
AUSTRALIAN INDUSTRY GREENHOUSE NETWORK



ANNUAL REPORT 2014-2015

Australian Industry Greenhouse Network Ltd

Unit 3, 4 Kennedy Street, Kingston ACT 2604

PO Box 4622, Kingston ACT 2604

T +61 2 6295 2166 | F +61 2 6232 6075

E info@aign.net.au | W www.aign.net.au



CONTENTS

1.	Chair's Report.....	2
2.	Year in Review.....	4
3.	AIGN Network Meetings.....	6
4.	International Meetings & Policy.....	7
5.	Public Activity	9
5.1	Conferences, Speeches & Presentations.....	9
5.2	In the Media.....	9
6.	AIGN-commissioned Consultants' Reports	9
7.	AIGN's Climate Change Policy Principles	10
8.	Governance.....	12
8.1	Objectives.....	12
8.2	Directors.....	12
8.3	AIGN Board Membership: 1 July 2014 to 30 June 2015.....	12
9.	Administration.....	14
9.1	Staffing.....	14
9.2	Operations.....	14
10.	Membership	15
10.1	AIGN Members at 30 June 2015.....	15
11.	Financials	16

1. Chair's Report

Climate change policy continued to be a point of difference in Australian politics this year. The Coalition Government repealed the Clean Energy legislation and introduced their Direct Action Plan, while from opposition, Labor committed to repeal the Direct Action Plan and introduce an emissions trading scheme if elected.

In an environment of policy uncertainty, AIGN continued to provide a valuable industry forum for open discussion and analysis, providing a focus for cooperative industry policy responses on key greenhouse issues, and playing a facilitating role in industry contribution to key greenhouse policy.

It was a significant year in greenhouse policy in Australia, with many major policies reviewed, repealed or under development.

- Repeal of the Clean Energy Act.
- Revision of the Renewable Energy Target.
- Commencement of the \$2.55bn Emissions Reduction Fund.
- Consultation on the safeguard mechanism.
- Announcement of Australia's post-2020 greenhouse gas reduction target.
- Commencement of the Climate Change Authority's review of emissions trading.
- Release of the Energy White Paper.

AIGN contributed to several Government policy development processes, with a focus on the proposed safeguard mechanism and the Department of the Prime Minister & Cabinet's post-2020 emissions reduction target taskforce. AIGN's contributions continue to be shaped by our principles and supported by a collaborative approach from our membership. Key messages relate to the need for certainty, transparency and policy stability, and a focus on not disadvantaging Australian industry relative to its competitors.

We thank the Department of the Environment, the Department of Industry, the Department of Foreign Affairs & Trade, and the Clean Energy Regulator for their willingness to engage in developing and implementing policy.

AIGN has also proactively engaged with a number of State Governments to advocate for streamlined national greenhouse policy. A national approach avoids the costly duplication that arises from competing national and state-based mitigation policies.



My sincere thanks to our AIGN staff: Alex Gosman, Marion Niederkofler, Suzanne Nicholls, Alex Ferguson and, more recently, Jonathan Wilson, for their efforts on behalf of members over the past year. They continued to provide excellent support and service to the membership.

Looking to 2016, an election year, we can expect climate change policy to again be prominent. Particularly in consideration of the contrasting policy approaches to achieve Australia's emissions reduction target of 441-453mtCO₂e in 2030 (26-28% reduction from 2005 levels), which compares to the Government's forecast business-as-usual emissions of 724mtCO₂e (March 2015).

I am confident that in this often challenging and complex atmosphere, AIGN will continue to provide thoughtful and effective advice to the membership and the broader community.

Susie Smith

Chair

2. Year in Review

There has been, over the past decade, an ebb and flow to the level of activity on climate change policy, reflecting the electoral cycle at both the Federal and State level, and frequent changes in policy direction. For the past year, we have seen the ‘flow’ return to this area of policy as both Federal and State Governments look to address domestic and international policy issues.

As was the case in 2013-14, the past year has required a focus on both implementation and policy development issues in the domestic climate change arena. It has also included a significantly increased focus on international policy and the nature of Australia’s post-2020 emissions reduction target, as well as the detail of the proposed Paris Agreement to replace the Kyoto Protocol in 2020.

The Coalition was elected on 7 September 2013, promising to repeal the Clean Energy Future (“CEF”) legislation and introduce the Direct Action Plan - a climate change strategy based on direct action to reduce emissions and improve the environment, with a focus on purchasing lowest-cost abatement.

The Government was successful in early July 2014 in repealing the CEF and subsequently obtaining passage of the Emission Reduction Fund (“ERF”) in November 2014, with its implementation of purchasing and crediting arrangements. The first auction of abatement opportunities was held in April 2015.

A key focus over the past six months has been in providing input into the development of the major details of the safeguard mechanism, with the Government currently considering responses on consultation paper issues. AIGN provided a number of substantive responses, and welcomes the delay in the commencement date of the safeguard mechanism to mid-2016 as consultation is still required on issues such as the setting of baselines, which are still subject to a variety of views.

In addition to implementation of the Direct Action Plan, there have been a number of other domestic issues and events requiring AIGN’s attention. AIGN provided a submission to the Climate Change Authority’s Renewable Energy Target (“RET”) review and post-2020 target review, which highlighted the need to realistically assess current action in other countries for the purposes of comparing Australia’s efforts with the world.

AIGN notes that arising from the Energy White Paper, the Federal Government is to consider the establishment of a National Energy Productivity Plan subject to State Government feedback. Rather than an area of government intervention, AIGN considers that investment in energy efficiency is fundamentally a business decision, which is impacted by a wide range of considerations. Governments can best support investment in industrial business efficiency by providing a stable, nationally-integrated, industrial energy and climate change policy environment in which policy risks are minimised.

The increasing interest by State and Territory Governments in potentially introducing new climate change policies arising from recent changes in a number of State Governments, has necessitated increased contact with new State Ministers and their advisors. AIGN continues to advocate that the role of State and Territory Governments in addressing climate change is to support a national approach, enabling a simple, consistent and long-term national policy to properly reduce emissions and achieve national emissions reduction targets.



On behalf of members, AIGN has maintained a strong interest in international developments, where the focus is increasingly on means to raise levels of country ambition, and negotiations over the shape of the post-2020 climate change agreement. This included a major submission to the review of Australia's post-2020 emission reduction target by a Taskforce within the Department of the Prime Minister & Cabinet. Further details at Section 4 of this report.

AIGN attended the UNFCCC meeting in Lima, which was an important lead-in meeting to the development of a new international climate change agreement at the forthcoming Paris Conference of Parties ("COP") meeting in December 2015.

Members continue to place a high value on the monthly Network meetings, with attendance frequently exceeding 30 members; reflecting both the policy-rich environment and the ability of AIGN to attract topical and relevant speakers. The secretariat has also produced a constant email flow of information, as well as the analysis of issues and the commissioning of targeted pieces of external work.

Representatives of the Clean Energy Regulator ("CER") were regular attendees at Network meetings, including Chloe Munro. Much of the discussion focussed on the role of the CER with the implementation of the ERF, particularly in respect of abatement auctions and administering the proposed safeguards mechanism. AIGN appreciates the time and efforts of the staff of the Department of the Environment in engaging with AIGN and providing the ongoing scope for input.

Further details on the submissions prepared by AIGN during 2014-15 are available on the AIGN website¹.

¹ www.aign.net.au

3. AIGN Network Meetings

A major AIGN activity continues to be the program of regular Network meetings. These meetings assist in the progression of AIGN objectives by contributing to the exchange of ideas within AIGN, and in developing thoughtful responses to key issues.

Efforts have continued to provide a clearer separation in consideration of policy and implementation issues in the agenda structure. The 10 Network meetings held in Canberra over 2014/15 gave members the opportunity to not only hear from a range of speakers, but to also provide considered input. Speakers over the past 12 months have included representatives from Government, the private sector, non-government organisations and academia.

Topics addressed by guest speakers at AIGN meetings have included the following:

- Australian Competition & Consumer Commission: Industry reporting obligations with the repeal of the carbon tax.
- Department of the Environment and the Clean Energy Regulator: Development of the ERF covering purchasing/crediting and safeguard mechanism, cessation of the carbon tax, and Australia's greenhouse gas emissions forecast for 2014.
- Department of Foreign Affairs & Trade: Progress of international negotiations on climate change, as well as developments internationally (particularly the EU ETS).
- A2SE: Proposal to improve Australia's energy productivity including A2SE and the Department of Industry.
- Grattan Institute: A rational energy policy.
- The Hon Mark Butler, Opposition Spokesperson for Climate Change: ALP policy on climate change for the 2016 election.
- ClimateWorks/ANU: UN Deep Decarbonisation Pathways Project.
- Department of Industry: 2015 Energy White Paper.
- Climate Change Authority: RET review, Carbon Farming Initiative review, Emission Trading Scheme review, Special Review (Australia's Post-2020 Target).
- Pitt & Sherry: Changes in Australia's electricity demand.
- Department of the Prime Minister & Cabinet Taskforce: Review of Australia's Post-2020 Target, and national approaches towards climate change and post-2020 Intended Nationally Determined Contributions (representatives from Embassies/High Commissions: EU, France, United Kingdom and United States).

4. International Meetings & Policy

Developments in the international arena with respect to climate change policy have been of major interest to AIGN members, particularly given the implications they have on domestic policy and, in turn, the international competitiveness of Australian industry.

Currently, Australia's commitment under the Cancun Agreements is to reduce net emissions by 5% below 2000 levels by 2020, irrespective of global action on climate change, with conditional net emissions reductions of up to 15% or 25% depending on the extent of global action. The Coalition Government has advised that it does not consider that global action has altered sufficiently to move from the 5% target for 2020. It is confident that Australia is well on track to meet its 2020 commitment, partly reflecting significant downward revisions in the necessary emission reductions to achieve the target, owing to changes in the economy and demand for electricity.

Traditionally, AIGN's involvement at the international level has been via the United Nations Framework Convention on Climate Change ("UNFCCC"), which provides the foundation for international cooperation on climate change. AIGN's continuing involvement in the work of the UNFCCC stems from not only being one of the few bodies representing the interests of Australian business, but also for the credibility that involvement provides for interaction in Australia with key domestic policymakers.

Interest in the work of the UNFCCC is particularly high owing to the development of a new international agreement on climate change designed to take effect from 2020, and which it is hoped will be finalised at the COP meeting in Paris in late 2015. The new agreement will replace the Kyoto Protocol. Expectations are that the future international agreement will rely more on flexible bottom-up type commitments from individual countries, rather than on a top-down mechanism like the Kyoto Protocol, although issues around the legal standing of the proposed agreement are still subject to discussion. In formulating the new agreement, countries are requested to submit their Intended Nationally Determined Contribution (INDC) to the UNFCCC by mid-2015, outlining their post-2020 target. The domestic policies to meet these targets are not required.

As of 30 June 2015, countries representing nearly 32% of global emissions have brought forward their INDCs, including the European Union, United States and Canada. Australia is expected to provide its INDC in early July 2015, as is China. The agreement between the US and China on climate change in late November 2014 was hailed as a major step forward, demonstrating a commitment to global action.

The Australian Government has engaged in extensive public consultation in considering what should be Australia's INDC and its post-2020 target. The AIGN supports the approach of the Government, namely: *"Australia will consider its post-2020 target as part of the review we will conduct in 2015 on Australia's international targets and settings. This review will consider the comparable actions of others, including the major economies and Australia's trading partners. We are striking the responsible balance of safeguarding economic growth while taking action on climate change".*²

This consideration has been put forward in an environment of extensive debate around Australia's commitment, partly stimulated by the change in Government, international activities, and a number of international and domestic reports on the subject.

AIGN provided a major submission to the Taskforce in the Department of the Prime Minister & Cabinet, reviewing Australia's INDC; a copy of the major recommendations are provided at Box 1 on the following page. The submission was prepared with considerable member input and the assistance of the Centre for International Economics, who provided a well-regarded document on comparing targets.

² Minister for Foreign Affairs & Trade, The Hon Julie Bishop, at the UN Leaders Climate Change Summit, 23 September 2014.

As is usual practice, AIGN CEO Alex Gosman attended the UNFCCC conference, held in December 2014 in Lima, Peru. Consistent with past meetings, significant differences remain between developed and developing countries over key aspects of the UNFCCC work plan, such as who should bear the greatest burden in making emission reductions, and the levels of assistance from developed countries to developing countries, both for mitigation and adaptation.

Consideration of emissions reduction policies at the national and regional level has increasingly taken place outside the United Nations in recognition of the ongoing challenges that the UNFCCC faces in reaching consensus on key issues around meaningful global action on climate change. From an AIGN perspective, this has meant not only maintaining involvement in the UNFCCC process, but also maintaining a close watch on actions at the national level, and assessing the implications for Australia. The positions of China and the United States remain of major interest.

Box 1. Major Recommendations of AIGN's Submission to the Review by a Taskforce of the Department of the Prime Minister & Cabinet on Australia's Post-2020 Emission Reduction Target

Australia's position on climate change policy needs to be cognisant of Australia's broader trade position. Australia's contributions to future global emissions reductions should take into account the global situation, and must hold to a realistic view of our trading performance, particularly noting Australia's industry structure. Due to our natural resources advantage, Australia is home to a relatively large share of emissions-intensive production, resource and extractive sectors, particularly in relation to our population size. Arguably, this is an economically and environmentally efficient outcome from a global perspective, and could continue to be so in the future.

Reducing emissions can be costly. Activities that give rise to greenhouse gas emissions occur across all sectors of society, such that the domestic policies that underpin a post-2020 emission reduction target have implications for the nation's economic competitiveness. While the effects of increasing levels of atmospheric greenhouse gases are felt globally, the impacts from the emissions reduction policies will be regionally enforced and impact each sector of an economy differently. It is vital, therefore, that any action taken by Australia must be of comparable effort with the actions of other economies so as to limit unintended and inefficient impacts on our economy.

Put simply, if Australia – with a large share of emissions-intensive production, resource and extractive sectors – raises the cost of production in the Australian economy at a higher rate than in other economies, it will put itself at a relative disadvantage and reduce the economic welfare of Australian citizens for no appreciable change in the global level of emissions. In this respect it is important that comparisons on post-2020 targets are undertaken with those countries that are our major trading competitors (not simply our trading partners), as it is their approaches that will have implications for Australian industry.

To suggest Australia should adopt similar quantitative reductions as those embraced by other nations ignores the sometimes significant differences between countries, specifically in such areas as economic and population growth. The economic cost of reducing emissions should be no higher than that of our competitors in global markets, be they developed or developing nations.

In considering new policies that encourage least-cost abatement and maintain international competitiveness, it will be critical that they are framed with the following overarching objectives:

- Provide policy predictability and stability.
- Long-term in approach.
- Developed in a consultative manner.

Australia's negotiating position should ensure that arrangements post-2020 provide an environment that encourages our major trading partners to similar levels of commitment in reducing greenhouse gas emissions, as entered into by Australia.

5. Public Activity

5.1 Conferences, Speeches & Presentations

Public and corporate interest in climate change policy issues has generated many forums. AIGN staff and members attended many of these over the course of the year.

5.2 In the Media

While AIGN rarely issues press releases on matters being debated, it has made greater use of its website to highlight its position on key issues.

AIGN, represented by CEO Alex Gosman, participated in several media interviews over the course of the year, and provided background material to journalists on an occasional basis. Alex spoke at a number of forums on post-2020 targets, including those events organised by the Carbon Market Institute and the Crawford School of Public Policy.

In interacting with the media, the CEO is guided by the Board-endorsed media policy, which is available to members on the AIGN website³.

6. AIGN-commissioned Consultants' Reports

AIGN commissioned consultants to undertake research on behalf of members on an 'as needed' basis. This work is to advise the thinking of AIGN and its members as it considers its responses to climate change and energy policy measures. Some of this work is made publicly available to inform the public of debate on issues.

The Centre for International Economics prepared a document titled *'Understanding Emission Reduction Efforts: Approaches to assessing comparative effort'*, which was an Attachment to AIGN's submission of April 2015 to the Taskforce reviewing Australia's post-2020 emission reduction target. A copy is available on the AIGN website⁴.

³ www.aign.net.au

⁴ www.aign.net.au/file_download/1089/AIGN+Submission+to+the+UNFCCC+Taskforce+on+Australia%27s+Post+2020+Emission+Reduction+Target.pdf

7. AIGN's Climate Change Policy Principles

The most appropriate response to climate change is a globally consistent approach, which should include a common price signal for greenhouse gas emissions. Such an approach, however, is not likely to emerge within the long-term investment horizon of industry.

AIGN's climate change policy principles establish a sound framework for Australian policy development. In summary, in the international context, these principles envisage a global agreement that imposes on the Australian community costs that are comparable to the costs expected to be borne in countries with similar wealth.

In the domestic context, the principles envisage Australian policy measures that:

- are national — there is no place for State-based mitigation policies;
- are developed and implemented transparently to engender community support;
- are stable, predictable and avoid complexity to help minimise investment uncertainty;
- establish a long-term price signal across the whole economy;
- do not expose Australian export- and import-competing industry to costs not faced by these industries in other countries;
- compensate those that carry a disproportionate share of the cost burden, including low income earners and non-trade industry;
- effectively address market failures that are not addressed by an emissions price signal;
- promote public and private investment in first-of-a-kind low emission technologies;
- do not discriminate against early movers and new entrants; and
- encourage the community to invest in adaptation strategies.

Adopting policies that meet these principles should deliver least-cost, environmentally-effective and equitable outcomes for Australia.

AIGN's recommendations for climate change policy principles are provided on the next page.

AIGN Climate Change Policy Principles

- Australia should make an equitable contribution, in accordance with its differentiated responsibilities and respective capability, to global action to reduce greenhouse gas emissions and to adapt to impacts of climate change.
- Australia should engage the international community in pursuing identified and beneficial environmental outcomes through greenhouse gas emissions reduction action that:
 - allows for differentiated national approaches;
 - promotes international cooperation;
 - minimises the costs and distributes the burden equitably across the international community;
 - is comprehensive in its coverage of countries, greenhouse gases, sources and sinks;
 - recognises the economic and social circumstances and aspirations of all societies; and
 - is underpinned by streamlined, efficient and effective administrative, reporting and compliance arrangements.
- In this global context, Australia should develop a strategic national approach to responding to climate change that:
 - is consistent with the principles of sustainable development and other national policies, including economic growth, population growth, international trade, energy supply and demand, and environmental and social responsibility;
 - takes a long-term perspective;
 - maintains the competitiveness of Australian export and import-competing industries;
 - distributes the cost-burden equitably across the community;
 - adopts a consultative approach to the development of new policies; and
 - is consistent and effectively coordinated across all jurisdictions throughout Australia.
- Australia's future greenhouse policy measures should:
 - be consistent with the strategic national approach;
 - be trade and investment-neutral, in a way that does not expose Australian industry to costs its competitors do not face;
 - not discriminate against new entrants to Australian industry, nor disadvantage 'early movers' in Australian industry who have previously implemented greenhouse gas abatement measures;
 - take account of the differing sectoral circumstances;
 - be based as far as is practicable on market measures;
 - address all greenhouse gases, emission sources and sinks; and
 - balance, in a cost-effective way, abatement and adaptation strategies, both of which should be based on sound science and risk management.
- Australia's contribution to the global climate change effort as set out here reflects the principle in Article 3.1 of the United Nations Framework Convention on Climate Change. Differentiated responsibilities and respective capabilities could take account of such matters as a country's economic growth and structure, population growth, energy production and use, etc.

8. Governance

8.1 Objectives

The objectives of AIGN are to promote the development of Australia's manufacturing, agricultural and industrial resources, as set out below.

- Consultation with governments and other opinion leaders on the adoption of a principled, comprehensive, national and international greenhouse policy framework within which effective, equitable, efficient and appropriate domestic greenhouse policies and measures are developed and implemented, consistent with sustainable development.
- Provision of information, advice and a forum for developing analysis and participation in the process of public policymaking on the climate change issue.
- Contribution to the international climate change debate, including through the provision of advice to the Australian delegation to the UNFCCC meetings.

8.2 Directors

AIGN's current Constitution provides for up to 12 directors; two-thirds of whom are elected by association members and one-third by corporate members. The Board currently operates with a membership of 7. During the year, members discussed possible changes to the Constitution as it related to the composition of the Board, reflecting changes in AIGN membership. Proposed changes, based on legal advice, will be taken to the October 2015 AGM. The AIGN Operational Guidelines were also reviewed and revised as they relate to external consultation.

AIGN members and secretariat staff appreciate the input of the Board of Directors to the efficient and effective management and direction of the organisation, and thank directors for the time and effort they devote to the organisation.

8.3 AIGN Board Membership: 1 July 2014 to 30 June 2015

AIGN's Board of Directors, elected in general meeting, is responsible for the company's business planning and operational management. They do this within a policy framework and strategic agenda determined by the general meetings of the company.

Business transacted and decisions made by the Board during 2014-15 have been communicated to members through its Network meetings and regular communications.

Board members are listed below.

NAME	PERIOD
Damian Dwyer BEc, Grad Dip Pub Ec Pol <i>Director, Economics</i> Australian Petroleum Production & Exploration Association	Elected: October 2011 Re-elected: October 2013
Clare Luehman FCA, BBus (A) <i>General Manager, Global Sustainability & Carbon</i> Incitec Pivot Ltd	Elected: October 2013
Sid Marris BA(Hons) <i>Manager Industry Policy</i> Minerals Council of Australia	Appointed: May 2013 Elected: October 2013
Paul Barrett Australian Institute of Petroleum	Appointed: March 2015
Tennant Reed <i>Principal National Advisor – Public Policy</i> Australian Industry Group	Appointed: July 2014 Elected: October 2014
Susie Smith BSc, MAICD <i>General Manager, Carbon & Sustainability</i> Santos Limited	Appointed: October 2012 Re-elected: October 2014
John Tilley PhD <i>Executive Director</i> Australian Institute of Petroleum	Elected: October 2011 Re-elected: October 2013 Resigned: January 2015
John Torkington BAppSci <i>Senior Advisor, Climate Change</i> Chevron Australia Pty Limited	Appointed: May 2007 Re-elected: October 2007 Re-elected: October 2009 Re-elected: October 2011 Re-elected: October 2013

9. Administration

9.1 Staffing

Secretariat staff as at 30 June 2015 are:

- **Alex Gosman**
Chief Executive Officer
Permanent part-time employee, working approximately 24.5 hours per week.
- **Marion Niederkofler**
Policy Advisor
Permanent part-time employee, working approximately 14 hours per week.
- **Suzanne Nicholls**
Administration Officer
Casual employee, working approximately 4 hours per week.
- **Jonathan Wilson**
Research Assistant
Casual employee, working approximately 4 hours per week.

Accountancy firm, Hardwickes, has taken on the responsibility for the day-to-day accounting tasks.

9.2 Operations

AIGN renewed the lease on its office suite in Kingston for 4 years from December 2013, with an option to review this arrangement after 2 years.

AIGN continues to sub-let two offices within its suite to two other tenants. The income derived from leasing these offices is important in assisting to keep AIGN membership fees as low as possible.

10. Membership

The Federal Chamber of Automotive Industry advised that they would not be renewing membership for 2015-16, reflecting changing priorities and the climate change policy environment. In addition, Leighton Holdings advised that they would not be renewing membership for 2015-16, reflecting current economic conditions and a change in company policy relating to membership of external bodies.

AIGN is currently talking to a range of associations and corporates regarding possible membership.

Membership fees in 2014-15 were:

- Association membership: \$21,900 (excl GST)
- Corporate membership: \$10,950 (excl GST)

Membership fees for 2015-16 have been increased.

10.1 AIGN Members at 30 June 2015

ASSOCIATION MEMBERS

Australian Aluminium Council
 Australian Industry Group
 Australian Institute of Petroleum
 Australian Petroleum Production & Exploration Association
 Cement Industry Federation
 Minerals Council of Australia

CORPORATE MEMBERS

BlueScope Steel
 BHP Billiton Ltd
 BP Australia Ltd
 Caltex Australia
 Chevron Australia Pty Ltd
 ConocoPhillips Australia
 CSR Ltd
 Dampier Bunbury Pipeline
 ExxonMobil Australia
 Incitec Pivot Ltd
 International Power Australia
 Origin Energy Ltd
 Rio Tinto Australia Ltd
 Santos Ltd
 Shell Australia Ltd
 Wesfarmers Ltd
 Wilmar Sugar Australia Limited
 Woodside Petroleum Ltd
 Xtrata



11. Financials

The financial statements that accompany this report confirm AIGN's continued sound financial position as at 30 June 2015.

The financial outcome at year-end showed a deficit of \$9,622. The Board had agreed to a forecast deficit for 2014-15, reflecting both the healthy financial position of AIGN and the difficult economic conditions for members. The resultant deficit was below forecast, despite significant expenditure on external consultants, and is due mainly to a reduction in staff costs and a general reduction in expenses.

The Board agreed that membership fees in 2014-15 will be increased by 2%, given fees were kept constant for the past two financial years.