



App./Cert.	FMS20003
Date	03/07/2009

SURVEILLANCE AUDIT

Client:

VicForests

Site Address:

Level 7 473 Bourke Street MELBOURNE VIC 3001
 AUS
 Bendoc, Swifts Creek and Bairnsdale field offices

Standard(s): AS 4708:2007

Relevant Codes (as applicable)

E0301, E0302, E0303, F01-F06

Scope of Certification:

The registration covers the Forestry Management System for processes involved in the planning for, harvesting and haulage of native eucalypt forest and post harvest regeneration.

The Defined Forest Area is as per the area defined in the Timber Release Plan.

COMMERCIAL- IN – CONFIDENCE

The contents of this report must not be disclosed to a third party without the agreement of the SAI Global Client

DISCLAIMER:

This report has been prepared by SAI Global Limited (SAI Global) in respect of a Client's application for assessment by SAI Global. The purpose of the report is to comment upon evidence of the Client's compliance with the standards or other criteria specified. The content of this report applies only to matters, which were evident to SAI Global at the time of the audit within the audit scope. SAI Global does not warrant or otherwise comment upon the suitability of the contents of the report or the certificate for any particular purpose or use. SAI Global accepts no liability whatsoever for consequences to, or actions taken by, third parties as a result of or in reliance upon information contained in this report or certificate.

AUDIT REPORT

Introduction

SAI Global conducted an audit of VicForests on 29/06/2009 to 03/07/2009.

The purpose of this audit report is to summarise the degree of compliance with relevant criteria, as defined on the cover page of this report, based on the evidence obtained during the audit of your organisation.

SAI Global audits are carried out within the requirements of SAI Global procedures that also reflect the requirements and guidance provided in the international standards relating to audit practice such as ISO/IEC 17021, ISO 19011 and other normative criteria. SAI Global Auditors are assigned to audits according to industry, standard or technical competencies appropriate to the organisation being audited. Details of such experience and competency are maintained in our records. The audit team is detailed in the attached audit record.

In addition to the information contained in this audit report, SAI Global maintains files for each client. These files contain details of organisation size and personnel as well as evidence collected during preliminary and subsequent audit activities (Documentation Review and Scope) relevant to the application for initial and continuing certification of your organisation.

Details of your primary contact persons and their contact details and site addresses are also maintained. Please take care to advise us of any change that may affect the application/certification or may assist us to keep your contact information up to date, as required by SAI Global Terms and Conditions.

Please note that this report is subject to independent review and approval. Should changes to the outcomes of this report be necessary as a result of the review, a revised report will be issued and will supersede this report.

Executive Overview

Overall VicForests has continued to make progress in the development of their forest management systems since certification audit. This audit focused on East Gippsland with visits to Bendoc, Swifts Creek and Bairnsdale offices with field inspections in the first two locations. Bairnsdale is closing down with personnel required to move to Orbost. The level of attention to areas of concern raised has been very good and the audit found that despite the distance of Bendoc and Swifts Creek from the central offices, use and awareness of the system is very good.

Management of resources since the previous audit has been significantly tested as Victoria experienced significant bushfires on February 7th with serious consequences for VicForests both in an economic sense but also for personnel involved or associated. Despite the disruption to normal operations and the need to adjust schedules, personnel and contractors, the system has been maintained and operations continue to be well managed. The continuation of certification has been recommended.

Audit objectives

To determine continuing compliance of your organisation's management system with the audit criteria; its effectiveness in achieving continual improvement and system objectives; and to review the management of any changes in the organisation.

Review of any changes

The most significant change has been the result of the bushfires on February 7th. Six weeks production in the Central Highlands was lost during the fires with personnel involved in containment. Project teams were establishment to manage the changes to the business including people, communication, business planning and salvage teams. Funding has been sought from Treasury to deal with the additional salvage costs and the Allocation Order adjusted to take into account the existing commitments.

AUDIT REPORT

EBA negotiations were put on hold with nominated representatives to review the current offer. A new stakeholder engagement process has been written and submitted to the Board for consideration. It includes a more targeted approach and closer work with the NGOs.

Actions taken on previous audit issues

There has been very good progress to address all areas of concern raised previously. Items have been logged as CAIRs and the numbers were placed against the areas of concern in the audit report to enable an efficient follow up during the audit.

Issues Carried From August 2008

Bairnsdale

- *No CAIR had been raised for an incident which occurred two weeks ago with an investigation conducted by VicForests in relation to supply logs coming off a truck and requiring removal as the result of an accident.*

No CAIR has been raised for this issue as it has been discussed with the Manager Delivery. An incident report and investigation had been undertaken by the section although in viewing these they state that no corrective action was required. The OHS system only requires a CAIR if there is a corrective action. As the current definitions for CAIRs in the forest management system indicate it is to be used to note problems and actions to be undertaken, including preventive, the opportunity to log and discuss clean up of the wood, discussions with the contractor and other follow up has not been taken.

A CAIR was raised for this issue to enable preventive actions to be logged.

- *Currently the haulage permits are not checked as part of the contractor performance system.*

This CAIR is still open as personnel were unsure of which process would be checking on haulage permits. This is likely to also be a part of the haulage induction project.

A contractor compliance register has been written with haulage permits to be provided annually. A review will be undertaken in July/August.

- *There is currently no official system notification form to the cartage contractors to advise of any bus route issues, noise requirements etc and as they don't get a copy of the FOP, it is difficult to determine if issues have been communicated.*

The CAIR remains open as the haulage induction project is still underway.

The evacuation plan map is emailed to the contractors prior to commencement and operations planning will include school bus routes. The haulage induction process is currently being finalised by the OHS coordinator.

Issues Raised January 2009

- *The CAIR process is not being fully utilised to ensure that all actions taken to address the issue are noted, agreed actions are related to the actual issue and there is no root cause analysis indicated on the form that allows identification and allocation of preventive actions.*

The CAIR forms have been reviewed providing prompts for root cause. An internal audit was undertaken looking at OHS investigations and corrective action process with further CAIRs issued.

- *In following through other issues, it was noted that the OHS Regulations 2007 are not*

AUDIT REPORT

considered to be a primary legal obligation on the Obligations Register, only in relation to construction. Another example was the CFA Regulations being considered a secondary obligation yet they were specifically stating no heat engines (and contractors advised) to be used on the total fire ban day. These examples suggest the primary/secondary process may be too subjective to ensure all compliance requirements are identified and checked through the system. In addition, the auditing process has not picked up the CFA Regulations for compliance checking.

A legal review meeting was held with Forest Fire Protection regulations put on the primary listing. The OHS regulations are now also primary listed. A detailed gap analysis has been undertaken and the instruction reviewed.

- *The link in the Obligations register for fertilising on landings indicates the 1996 Agriculture and Veterinary Regulations and not the 2007 version. This suggests that the process for keeping up to date with requirements is not effective.*

Documents have been reviewed to ensure they are updated.

- *Whilst the emergency procedures had been reviewed since 2006, the current version had not been put onto the intranet with the updated personnel and duty officer details.*

The OHS team are to review all documents currently on RedFind, J Drive and the server.

- *The emergency policy referenced in the fire procedures could not be located during the audit.*

The reason was found to be the document logged under a different name. As above, emergency procedures are being reviewed.

- *There was no evidence available to indicate that the requirements of the fire fighting unit instructions or the vehicles, pumps and other equipment are regularly checked for readiness during the fire season on a more frequent basis i.e. there is an annual pre season audit undertaken within the OHS system but more regular checking should be undertaken once the season is underway.*

A Master Vehicle list is now located on SharePoint to indicate maintenance requirements. Personnel have been allocated in both regions to manage the process.

- *Greater guidance is required to be provided for managers using the training assessments and completing the competency requirements as there is still some confusion noted in the regions on how to use the information, request and action training.*

The business process map for training is still being finalised with December 2009 set as the completion date.

- *The current Excel spreadsheets being used for noting skills, status etc need to be followed through by HR or another section of VicForests to ensure they are being completed and provide the required training records at a regional level.*

A new Access database has been created with evidence gathered from the regions.

- *The compliance training matrix being developed indicates that all of the required training is OHS and risk focussed with risk management being developed without the environmental/social focus. This is not indicating that the system being developed is a complete sustainable forest management one. Similarly the 2009 Development Options indicate Safety and Risk rather than the SFMS approach.*

The new database indicates all training with all significant aspects linked to capabilities in the database.

- *There is a system form for recording on the job training however, this is not being used by the regional personnel possibly due to a lack of awareness that it exists and should be*

AUDIT REPORT

utilised for this function.

The form has been simplified and is now in use.

Murtagh's Shoulder 676-530-0004

- *One of the bark heaps was observed to be within the 3m recommended distance from standing vegetation.*

This was discussed at the next team meeting with an agreement to reinforce the controls.

Mansfield

- *The coupe monitoring record forms do not have a requirement to check whether the prescribed retained basal area is being achieved in selection logging regimes in mixed forest (they do for thinning). This is a key requirement and should be monitored.*

Additional information has been added to the coupe monitoring instruction. The harvest method of single tree selection is unique to Mansfield with the Utilisation Procedures not listing every requirement.

- *Coupe plans do not adequately inform the contractor about requirements to protect special values such as biodiversity or heritage. The values to be protected should be identified with the prescriptions (see comments for coupes – Murtaghs Shoulder, Mt Sarah and Stans Track). At present, the intent is to just buffer out an area without explaining the purpose. This will not ensure that the contractor is observant and potentially able to identify any values not previously located.*

A copy of the Context map will be provided to all contractors by the operations planning team. Better descriptions will also be added to the plan and the CAIR has been issued to each region.

Roading

- *Whilst there is a plan to possibly add a field to the ROP for additional conditions set by DSE, this is yet to be picked up by the system to ensure there is a flag for compliance checking.*

A field has been added.

- *There is currently monitoring that some of the requirements are being met e.g. signage, the system is yet to recognise and include this aspect.*

A CAIR is to ensure that all the monitoring has been met.

Silviculture

- *There were no records available to indicate the field training that had been undertaken with personnel to use the Trimble.*

An instruction has been developed and a RecFind file opened for the contractors.

- *In viewing the contractor file for eucalypt seed collectors from Toolangi, it was noted that the Minor Services Contract has a section on Safety and Compliance which refers to the Code however, it was noted that this is the Safety Code with no provision for the timber code and other non safety related forest management compliance requirements.*

The lawyers are currently reviewing all contracts.

FINDINGS FROM THIS AUDIT

AUDIT REPORT

DFA/Logo Usage

The coupes within an approved TRP are contributing to the DFA in addition to those not handed back or finalised as they are waiting on regeneration. Running a DFA query in CIS indicates the current DFA of 86,465ha. Annual fees for use of the AFS/PEFC logos were paid to 30/6/09 with provision in the system to renew this.

Internal Audits, Corrective/Preventative Actions, Management Review, Objectives, targets and management plans

The 2009 internal audit plan includes all offices except Noojee, Heyfield and Cann River with functional audits completed. A full list of VF instructions is being audited and compliance with items on the legal and other register. In May, an audit was undertaken for East Gippsland with CAIRs, induction, stakeholders and logo use tested. Audit records are excellent and indicate issues such as pests and weeds, silviculture, timely regeneration, burn plans, aboriginal and native title issues, CIS etc were all audited including a good spread of coupe files. A further report on the Central region has good field notes.

The entire CIS database was printed out with line by line items highlighted and allocated to a team to address. This has been very well done. The CAIR database was also interrogated with all level 5 and 6 items assessed for root cause, immediate and preventative actions. These were then discussed at the CAIR coordinator meetings. Since May, 17 have been raised and interrogation of these indicates a very good spread of issues being raised. The monthly CAIR report is excellent.

The last management review was undertaken in October 2008 and viewed at the last audit. Objectives and targets for 2009 have been documented and minutes indicate that these should be changed with the corporate plan. Progress has also been noted in the 2008 Sustainability report.

Area of Concern

- The management review minutes do not indicate why some objectives and targets have been removed from the list and why others have been added.

Stakeholders and Engagement

A new stakeholder engagement process is underway with a closer emphasis on NGOs and working with DSE.

The communications register notes stakeholder concerns in relation to firewood collection. A small sawmill proposal wished to obtain wood and VicForests facilitated an agreement for the next online auctions.

Concerns have been raised in East Gippsland in relation to a drainage line being dozed through however, investigations and further communication discussed that this had not been marked as a line by the planners.

A very thorough analysis has been made of the issues being raised by stakeholders with many relating to log trucks and coupe harvesting. Findings have then been placed into the system as CAIRs.

AUDIT REPORT

A full assessment of stakeholders and neighbour management will occur at the next audit as part of the recertification.

A copy of this report is available to the public.

Legal and other requirements and compliance checks

Instruction Legal Register notes the legal and other requirements and was reviewed in April 2009. A monthly report on changes is received from the lawyers and a summary of proposed changes also included. The register was last reviewed in June 2009 and includes the Carbon Pollution Reduction Scheme and impacts on contracts. The draft legislation was thoroughly reviewed. Changes to the aboriginal and cultural heritage regulations have been assessed.

Opportunity for Improvement

- The AS4708 Standard should be included on the Legal and Other register as it is something that VicForests considers an Other Requirement.

Training and Competency

A capability database is being well managed with managers also now fully aware of their responsibilities. Personnel from HR are present and participate in the management meetings and a calendar of training is on the intranet page. Inductions are now all up to date and CAIRs have been issued to all managers to ensure they are being completed.

The training includes a good list of the environmental and social capabilities required and more specific training is now also being organised such as disease and pest management, biodiversity etc.

Opportunity for Improvement

- VicForests might need to consider a central role to ensure the coupe hand back to VicForests is systematic and all requirements are met.

Retained Trees Analysis and Soil Compaction Projects

A write up of the monitoring program for retained trees was produced in June. Consultation included a representative from Melbourne University with eight coupes chosen in both the central highlands and East Gippsland. In spring an assessment will be made of which have survived since last spring and whether they have provided a good habitat. Assessment sheets have been developed by the consultant with good collation of the information and management methods. Another of the projects involves assessment of soil compaction at landings and snig tracks to determine if management methods are effective. Results indicate an increase in compaction closer to the landings due to the extra traffic.

Revised Carbon model

VicForests carbon model needs updating following the February 2009 wildfires however the data is not yet available.

CSIRO have produced the Australian Lifecycle Inventory database for forests and wood products. This project has produced output for native hardwoods of the Central Highlands of Victoria. The
ACTIVITY ID: 257438 (generated 261372 for report)

AUDIT REPORT

major contributions to greenhouse emissions were forest re-establishment, log haulage and fire prevention. The main energy uses contributing to these emissions were haulage and harvesting equipment.

The principal implication from this project for VicForests is the management and where possible the utilisation of coarse woody debris. In the increased utilisation of coarse woody debris VicForests will need to be mindful of potential impacts on biodiversity values.

Productive Capacity

Following the February 2009 wildfires DSE has been doing a fire severity survey but this is yet to be completed. A team from The US Forest Service has completed an assessment of fire damage using Landsat and ground truthing. VicForests is currently using these results which are not expected to vary greatly from the DSE survey. It appears that about 10,000 ha of forest were killed and logging salvage is underway.

Management of the amendments to the TRP as a result of the fire has been better than following the 2006 fires. DSE and VicForests are working to an agreed process and the action time frames have been reduced. Twenty two coupes received early approval to allow salvage to get underway.

Preliminary analyses of the long term impacts of the wildfires on the sustainable sawlog supply do not appear to be significant (about 500 cubic metres per year).

The Allocation Order for timber supplies to VicForests is currently undergoing the scheduled 5 year review.

The reconstruction of the SFRI will be progressed when the fire damage data is available from DSE.

Bendoc Field Office, Seed Kiln and Region

All roading for Bendoc and Orbost areas are managed through this office including the DSE roads. Works planning requests were viewed and are being well managed. Hazards have been identified and detailed notes of special values are included with a peer review undertaken. Two private property pits are used to raise rubble. An excel table is being used to track all roading requirements. Road inspection reports are being very well completed and a white board used to track the currency of jobs.

Comments on the coupe inspections are noted below with full detail in the auditor observation sheets. All records are being well maintained and note good recognition of and management of special values and the timber resource. System documentation is being utilised as required and contractors well managed. Fire fighting preparedness is checked using specific checklists. Burn plans were viewed and site establishment plans for aerial seeding.

At the seed store, JSAs were viewed for seed kiln operation and collection and delivery records found to be as required. Coupes, tags and seed in stock were checked for collation. Seed collection plans were also viewed for 2009.

Areas of Concern

- Personnel were not fully aware of the seed tree selection and markings requirements stipulated in the UP and those involved in roading had no knowledge of the aspects register.
- The Emergency Preparedness procedure at the Bendoc seed kiln is dated January 2004 and has therefore gone beyond the system requirements for document review,

AUDIT REPORT

similarly, the Seed Extraction Guidelines are dated 2001 prior to certification of the system and the separation of the business from DSE.

- The Decision Support Tree in the Bamboo coupe file had not been completed as required by the system.

Opportunities for Improvement

- The table being used to track rock required for roading and amounts used is not yet recognised by the system.
- The US roads guide being used to provide specifications might also be a document to add to the system.
- The control plan for hazards in the Dorothy Angora file had not been ticked as required.
- There is no document control on the Extraction Tracks recording sheet.

Swifts Creek Field Office and Region

Personnel from the roading and harvesting team were available for interview during the audit in addition to tactical planners from Orbost and locally. No harvesting was underway at the time. Active coupes are listed on the whiteboard with 27 currently in operation. Details of the coupes visited are listed below with comments. Contractors were also interviewed on site and there is a good appreciation of the requirements of VicForests including the Utilisation Procedures and the roading requirements.

A visit to the seed store was undertaken and seed stock with coupe numbers was cross referenced. Documentation has been kept as required by the system.

Areas of Concern

- On visiting one of the landings, it was noted that there were a large number of billets and offcuts still left lying around and the topsoil had not been placed appropriately.
- There are DSE personnel currently being used to manage VicForests seed in the seed store. They have not been provided with or inducted into the VF procedures or the risk assessments for the kiln and seed store and personnel interviewed had little knowledge of MSDS and their use.

Bairnsdale Field Office and Region

Further discussions were held in Bairnsdale to follow up on seed store management and induction of contractors used for seed collection. Inductions were viewed for contractors and the JSAs in use. Aspects and impacts associated with seed collection and storage were viewed. Competencies have been developed for habitat and seed tree selection and documentation provided for seed store stocktake and inventory.

Results were viewed of the seed store audits for Bairnsdale, Bendoc and Cann River. Seed kiln inductions were documented in December 2008.

Areas of Concern

- Actions had been noted as required from the completion of checklists for Swifts Creek seed store and at Orbost however, the actions had not been put into the system where they could be recorded and tracked to completion.
- The procedures for the seed stores require monthly cleaning and maintenance forms to be completed however, these were not always being completed and there were

AUDIT REPORT

question marks next to the MSDS section with the person completing the forms unaware of the requirement to keep MSDS within a five year date range.

- Induction forms for seed collection had not been signed and completed as required.
- The system currently provides no indication of the induction dates for the contractors used for seed collection and therefore it is not clear which require may require refreshers.

FIELD OBSERVATIONS

1. Biodiversity Management

- a) It was noted that the biodiversity training module had been developed but had yet to be rolled out. This needs to be addressed.
- b) The monitoring program for retained trees is making good progress and is now at the stage where the next measurement (Spring 2009) will assess tree survival and health following site preparation for regeneration which is predominantly by slash burning. The results will then be written up with recommendations for ongoing retained tree management.
- c) Proactive biodiversity management was observed in Bendoc with machinery exclusion zones established over potential habitat for a threatened plant species.
- d) Contractor seed tree and habitat tree selection is a concern when their competency to carry out the task has not been verified. It is acknowledged that guidance is provided in Schedules 5 and 6 of the Utilisation Procedures (UP) and that the competency of VicForests supervisory staff has been assessed. The competency of contractors could be assessed on the job and documented.
- e) It is suggested that Schedules 5 and 6 of the UPs be linked to Section 6.1 of the UPs which details protection requirements for retained trees during harvesting.

2. Soil and Water Management

- a) Overall the management of soil and water values on the coupes inspected was good. Earth banks were constructed on snig tracks and minor logging roads and landing rehabilitation had been completed. No instances of rutting were observed.
- b) The use of ripping assessments in Bendoc was excellent and on one coupe it resulted in the landing rehabilitation needing to be done again by the contractor.
- c) At Swifts Creek topsoil was not always set aside for landing rehabilitation and there was confusion as to when it was required. Contractors need to be reminded of the requirements in the UPs.
- d) Coupe monitoring has picked some deficiencies in the drainage of snig tracks and these deficiencies were rectified.
- e) There was evidence of excluding steep areas (>30 degrees) from harvesting.
- f) Drainage requirements on a recently constructed coupe access road met requirements
- g) The monitoring program for soil compaction is making good progress. VicForests now has a good understanding of the potential extent of the issues, which areas are most at risk and the importance of landing rehabilitation. Further assessments will be done in Spring, 2009.

Opportunities for Improvement

AUDIT REPORT

- Use of ripping assessments of landings in other areas
- Field days for contractors relating to sections of the UPs where there are deficiencies or when there are changes made to the UPs.

3. Silviculture

- a) The development of the competency for seed tree selection and the training of harvesting foresters, silviculture foresters and tactical planners is to be commended. The competency is scientifically sound and straightforward to interpret.
- b) DSE are currently reviewing the 2008 handback coupes (648 ha regeneration, 444 ha thinning, 94 ha roadlines). No problems are anticipated with the handback. The 2009 coupes for handback are currently being prepared for submission to DSE in August/September 2009.
- c) Implications from past regeneration establishment are the importance of seed tree distribution and when required the need for timely sowing. Greater emphasis is also being placed on assessing the seed crop and early regeneration stocking to determine whether burning and sowing are necessary.
- d) Where sowing is required and there is a deficiency of local seed the seed source extraction zone can be extended from 25km to 35km radius and seed is also matched to elevation, aspect and soil type.

4. Cultural Heritage

- a) Aboriginal heritage was generally well done. Advice from AAV where no sites present was on coupe files. In coupes of potential interest field inspections were carried out by the local Aboriginal community representative.
- b) Where an old mine site was indicated it was identified in the field and excluded from the coupe.

5. Community and Social Requirements

- a) Visual landscape management was good with roadside buffers along key roads and ridge top buffers applied in sensitive locations.
- b) The draft Stakeholder Engagement and Communications Strategy contains a considerable amount of useful information that should provide the basis for the development of a formal strategy and subsequent action plan. At the moment the strategy appears to be more a strategy about developing a strategy as it includes a range of potential options without setting a clear direction (although it does include budgeted expenditure against items for 2009/10). This work is essential and commendable.
- c) Management of the protection of powerlines passing through two coupes was excellent.

6. Coupe Planning

Coupe planning was generally good in Bendoc but some issues were identified at Swifts Creek.

- a) In a number of coupes the coupe implementation varied from the requirements of the coupe plan. These variations generally related to the silvicultural regime applied

AUDIT REPORT

and the selection of habitat and seed trees. There was no subsequent documented variation to the plan. It appears that although proposed amendments were documented by the harvesting forester following the pre harvest inspection with the contractors these amendments were not carried through to the coupe plan by the operational planners. This is a serious issue as it is the coupe plan and the UPs that provide the documented direction to the contractor.

- b) On one coupe plan it stated that biodiversity issues were present and that they should be implemented in accord with the code of practice. Neither the coupe plan nor the coupe map indicated what biodiversity issue had to be managed. How can the contractor implement such a vague requirement?
- c) Peer review did not pick up the issues in 8a and 8b above and commencement and clearances were signed off. How can these sign offs take place when there are errors in the plan and variations between plan requirements and implementation?

Area of Concern

- There were instances noted as described above where implementation of the coupe plan did not comply with stated prescriptions. VicForests need to ensure that unless there is an approved variation, the plan should be followed. Some of these issues are not being picked up by peer review suggesting that this component of the process requires improvement.

Opportunity for Improvement

- Consideration should be given to peer reviews conducted by personnel such as the Harvesting Forester.

The following coupe plans (11) were reviewed and those with an asterisk against them (5) were also field inspected. Notes relating to each coupe below appear in Appendix 1.

Bendoc

Slammer* 892/513/0006
Lexies* 892/503/0007
Sheer Cliff* 901/501/0001
Much Cow Dung* 892/517/0011
Powerlines* 891/516/0003
Cullinans* 891/516/0009

Swifts Creek

Grassy East Ridge* 773/501/0018
D7CAT* 774/502/0009
Blue Grass* 773/501/0006
Bamboo 773/501/0005
Dorothy Angora 770/510/0005

During our next audit the issues identified as requiring attention will be reviewed to ensure they have been adequately addressed, as well as the following:

- Mill door sales

AUDIT REPORT

- Full recertification audit
- Central region
- Roll out of the biodiversity training
- Contracts management
- Management of salvage
- Coupe list for handback

Recommendation

The recommendation from this audit is your certification continues.

Audit recommendations are always subject to ratification by SAI Global certification authority.

This report was prepared by: Sabrina Kerber with assistance from forestry specialist Gary King.

AUDIT RECORD

Audit Team Leader: Sabrina Kerber					
Auditors:					
Observers/Technical Specialist: Gary King					
Total number employees relevant to this audit and site:			136		
Applicable Statutory/Regulatory/Standards requirements (to be identified by the client):			Vic Timber Code, OHS and Environmental legislation		
Exclusions From Standard Requirements:			NA		
Day	Auditor	Audit meetings plus functions/ processes/ areas/ *shifts audited	Audit area employee no	# Shifts*	Result
29/6/09	KERS/KING	Discussion of sites/system changes		NA	✓
		HR – training and competency	2		✓
		Internal audits, corrective actions, mgmt review	2		✓
		Drive Melbourne to Bombala			
30/6/09	KERS/KING	Bendoc office and coupes	6		!
		Overnight Orbost			
1/7/09	KERS/KING	Swifts Ck office and coupes	5		!
		Overnight Lakes Entrance			
2/7/09	KERS/KING	Travel Lakes Entrance to Melbourne poss via Bairnsdale office	2		!
3/7/09	KERS/KING	Allocation Order planning and coupe hand back			
		Legal and other updates and compliance checks			✓
		Low grade wood project development			✓
		Retained trees analysis and revised carbon model			✓
		Objectives and targets and management plans			✓
		Closing discussion			
7/7/09	KERS	Stakeholder Communication, Report Preparation			✓

All applicable requirements of relevant standards are covered during the audit of the 'Functions/Processes/Areas.

* Enter shift details only where applicable.

Results: ✓ = audited no NCR's, ! = Area of concern to follow up, **NCR Nr.** for open NCR's, **NCR Nr. (C)** - for closed NCR's, **(-)** = not fully audited, **(blank)** = not audited

Appendix - Definition of and action required with respect to audit findings

Non-conformity:

Based on objective evidence, the absence of, or a significant failure to implement and/or maintain requirements of the applicable standard. Such issues may raise significant doubt as to the capability of the management system to achieve its intended outputs.

Action required: This category of findings requires SAI Global to issue a formal NCR; to receive and approve client's proposed correction and corrective action plans; and formally verify the effective implementation of planned corrections and corrective action. Correction and corrective action plan must be submitted to SAI Global for approval within 14 days of the audit. Follow-up action by SAI Global must 'close out' the NCR or reduce it to a lesser category within 90 days or less where specified.

In the case of initial certification, failure to close out NCR within the time limits means that the Certification Audit Stage 2 may be repeated.

In the case of an already certified client, failure to close out NCR within the time limits means that suspension proceedings may be instituted by SAI Global.

Follow-up activities incur additional charges.

Area of Concern:

This is an area of the system for which the client is required to investigate potential non-conformity.

Action required: SAI Global may require client to formulate preventive action plan for approval prior to next planned audit / certification decision or alternatively may follow up client's preventive action at the next planned audit. Lack of client attention to such issues implies that a preventive action system is not working effectively.

Opportunity for Improvement:

A documented statement, which may identify areas for improvement however shall not make specific recommendation(s).

Action required: Client may develop and implement solutions in order to add value to operations and management systems. SAI Global is not required to follow-up on this category of audit finding.

APPENDIX 1 – Coupe Plans checked (* and field inspected)				
Office	Coupe name	Coupe number	Species type	Notes
Bendoc	Slammer*	892/513/0006	Mt Mixed Species	Seed tree retention coupe. Coupe planning good – cultural heritage assessment completed. Joint field inspection of boundary with National Park resulted in agreed boundary line. Coupe plan generally good but coupe clearance not signed off. Coupe monitoring well done picking up some snig track drainage issues which were addressed – follow up documented. A ripping assessment of the landing resulted in the contractor having to re-rip the landing – details documented. Habitat tree retention actively managed. Regeneration survey completed with coupe meeting the standard required for handback.
	Lexies*	892/503/0007	Mt Mixed Species	Seed tree retention coupe. Coupe planning good – cultural assessment completed by local Aboriginal community officer; visual buffering along Clarkesville Road; and additional habitat trees required in part of the coupe. SPZ for Little River external to the coupe. Coupe plan good with required sign offs completed. Coupe monitoring well done. Regeneration burn successful. Coupe has been partly sown with the remainder to be sown in the next month using local seed from the coupe.
	Powerlines*	891/516/0003	Foothill Mixed Species	Seed tree retention coupe. Coupe planning good. Recognised the issues of a steep area (excluded from coupe); sensitive ridgeline requiring buffer and power line management. Coupe plan good with required sign offs. Seed tree retention excellent. Natural regeneration good – coupe will not need to be burnt removing potential risks to the power line. Coupe monitoring completed. Contractor fell 4 trees across a clearly marked boundary. A breach was recorded against the contractor under the Timber Harvesting Regulations.

	Cullinans*	891/516/0009	Foothill Mixed Species	Seed tree retention coupe. Coupe planning good. Checked for modeled rainforest – not present. The need for a ridgetop buffer (checked with DSE) and the protection of the power line were recognised. Coupe plan good with relevant sign offs completed. Southern Energy laid the power line down twice to enable harvesting of nearby trees. One tree was accidentally felled across the coupe boundary into a streamside buffer. It was decided to leave the tree in situ rather than create a potential channel for soil and water movement by removing the tree. Landing rehabilitation and snig track drainage good. Coupe aerielly burnt and sown with local seed. Up to 50% of the seed trees were killed by the burn however regeneration appears to be good (yet to be surveyed).
	Much Cow Dung*	892/517/0011	Foothill Mixed Species	Thinning coupe. Coupe plan good with relevant sign offs completed. DSE approved the location of a landing external to the coupe. Thinning completed in accord with requirements for retention of dominants and basal area retention. Logging damage well within allowable damage limits- 9.5% v. 15%. Coupe monitoring well done.
	Sheer Cliff*	901/501/0001	Foothill Mixed Species	Seed tree retention coupe. Current active coupe. Coupe planning good – threatened species <i>Viola caleyana</i> not found but machinery exclusion zone established around potential habitat; minsite located and excluded from the coupe; stream buffers established; and scenic buffer retained along McKillops Road. VicRoads consulted on access to the coupe from McKillops Road. Coupe plan good with commencement sign off completed. Fuel trailer bunded.

Swifts Creek	Grassy East Ridge*	773/501/0018	Alpine Ash	Clearfell coupe. Coupe plan prescribes seed tree retention and marking of seed and habitat trees. However the coupe is being managed as a clearfell coupe with contractor selection of habitat trees. Notwithstanding these contradictions the coupe plan was signed off. Habitat trees were retained in the corners of the coupes. Coupe monitoring records was completed. Track drainage was completed satisfactorily. Landing rehabilitation was yet to be done however no topsoil had been set aside for this purpose.
	D7 CAT*	774/502/0009	Mt Ash	Clearfell salvage coupe. New temporary access road to the constructed – graveled where necessary and drained to required standard. Coupe plan good except for condition for habitat tree selection which requires trees to be marked whereas contractor habitat tree selection is being implemented. Coupe boundaries clearly marked. Coupe monitoring being carried out.
	Blue Grass*	773/501/0006	Ash	Clearfell coupe. In planning montane riparian thicket identified and required buffer prescribed. Coupe plan good except for condition for habitat tree selection which requires trees to be marked whereas contractor habitat tree selection is being implemented. Coupe monitoring records completed. Issues relating to snig track drainage and bunding around a fuel trailer identified and addressed. Two trees accidentally felled across the coupe boundary were pulled back and utilized. Coupe plan commencement signed off and clearance about to be signed off.
	Bamboo	773/501/0005	Alpine Ash	Clearfell coupe. Coupe plan sign offs completed up to provisional clearance. Coupe monitoring carried out with good checks and follow through on snig track rehabilitation. Silviculture flow chart not completed.
	Dorothy Angora	770/510/0005	Ash	Clearfell salvage coupe. Coupe plan prescribes seed tree retention but actually implemented clearfell salvage. Documented on pre-harvest insect checklist but coupe plan not amended. Coupe plan says other biodiversity issues present” to be managed as “per code of practice”. Other biodiversity issues not identified in plan or on coupe map – what does this mean? How can it be implemented? Coupe monitoring was carried with no significant issues identified. Silviculture flow chart not completed.