefitted from the expertise of key partners such as the International

Finance Corporation and the Papua New Guinea University of Technology.

Information and connectivity enhances the services producer organisations can provide to their members and, as a result, the commitment and loyalty producers have to their organisations. By harnessing the power of information and communication technology (ICT), producers' self-confidence and organisational capacity grows and commercial partnerships are enriched.

Through the provision of office equipment, solar charging devices, Digicel network services, a Fairtrade focused radio program with national broadcasting reach, and tailored technical trainings, Fairtrade producers in PNG are now better positioned to have control of their businesses.

After nearly one year trialling these services, producers identified the Digicel Closed User Group network, the solar chargers and technical trainings as the most beneficial interventions for their organisations.

The project had flow-on effects which further benefited rural communities. Notable outcomes include:

- ➔ Access to communication led to increased security for women and children.
- ➔ ICT trainings targeted broader learning gaps for farmers and their communities.
- ➔ Investment in solar technology encouraged producer organisations to plan for greater investment in clean energy consumption.

## THE EFFECTS OF CLIMATE CHANGE ON COFFEE AND COCOA PRODUCERS IN PAPUA NEW GUINEA

In March 2016, Fairtrade Australia & New Zealand commissioned research to establish how climate change was affecting coffee and cocoa farmers in Papua New Guinea (PNG). The report was undertaken by a Masters student at Massey University, Palmerston North, who documented a comprehensive account of current knowledge on

climate change effects and adaption strategies being implemented in PNG. Fairtrade Australia & New Zealand will use the findings of this research to inform its future approach to climate change adaptation and mitigation in PNG, and aims to undertake similar work throughout the Pacific region.

**ACCESS TO INFORMATION & COMMUNICATION TECHNOLOGY INCREASED THE CAPACITY OF 25,000 FAIRTRADE FARMERS & COMMUNITY MEMBERS IN PNG**

# OUR PRESENCE

## MELBOURNE INTERNATIONAL

### COFFEE EXPO 2016

This year Fairtrade chose to use our stand at the Melbourne International Coffee Expo to reflect the specialty coffee focus of the show. The Expo was a fantastic opportunity for Fairtrade to engage with traders, roasters, producers and consumers. We received a positive response from existing partners who were pleased to see the shift in our direction from a broad promotion of Fairtrade products, to a more targeted showcase of Fairtrade specialty coffee. The presence of Fairtrade producers from Indonesia and Peru provided a great opportunity to engage with the direct beneficiaries of Fairtrade and to showcase their specialty grade coffee. With the support of Peru Café, Dimattina and Ducale, we were able to offer visitors to our stand the opportunity to taste these great locally roasted specialty coffees.



## DEMANDING CHANGE BY CHANGING DEMAND

### - ISEAL FORUM

Fairtrade is proud to be a member of the International Social and Environmental Accreditation and Labelling (ISEAL) Alliance - the movement of credible and innovative sustainability standards. In October Fairtrade was a proud sponsor and participant in the inaugural ISEAL forum which brought together ISEAL partners and key stakeholders to discuss different perspectives on certification and the challenges and opportunities that face the sector. This event was a valuable first step for Fairtrade to engage in a larger dialogue around credible, robust, ethical and sustainability standards.



## FAIRTRADE PARTNERSHIP FORUMS

During February, Fairtrade hosted Partnership Forums in Sydney, Melbourne and Auckland, with the objective of enhancing engagement with our commercial partners. These forums provided an opportunity to share our new commercial and communication strategies and also receive valuable feedback from our partners. In addition to building connections between our partners in a variety of sectors, the Partnership Forums proved an excellent opportunity for open dialogue about Fairtrade's plans.

## WELCOME TO NEW LICENSEES

- ➔ Australian Bakels
- ➔ Black Drum Roasters
- ➔ Coffee Galleria
- ➔ Dirty White Gold Limited
- ➔ Elkie & Ark
- ➔ Fresh Direct
- ➔ Ingredient Box
- ➔ James Health 1000
- ➔ Kaldi Coffee
- ➔ My Comfy PJs
- ➔ Prolife Food
- ➔ Quality Food World
- ➔ The Road Clothing
- ➔ Tutyi Sisi

*Also a big thank you to our existing licensees for their ongoing support.*

# MONITORING, EVALUATION AND LEARNING



Fairtrade Australia & New Zealand has been conducting an in-depth assessment of Pacific producer organisations since 2011. This ongoing assessment, which looks at both Fairtrade certified producer organisations and those who are on the path to obtaining certification, provides valuable information on producer organisation structure, strengths and challenges as well as highlighting current and potential supply and demand, market channels and opportunities. Learnings from these assessments, along with Fairtrade Liaison Officer-led focus groups and surveys, act as an ongoing exercise in monitoring evaluation and learning for each producer organisation and helps inform our producer support strategy.

The 'Fairtrade for Aid in the Indo-Pacific' project, funded by the Australian Department of Foreign Affairs and Trade (DFAT) enables Fairtrade to build the capacity of Fairtrade certified supply chains originating from the Indo-Pacific and into the Australian and New Zealand markets. To enhance this work, Fairtrade commissioned Swinburne University to conduct research to identify and evaluate relevant trade patterns within the Indo-Pacific region, the market potential in Australia and New Zealand, and supply chain issues within the key agricultural product categories from

this region. The results of this research, undertaken in early 2016, identified coffee, cocoa and coconut as key commodities which present significant growth opportunities for Fairtrade, and suggested specific focus origins in the Pacific and South East Asia. These supply chains will be assessed in further detail in a second phase of research over the coming year.

Through the 'Facilitating Fairtrade Business Development in Pacific Island Countries' project, funded by the New Zealand Ministry of Foreign Affairs and Trade (MFAT), Fairtrade Australia & New Zealand delivers benefits to Pacific producers while increasing demand for Fairtrade products across New Zealand. To assess the relevance, effectiveness, efficiency, impact and sustainability of the project, as well as its flow-on benefits to wider communities including traders, licensees and consumers, Fairtrade commissioned Coffey International Development to conduct an evaluation. The results of the evaluation, also undertaken in early 2016, highlighted the positive impacts the project is having by increasing both the capacity and livelihoods of smallholder producer organisations in the Pacific. Coffey's research also explored Fairtrade's work to engage the New Zealand market in greater Fairtrade commitments and noted excellent outcomes in business and community investment into the Pacific (NZD\$15.3 million)

and exceeded targets for awareness growth and sales in New Zealand. The evaluation concluded that Fairtrade's work to date has set the stage for even greater potential through deeper regional collaboration and scaling up impact based on the strong foundations that have already been established through this project.

**PACIFIC  
FARMERS  
EARNED OVER  
\$820  
THOUSAND IN  
FAIRTRADE  
PREMIUM**

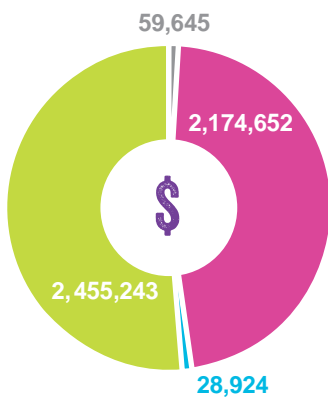
# FINANCIAL

# STATEMENTS

## INCOME

The total revenue for Fairtrade ANZ has increased by 29% in the 2016 Financial Year. The continued grant from DFAT resulted in an increase of 57% in the donor funds that we acquitted in this Financial Year. The licensing income also increased by 11% on the back of this increased exposure in the market place.

The long term partnership in Australia with DFAT has boosted the growth within the market and we are being continuously supported and trusted by our New Zealand donors as an experienced provider that is able to reach the outcomes using an established process and strong experience in the Pacific.



- Grant income
- Interest
- Licensing income
- Other income

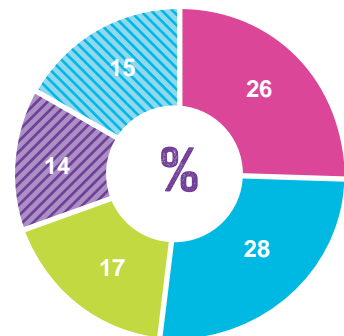
## KEY INCOME SOURCES

Fairtrade ANZ wishes to acknowledge the significant support of DFAT, MFAT, IFAD and PLPF which enables us to extend our operations across the Pacific.



## EXPENDITURE

In line with the significant increase in income, Fairtrade ANZ has provided an increased level of program support, community education and other programs to the international operations to finance the significant projects that benefit the system as a whole.



- Asia Pacific Producer Support
- Awareness and Business Development
- Fairtrade Certification and Licensing Services
- Office Management and Governance
- Support for Fairtrade's International programs

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

Revenue	15/16	14/15
<b>Grants</b>		
DFAT	\$973,324	\$382,511
Other Overseas Grants	\$1,045,495	\$1,004,875
Total Grant Income	\$2,018,819	\$1,387,386
Grant Administration Support	155,833	-
<b>Total income</b>	<b>\$2,174,652</b>	<b>\$1,387,386</b>
<b>Investment income</b>	<b>\$28,924</b>	<b>\$35,849</b>
<b>Other income</b>		
- Licencing income	\$2,455,243	\$2,216,432
- Other income	\$59,645	\$4,577
<b>Total revenue</b>	<b>\$4,718,464</b>	<b>\$3,644,244</b>
Expenditure	15/16	14/15
<b>Grant Expenditure</b>		
<b>Australian Grants</b>		
International Program Costs	\$238,638	\$5,715
Program Support Costs	\$383,141	\$232,046
Community Education Costs	\$351,547	\$145,364
<b>New Zealand Grants</b>		
International Program Costs	\$607,897	\$467,709
Program Support Costs	\$307,274	\$387,756
Community Education Costs	\$130,322	\$148,796
<b>Total Grant related activity expenses</b>	<b>\$2,018,819</b>	<b>\$1,387,386</b>
<b>Other expenditures</b>		
Organisation costs and other expenditures	\$373,318	\$486,017
Domestic Program Costs	\$55,443	\$129,675
Employment Costs	\$1,043,550	\$837,808
Licensing Costs	\$727,816	\$716,890
Technology Costs	\$85,744	\$58,594
<b>Total Expenditure</b>	<b>\$4,304,690</b>	<b>\$3,616,370</b>

During the 2016 Financial Year, Fairtrade ANZ had no transactions in the International Political or Religious Adherence Promotion program categories, donations or bequests, non-monetary expenditure and fundraising costs.

This summary financial information was extracted from the audited annual financial report. It is consistent in substance with these statements notwithstanding the less technical language and content. The financial statements are available on the Fairtrade ANZ Ltd website [www.fairtrade.com.au](http://www.fairtrade.com.au).



## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

Assets	15/16	14/15
<b>Current assets</b>		
Cash and cash equivalents	\$3,136,325	\$2,767,035
Trade and other receivables	\$740,000	\$748,212
<b>Total current assets</b>	<b>\$3,876,325</b>	<b>\$3,515,247</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	\$33,770	\$41,415
Intangible assets	\$31,676	\$38,343
<b>Total non-current assets</b>	<b>\$65,446</b>	<b>\$79,758</b>
<b>Total assets</b>	<b>\$3,941,771</b>	<b>\$3,595,005</b>
Liabilities	15/16	14/15
<b>Current Liabilities</b>		
Trade and other payables	\$791,738	\$918,004
Deferred revenue	\$2,015,646	\$1,995,919
Employee benefits	\$63,471	\$76,406
<b>Total current liabilities</b>	<b>\$2,870,855</b>	<b>\$2,990,329</b>
<b>Non-Current Liabilities</b>		
Employee benefits	\$1,882	\$317
<b>Total non-current liabilities</b>	<b>\$1,882</b>	<b>\$317</b>
<b>Total liabilities</b>	<b>\$2,872,737</b>	<b>\$2,990,646</b>
<b>Net assets</b>	<b>\$1,069,034</b>	<b>\$604,359</b>
Equity	15/16	14/15
Reserves	\$518,774	\$315,789
Retained earnings	\$550,260	\$288,570
<b>Total equity</b>	<b>\$1,069,034</b>	<b>\$604,359</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

Assets	Retained earnings	Foreign Currency Translation Reserve	General Reserves	Total
Balance at 1 July 2015	\$288,570	\$19,013	\$296,776	\$604,359
<b>Total comprehensive income for the year</b>				
Exchange differences on translating foreign operations	-	\$91,594	-	\$91,594
Total other comprehensive income	-	\$91,594	-	\$91,594
Surplus for the year	\$373,081	-	-	\$373,081
<b>Total comprehensive income for the year</b>	<b>\$373,081</b>	<b>\$91,594</b>	<b>-</b>	<b>\$464,675</b>
Net transfers (from) /to retained earnings	-\$111,391	-	\$111,391	-
<b>Balance as at the 30th June 2015</b>	<b>\$550,260</b>	<b>\$110,607</b>	<b>\$408,167</b>	<b>\$1,069,034</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

Cash Flows from Operating Activities	15/16	14/15
Receipts from grants	\$2,202,591	\$2,021,013
Payments to suppliers and employees	-\$4,699,032	-\$3,177,548
Receipts from Licensees	\$2,700,767	\$1,925,090
Other income	\$59,645	\$4,577
Interest received	\$23,071	\$35,849
<b>Net cash provided by/(used in) operating activities</b>	<b>\$287,042</b>	<b>\$808,981</b>
Cash Flows from Investing Activities	15/16	14/15
Purchase of property plant and equipment	-\$6,229	-\$38,096
Purchase of intangible assets	-\$3,117	-
<b>Net cash used in investing activities</b>	<b>-\$9,346</b>	<b>-\$38,096</b>
Cash Flows from Financing Activities	15/16	14/15
Effects on Forex changes on cash & equivalents	\$91,594	-\$29,850
<b>Net increase/(decrease) in cash &amp; equivalents held</b>	<b>\$369,290</b>	<b>\$741,035</b>
Cash and cash equivalents at beginning of year	\$2,767,035	\$2,026,000
<b>Cash and cash equivalents at end of financial year</b>	<b>\$3,136,325</b>	<b>\$2,767,035</b>

### Note 1 – Basis of Preparation

The summary financial statement (“the Statement”) has been prepared for the purposes of fulfilling Fairtrade Australia and New Zealand Ltd’s (“the company”) financial reporting obligations under Australian Council for International Development Code of Conduct.

The accounting policies applied in preparing the Statement are consistent with those used to prepare the company’s general purpose financial report for the year ended 30 June 2016, which was signed on 26 October 2016. The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. Please refer to the financial statements available on the Fairtrade ANZ Ltd website [HYPERLINK “http://www.fairtrade.com.au”](http://www.fairtrade.com.au) www.fairtrade.com.au for details of the accounting policies.

### Note 2 - Statement of Cash Movements for Designated Purposes

	Cash available at start of financial year	*Cash raised during the financial year	Cash disbursed during the financial year	Cash available at end of financial year
IFAD - International Fund for Agricultural Development	\$108,755	\$188,120	-\$296,875	-
MFAT - Ministry of Foreign Affairs and Trade	\$1,058,393	\$891,923	-\$752,388	\$1,197,928
DFAT - Department of Foreign Affairs and Trade	\$817,489	\$1,000,000	-\$1,054,575	\$762,914
FLO - PSR - Fairtrade International - Producer Support Services	\$11,282	\$63,750	-\$20,228	\$54,804
PLPF - Producer Library Project Funding	-	\$50,586	-\$50,586	-
<b>Total</b>	<b>\$1,995,919</b>	<b>\$2,194,379</b>	<b>\$2,174,652</b>	<b>\$2,015,646</b>

\* Note that the cash received has the effect of the forex differences on translation from NZD to AUD.

# AUDITOR'S REPORT



## Report of the independent auditor on the summary financial statements to the members of Fairtrade Australia and New Zealand Ltd

The accompanying summary financial statements, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and note 1 and 2, are derived from the audited financial report of Fairtrade Australia and New Zealand Ltd for the year ended 30 June 2016. We expressed an unmodified auditor's opinion on that financial report in our report dated 26 October 2016. That financial report, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on that financial report.

The summary financial statements do not contain all the disclosures required by Australian Charities and *Not-for-profits Commission Act 2012* and *Australian Charities and Not-for-profits Commission Regulation 2013* applied in the preparation of the audited financial report of Fairtrade Australia and New Zealand Ltd. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial report of Fairtrade Australia and New Zealand Ltd.

### *Directors' responsibility for the summary financial statements*

The directors are responsible for the preparation of a summary of the audited financial report on the basis described in Note 1.

### *Auditor's responsibility*

Our responsibility is to express an opinion on the summary financial statements derived from the audited financial report of Fairtrade Australia and New Zealand Ltd based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

### *Auditor's opinion*

In our opinion, the summary financial statements derived from the audited financial report of Fairtrade Australia and New Zealand Ltd for the year ended 30 June 2016 are consistent, in all material respects, with that audited financial report, on the basis described in Note 1.

  
KPMG



Amanda Bond  
Partner  
Melbourne  
4 November 2016

# DIRECTORS' DECLARATION

**Fairtrade Australia & New Zealand Ltd**

A.C.N: 114 571 881

## Directors' Declaration

In the opinion of the directors of Fairtrade Australia & New Zealand Ltd (the Company):

- (a) the Company is not publicly accountable;
- (b) the financial statements and notes that are set out on pages 9 to 29 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance, for the financial year ended on that date: and
  - (ii) complying with Australian Accounting Standards - Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Director .....

Dated this 25th day of October 2016

The signed directors' declaration above was extracted from the audited annual financial report which is available on the Fairtrade ANZ Ltd website [www.fairtrade.com.au](http://www.fairtrade.com.au)

# GOVERNANCE & STAKEHOLDERS

## A BIG THANK YOU TO ALL

### BOARD

Fairtrade Australia & New Zealand is governed by an independent, voluntary board, consisting of the following members:

#### TOP ROW, LEFT TO RIGHT:

- ➔ Valentina Tripp (Chair)
- ➔ Theo Simos
- ➔ Lisa Barker
- ➔ Gareth Edgecombe



#### BOTTOM ROW, LEFT TO RIGHT:

- ➔ Karen Mapusua
- ➔ Kim McKay
- ➔ Markerita Poutasi
- ➔ Delia Rickard
- ➔ David Head



### MEMBERS

Fairtrade Australia & New Zealand has four member organisations: Friends of the Earth Australia, The Ethics Centre, Christian World Services and the International Women's Development Agency.



### PARTNERS & SUPPORTERS

A big thank you to all of our licensees, stakeholders and partners who have supported us over the past year. In particular, Fairtrade Australia & New Zealand would like to thank MFAT, DFAT and IFAD for their valuable support.

We have also been very fortunate to receive invaluable pro bono assistance over the past year from Allens Linklaters, Bell Gully, EY, KPMG, The Climate Institute and Green Building Council of Australia.

Fairtrade Australia & New Zealand also provided support as a Founding Partner to The Future Business Council, for their work advocating for reforms which will make Australia a more innovative, sustainable and resilient economy, and a global hub for future business.

# ACCOUNTABILITY

# & ACCREDITATION

## INCORPORATION AND CHARITABLE STATUS

Fairtrade Australia & New Zealand is a public company limited by guarantee under the Corporations Act and is a registered charity with the Australian Charities and Not-for-Profits Commission. Fairtrade Australia & New Zealand is a public benevolent institution and endorsed by the Australian Taxation Office as a Deductible Gift Recipient (DGR) and an Income Tax Exempt Charity.

## ACFID MEMBERSHIP

Fairtrade Australia & New Zealand became a member of Australian Council for International Development in December 2014 and adheres to the ACFID Code of Conduct (<https://acfid.asn.au/code-of-conduct>). The ACFID code of conduct sets standards of good practice for the governance, management and accountability of non-government organisations and aims to improve international development outcomes and increased stakeholder trust by enhancing the transparency and accountability of signatory organisations.



## COUNCIL FOR INTERNATIONAL DEVELOPMENT

Fairtrade Australia & New Zealand is a member of the New Zealand Council for International Development (CID), the national umbrella agency representing over 50 members from the aid and development sector in New Zealand. CID exists to support effective aid and development programmes with the vision of achieving a sustainable world free from poverty and injustice. As a member, Fairtrade ANZ adheres to the CID Code of Conduct.



## FEEDBACK AND COMPLAINTS

Feedback on this report and on our operations and conduct more generally can be sent to: Molly Harriss Olson, CEO, 312 838 Collins Street, Docklands Vic, 3008.

To lodge a complaint against our organisation, please email our Legal and Administration Manager at [info@fairtrade.com.au](mailto:info@fairtrade.com.au).

Our complaints handling policy can be found on our website (<http://fairtrade.com.au/en-au/policies-reports-and-standards>). If you are not satisfied with the response and believe our organisation has breached the ACFID Code of Conduct or the CID Code of Conduct, you can lodge a complaint:

- ➡ With the ACFID Code of Conduct Committee at [code@acfid.asn.au](mailto:code@acfid.asn.au). Information about how to make a complaint can be found at [www.acfid.asn.au](http://www.acfid.asn.au)
- ➡ With the CID Code of Conduct Committee at [code@cid.org.nz](mailto:code@cid.org.nz). Information on how to make a complaint can be found at [www.cid.org.nz](http://www.cid.org.nz)



Kenory Kinne, a staff member of Highlands Organic Agricultural Cooperative, trials the cooperative's new solar panel.

## IMAGE CREDITS

### COVER

Linnet Llaisa is a member of Papua New Guinea's Highland Organic Agriculture Cooperative (HOAC), a coffee producing organisation, located in the remote regions of the Eastern Highlands Province. Transportation of coffee is extremely difficult in Iwak village; the only way is through the road maintained by HOAC's Fairtrade Premium. "We are happy because HOAC provided us with pulpers and gardening tools, they have fixed the road, so now transport can come directly to our village and transport coffee to the factory" says Linet.

Photographer: Vanessa Kerton

### INSIDE FRONT COVER

Fairtrade cotton farmer Sugna Jat, picks cotton with her husband, Nandaram Jat, on their farm in Maheshwar, Khargone, Madhya Pradesh, India.

Photographer: Suzanne Lee.

### PAGE 5

The Fairtrade Australia team hosted one of Australia's 176 registered Coffee Break events.

### PAGE 7

Winsum Minewa, Chairperson of Alang Daom Cooperative Society, with his granddaughter Honour.

Photographer: Amy Gildea

Fairtrade producers join CARE and Fairtrade in Goroka, Papua New Guinea for workshop addressing gender equality and governance.

Photographer: Sandra Mendez

### PAGE 8

Community members of Keto Tapasi Progress Association attend ICT trainings to learn new skills.

Photographer: Vanessa Kerton

### PAGE 9

Top right: Fairtrade Australia and New Zealand's Business Development team at MICE.

Bottom Left: Fairtrade Australia & New Zealand Director of Business Development Mirjam Groten presenting at the Partnership Forum.

### INSIDE BACK COVER

Kenory Kinne, a staff member of Highlands Organic Agriculture Cooperative, trials the cooperative's new solar panel

# THANK YOU

**TO ALL OUR SUPPORTERS, LICENSEES, RETAILERS AND CONSUMERS  
FOR CHOOSING FAIRTRADE TO HELP FARMERS BUILD BETTER  
FUTURES FOR THEMSELVES, AND IMPROVE WORKING CONDITIONS  
AROUND THE WORLD.**

# CONTACT US

If you have any queries or would like more information please go to:

Australia	New Zealand
<a href="http://www.fairtrade.com.au">www.fairtrade.com.au</a>	<a href="http://www.fairtrade.org.nz">www.fairtrade.org.nz</a>
 /FairtradeAU	 /FairtradeNewZealand
 @FairtradeAU	 @FairtradeNZ
 /fairtradeau	 /fairtradenz

Or email us at:

Australia	New Zealand
<a href="mailto:info@fairtrade.com.au">info@fairtrade.com.au</a>	<a href="mailto:info@fairtrade.org.nz">info@fairtrade.org.nz</a>



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AUSTRALIA  
NEW ZEALAND