



ANNUAL REPORT 2012

This annual report for Fairtrade Australia and New Zealand (Fairtrade ANZ) covers operations in 2012 and financials from July 2011 to June 2012



MESSAGE FROM OUR CHIEF EXECUTIVE

For Fairtrade ANZ, 2012 was a year of positive growth in challenging circumstances.

Economic, political and environmental factors continued to impact the lives of millions of farmers and workers in developing countries, with many struggling to provide the necessities for their families that we, here in Australia and New Zealand, often take for granted. Fairtrade continues to work to close the gap between people's intent to do the right thing, and the simple things they can do every day to improve this situation. Year on year, people in Australia and New Zealand have helped expand market access for disadvantaged farmers by choosing to buy Fairtrade Certified products and in this way encouraged more companies to join the Fairtrade system. In 2012 retail sales of Fairtrade Certified products grew considerably, contributing to an average annual growth over the past five years of more than 50%. Good news for coffee, cocoa, sugar and other farmers in Africa, Latin America and more close to home in Papua New Guinea, East Timor and Fiji.

Fairtrade is the only ethical certification that gives a fair price directly to farmers plus the Fairtrade Premium, additional investment toward community improvements such as schools, hospitals and farming practices. Australians and New Zealanders, through purchasing Fairtrade Certified products in 2012, have contributed an estimated AUD\$3.26M in Fairtrade Premium direct to disadvantaged farmers and workers in developing countries.

This growth means Fairtrade is reaching the kind of scale that challenges conventional business thinking and is changing long standing structures of trade that disadvantage farmers and workers in developing countries. However there is still a long way to go.

Globescan annual research confirms that 2 in 3 consumers want 3rd party verification of the claims made by products they purchase (Globescan

2012). Colmar Brunton in July 2012 indicated that when purchasing everyday products like cocoa, tea and coffee, consumers are more often opting for Fairtrade Certified products to reward companies who ensure the world's poorest farmers get a decent price for their products. This is in line with data showing Fairtrade levels of trust are the highest of the major product certifications. Increasing this trust through the integrity of our system will remain a key focus moving forward.

The belief in our system transpires to our dedicated staff, supporters, licensees and farmer cooperatives who, like me, have experienced first-hand the tangible benefits of being involved in the Fairtrade system, because it works.

This year we sent one of our team members to a Fairtrade Cooperative in Fiji to meet the farmers. In describing her experience she noted that visiting Fairtrade farmers really reinforced the value of what Fairtrade achieves, and just how important it is to buy Fairtrade Certified products. At the same time, this gave her a first-hand perspective of the system improvements we need to continually strive for to increase our impact. Unfortunately, not all our supporters can experience the benefits of Fairtrade first hand, but we hope this report gives you an indication of the work we are doing to bring these benefits to more and more farmers, workers and their families.

On behalf of Fairtrade ANZ and our Board I would like to thank you all for your ongoing support which keeps us moving forward in our campaign for an international trade system based on justice and fairness.

We look forward to your continued support in 2013.

Steve Knapp
CEO, Fairtrade ANZ

GOVERNANCE

Fairtrade ANZ is a not for private profit company limited by guarantee and Income Tax Exempt Charity. It is overseen by a board elected by Fairtrade ANZ member organisations – Friends of the Earth Australia, Oxfam New Zealand, The St James Ethics Centre and Christian World Service NZ. The board consists of seven members; Jim Willett (chair), Phillip Toyne (vice chair) Valentina Tripp (treasurer), Theo Simos, Barry Coates, Kim McKay and Karen Mapusua. The board and membership of Fairtrade ANZ are independent of any commercial interests regarding the use of the FAIRTRADE Mark.

In June 2012 the Fairtrade Association of Australia and New Zealand (FTAANZ) and Fairtrade ANZ re-structured the operational relationship between the two organisations in order to achieve:

- Support for the broader fair trade movement, as well as products bearing the FAIRTRADE Mark.
- Direct accountability for staff of Fairtrade ANZ and FTAANZ to their respective governing bodies.
- Clearly defined roles, leadership and lines of reporting.

FTAANZ will continue its focus on engaging with and supporting local fair trade network groups such as councils, universities, workplaces, faith groups and schools who have made a commitment to fair trade.

FINANCIAL REPORT FOR AUSTRALIA AND NEW ZEALAND 2011/12 (\$AUD)

BALANCE SHEET	TOTAL 2012
Current Assets	1,878,361
Non-Current Assets	29,681
TOTAL ASSETS	1,908,042
Current Liabilities	1,285,093
Non-Current Liabilities	9,710
TOTAL LIABILITIES	1,294,803
NET ASSETS	\$613,238
INCOME STATEMENT	
Grant Income	322,366
Membership/License Fees	1,617,783
Management Fee	-
Other Income	14,889
TOTAL INCOME	1,955,038
Wages & Salaries	929,949
FLO Fees	257,391
Management Fee	-
Marketing, Promotional & Office Expenses	394,679
Audits	8,233
PSR	182,132
FTAANZ payments	100,000
TOTAL EXPENSES	1,872,384
NET SURPLUS/DEFICIT	\$82,654



Women throwing cotton onto a pile - SODEFITEX Cooperative in Senegal - Sean Hawkey

2012 IN NUMBERS



Retail sales of Fairtrade Certified product in **Australia** and **New Zealand**, \$AUD



More than 2,100 Fairtrade Certified products were available in Australia and New Zealand, a further 411 products on last year.

274



Fairtrade is working with more than 274 businesses across Australia and New Zealand.

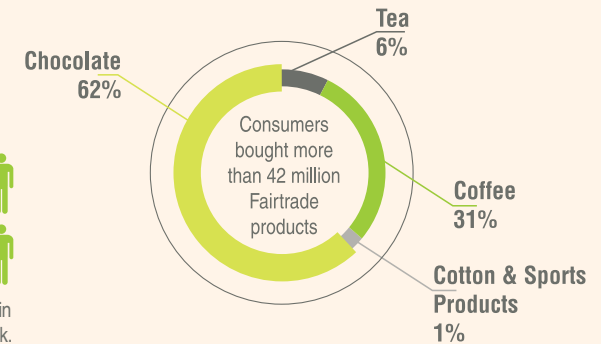
Australian



New Zealanders



Almost five in ten Australians and almost seven in ten New Zealanders now recognise the FAIRTRADE Mark.



SUPPORT TO FARMERS IN 2012

Buying Fairtrade Certified products makes a real difference to the lives of Fairtrade farmers and workers in developing countries.

In addition to providing a fair and stable price for their products, Fairtrade is helping farmers, workers and their communities build better roads, access health care and send their kids to school. Fairtrade also enables them to grow and develop their businesses ensuring they can improve life for their families and communities well into the future.

On an international scale in 2012, Fairtrade was working with 991 Fairtrade Cooperatives in 66 countries, representing over 1.2 million farmers and workers.

In 2012, Australians and New Zealanders through their purchase of Fairtrade products contributed an estimated AUD\$3.26M in Fairtrade Premium direct to farmers in more than 20 countries.

The Producer Services and Relations unit (PSR) was set up to strengthen the capacities of small farmer and worker organisations, and support them to achieve sustainable development through Fairtrade.

Key activities for 2012 included:

- The New Zealand Government signed a four and a half year contract with Fairtrade ANZ to support PSR projects in the Pacific. The contract brings more opportunities for small producers to build sustainable business through Fairtrade certification.
- The PSR team started the development of its Producer Library, a set of capacity building tools to facilitate training on the Fairtrade Standards and Fairtrade certification requirements in remote areas of the Pacific.
- “A Fairtrade Story” was launched in Papua New Guinea (PNG) as a pilot tool to assist with learning and training using comic-based stories. The tool was tested in communities with high levels of illiteracy and found very effective at promoting analysis and self-learning.
- The PSR team will continue developing the Producer Library over the next year to cover areas such as governance for small producer organisations, Fairtrade environmental requirements, child protection, gender equality and the Fairtrade system.
- Fairtrade ANZ welcomed Lautoka Cane Producers Association and Rarawai & Penang Cane Producers Association to the Fairtrade system. Their Fairtrade sales to Tate & Lyle in the UK will benefit 12,000 Fijian small sugar cane farmers and will bring to their communities USD \$1,800,000 in Fairtrade Premium in 2013.
- The PSR team recruited for the deployment of two Fairtrade Liaison Officers who will be based in Fiji and PNG. The officers will provide targeted support to applicant and certified producer organisations and will serve as the local point of contact for Fairtrade certification in these two countries.
- As part of its services to producers in the Pacific, Fairtrade ANZ launched the Producer Certification and Development Funds. The funds aim to support producer organisations with the potential to strengthen their agricultural business through Fairtrade certification, and need assistance in paying certification fees in their first years in the system and support producer organisations to improve the sustainability of their businesses.

- The PSR team hosted the second Fairtrade Pacific Sub-Network Meeting in PNG at the end of July. Nearly 50 Fairtrade stakeholders from PNG, Fiji and New Zealand convened to share their experiences and make plans for the future of the regional Fairtrade sub-network. The highlight of the meeting was the session conducted by Fairtrade buyers, with their perspective of the market shedding light on opportunities for Pacific-based Fairtrade Certified producers.



THE FAIRTRADE MARK

The FAIRTRADE Mark is the most widely recognised ethical label in the world. (GlobeScan, 2011).

For a product to display the FAIRTRADE Mark it must meet the international Fairtrade social, economic and environmental standards which are set by the certification body Fairtrade International. These standards are agreed through a process of research and consultation with key participants in the Fairtrade scheme, including farmers and workers themselves, traders, NGOs, academic institutions and National Fairtrade Organisations such as Fairtrade Australia & New Zealand



ABOUT FAIRTRADE ANZ

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 International sets the international standards for Fairtrade and governs the use of the FAIRTRADE Mark worldwide.

Fairtrade ANZ's work is divided into three key areas in order to grow the Fairtrade market:

1. Promote, position and protect the FAIRTRADE Mark.
2. Increase the range, availability and sales of Fairtrade Certified products.
3. Provide effective licensing, labelling and certification services.

THANK YOU

To all our supporters, licensees, retailers and most importantly consumers for choosing Fairtrade to support a better deal for farmers and workers in developing countries around the world.

CONTACT US

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

www.fairtrade.com.au (Australia)
www.fairtrade.org.nz (New Zealand)

Or email us at:
info@fairtrade.com.au (Australia)
info@fairtrade.org.nz (New Zealand)



From top:

Cocoa farmer Ruth Wildson and son Wafu of Huiwani Cooperative
– Image by Sandra Mendez

Coopfam Board member Claudinei Doniseti Silva on his coffee farm - COOPFAM, Brazil
– Image by Didier Genthomme

Distribution of coffee pulpners - Highlands Organic Agricultural Cooperative – Image by HOAC

Fairtrade presentation to farmers Neknasi - Neknasi, PNG – Image by Neknasi

Front cover: Margareth Njeri of Itirai Tea Factory Kenya picks tea leaves in the field near
Othaya – Riccardo Gangale