
Audit Report

Surveillance audit for

VicForests

Level 7, 473 Bourke Street, Melbourne, VIC, 3001, Australia

Certificate No.: FMS20003

Audit Date: 17/06/13-24/06/13

Work Item I.D.: AU-324378

BACKGROUND INFORMATION

SAI Global conducted an audit of VicForests on 17/06/2013-24/06/2013.

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. This audit report considers your organisation's policies, objectives, and continual improvement processes. Comments may include how suitable the objectives selected by your organisation appear to be in regard to maintaining customer satisfaction levels and providing other benefits with respect to policy and other external and internal needs. We may also comment regarding the measurable progress you have made in reaching these targets for improvement.

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.

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.

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.

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.

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.

Standard(s):	<ul style="list-style-type: none"> 4708:2007 Certification
Code(s):	<ul style="list-style-type: none"> 02, F01-F06
Scope of Certification:	<ul style="list-style-type: none"> 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.
Number of Staff:	<ul style="list-style-type: none"> 132
Shifts:	<ul style="list-style-type: none"> 1
Total audit duration:	<ul style="list-style-type: none"> 44 hrs
Audit Team:	<ul style="list-style-type: none"> Sabrina Kerber - Lead Auditor, Gary King – Industry Expert
Other Participants:	<ul style="list-style-type: none"> JAS-ANZ observers David Syme (Auditor) and Richard McCarthy (Industry Expert)

Definitions and action required with respect to audit findings

Non-conformance:

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

NOTE: The "applicable Standard" is the Standard which SAI Global are issuing certification against, and may be a Product Standard, a management system Standard, a food safety Standard or another set of documented criteria.

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 activities. Correction and corrective action plan should be submitted to SAI Global prior to commencement of follow-up activities as required. Follow-up action by SAI Global must 'close out' the NCR or reduce it to a lesser category within 60 days for surveillance audits.

If significant risk issues (e.g. safety, environmental, food safety, product legality/quality, etc.) are detected during an audit these shall be reported immediately to the Client and more immediate or instant correction shall be requested. If this is not agreed and cannot be resolved to the satisfaction of SAI Global, immediate suspension shall be recommended.

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: Area of the system for which the client is required to investigate potential nonconformity.

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, and could result in an NCR being raised at a later date.

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.

Executive Overview

The purpose of this audit was to determine continuing compliance of your organisation's management system with the audit criteria; and its effectiveness in achieving continual improvement and system objectives.

This audit has again found that the forest management system at VicForests continues to evolve and improve as new tools are introduced and processes expanded and enhanced. There has been significant improvement in the use and awareness of the system across the East Gippsland region and of note is the greater focus on documentation and records management. Training continues to be well resourced and managed and is leading to this increase in awareness.

The new CENGEA data management system and implementation of the Risk Wizard will benefit the business as they are fully rolled out and implemented. Significant improvements have also been made in the recording and investigation of complaints and other issues and mechanisms for identifying and investigation special values on all coupes is also being very well done and documented.

There are few areas of concern that require follow up from this audit as many of the systemic issues have already been detected and rectified during the previous internal audit.

Recommendation

The recommendation from this audit is that your certification continues.

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

This report was prepared by: Sabrina Kerber with the assistance of Gary King M. Nat. Res.; B.Sc. (For) as the industry expert.

The assistance of all VicForests staff from Orbost and Swifts Creek is appreciated particularly given the weather circumstances and audit plan changes and SAIG would like to specifically thank VicForests for allowing JAS-ANZ personnel to observe the audit process at both CSO and Orbost office.

Meeting Attendance Register

Name		Entry	Exit
Krystina Kny	VicForests – Manager Environmental Systems	✓	✓
Bill Paul	VicForests – Manager Risk and Compliance	✓	
Nathan Trushell	VicForests – Director Corporate Affairs	✓	
Gary King	SAIG Technical Specialist	✓	✓
Sabrina Kerber	SAIG Lead Auditor	✓	✓
David Syme	JAS-ANZ Auditor	✓	
Richard McCarthy	JAS-ANZ Technical Specialist	✓	
Deon Kriek	Operations Manager East Gippsland		✓

Review of any changes

A full briefing on changes was presented by the Director Corporate Affairs and included the following:

- The Future Ash project has been completed.
- A process of forward selling sawlog from 2017 has commenced.
- The 20 year resource outlook predicts a 25% reduction in harvesting.
- CENGEA, a new business system has been implemented since January 2013.
- A pre audit will shortly be undertaken against FSC principles with the intent to obtain certification.
- Government changes have seen the merger of Department of Sustainability and Department of Primary Industries into one body, the Department of Environment and Primary Industry.
- A possum advisory group has been established in conjunction with Zoos Victoria and VAFI with a focus on the Leadbeater's possum.
- The My Environment/VicForests appeal will be judged on 24th June 2013.
- Audits on performance are being planned by the Victorian Auditor General's Office.
- The Ironwood project is underway.
- Complaints have been received in relation to potential logging at night.
- The new Risk Wizard database has been populated and is in a trial mode before being rolled out for use.
- A new website has been launched with all audit reports published.

Actions taken on previous audit issues

All previous audit actions have again been managed through the CAIR process. The non-conformance raised at the July 2012 audit was very well managed as reported in the follow up audit undertaken in October. Areas of concern from both of these audits are listed below with the original text shown in *italics*. Further comment and verification from this audit is noted below each item. Those areas of concern which are now closed are marked with an open dot 'o'.

As the previous audit was a triennial, there were a number of areas of concern raised due to the greater depth and broader scope of the audit.

To assist with the follow up of actions to address the areas of concern, VicForests provided a compilation of records and CAIR (corrective action and incident report) documents specifically prepared for the audit team. This was much appreciated and assisted with reducing the time required to review progress particularly as this audit involved a lengthy travel period to access the East Gippsland region.

The follow up sheets note the area of concern, responsible personnel, date of action, actions completed any systemic issues and list the attachments that have been provided.

FMS System Elements

- o *There are inconsistencies in the completion of burn plan documentation in relation to the result of the operation. Names and signatures are being noted with no comment on the burn. The system may need to be clearer on how the burn plans contained in the files are to link with the information and sign offs in FireWeb.*

The VicForests Instruction Burn Planning has been updated in May 2013 to clarify which sections are mandatory fields that are required for completion. Compliance has also been audited of this through the internal audit.

- o *The LBP Guideline and Rainforest Identification documentation requires a date to indicate currency.*

The Field Guide has been reviewed, updated and document control added. The issue of missing controls prior to loading on SharePoint has been addressed through one point of contact for document control.

- *Several of the Instructions were found to have passed their review dates including the legal register and the browsing assessment.*

A VicForests instruction register was created in November 2012 and can now be sorted by review date. Instructions from other departments have also now been included on the register ensuring the full system is in use across the business. This is a very positive step and consolidates all business information.

Compliance with legal and other requirements

- *Personnel involved in the process of identifying and keep up to date the legal and other requirements have not been made aware of the relevant VicForests Instruction.*

The VicForests Instruction – Compliance Register was reviewed and updated with regard to the specific roles and responsibilities. A procedure alert was issued and further discussions held at the quarterly compliance register meetings.

- *The VicForests form, Legal Query and advice on changes is not on SharePoint.*

This was found to be an obsolete form. The changes made to the register will now prevent this issue from occurring.

- *It could not be determined what the process is for keeping up to date with changes to 'Other' requirements as the focus is on legal requirements.*

All requirements are now included in the new Risk Wizard database and the new system will keep changes updated.

- *The records in the legal register require review as some were found to be incomplete and the EPBC Act which would be assumed to be relevant has not been listed. In addition, there are no dates listed for many items and therefore difficult to determine currency.*

The word document legal register is now in Risk Wizard which will ensure dates and updates are recorded. The EPBC Act was reviewed and a new section allocated for legal and other requirements that are information only. In the process, the Firearm Act was found to be relevant and included.

- *The consequence in the legal and other instruction refers to major and catastrophic however, it is not clear how this is intended to link to the significant aspects and impacts.*

These rankings were removed during the update of the Instruction. The new Risk Wizard is intended to capture all information.

- *The agreements are not currently located in the legal register and there was some uncertainty on how compliance is currently being checked against these.*

There is a separate Contracts register in SharePoint and the Contract Manager is responsible for ensuring compliance. Some agreements will be in the Compliance Register and managed through that process.

Internal Audits, management review

- *The internal audit procedure discusses medium, high and extreme ratings but provides no indication of what criteria is being used to determine these.*

The matrix defines the ratings based on the frequency of audit and actions required

however, the Instruction was updated to ensure consistency with the VicForests Risk Rating Matrix.

- *Whilst there have been considerable improvements and work in the internal auditing process and schedule, there is a concern that components of the system developed in relation to the AFS are not being internally audited e.g. the biodiversity identification and assessment process conducted by CSO and in the regions.*

The internal audit undertaken in April-May 2013 included biodiversity identification and assessment and the communication between CSO and the Districts. The schedule has been reviewed and all components included in the annual coverage.

Biodiversity

- *In the light of some habitat tree mortality due to regeneration burns and now that this mortality has been quantified there is a need to review the current habitat tree prescription in terms of number of retained trees, their location and arrangement in the coupe and/or surrounds.*

A new VicForests Instruction – Regrowth Retention Harvesting was released in April 2013 based on the research that has been undertaken. The system will now report on mortality of habitat trees taking into consideration of those contained within the perimeter of the coupe in addition to those isolated within.

Alexandra District Files

- *Documentation in the coupe file for The Corner has not been fully completed i.e. the FMO has not signed where required, there are no ticks for the hazards and the road works plan was found to be incomplete.*

Internal audits have focussed on correct completion of coupe file documentation and as a result compliance has improved.

- *The induction provided by the site supervisor at Wattle Road was not appropriately or fully conducted.*

Training has been provided for the new site operator on how to induct visitors to site. In addition, all truck drivers and regular visitors have been reinducted.

DFA and Statistical Monitoring Protocols

The Defined Forest Area is the area of the DSE approved Timber Release Plan (TRP) as published on the internet and represented in the VicForests GIS system. The DFA will also include any coupes from previous TRPs that have not yet met regeneration criteria and handed back to DSE. VicForests formally publishes the DFA within the Sustainable Forest Management System (SFMS) document Scope of Australian Forestry Standard (AFS) Certification. The last published calculation prior to recent handover was 107,545ha and this figure remains as the published amount until updated in May 2013.

A VicForests' 2013 Area Statement has been released discussing the current area of native forest in Victoria by forest type, forest management areas, available forest for timber harvesting, suitable forest and the current annual harvest program in proportion to these.

As per the previous audit report, the AFS logo usage fees were current and are due after July 31st 2013. A new invoice is yet to be issued by AFS Ltd.

The AFS and PEFC logos continue to be in use on the policy, corporate reports, the website and all formal external documentation.

Statistical monitoring has been applied in the Ironwood project discussed later in this report. There have been no other new monitoring programmes developed over the past six months that have

required new statistical analysis.

The new certificates issued by SAIG as a result of the last recertification have been received and indicate the new expiry date. Scope has been correctly documented.

Management responsibility

The commitment from management to the system is documented in the Sustainable Forest Management System (SFMS) policy which has not changed since August 2012. This also displays the AFS and PEFC logos.

VicForests management are fully supportive of the ongoing development and improvement of the Sustainable Forest Management System (SFMS) and have shown this through the excellent resourcing both in personnel and the development of improved databases to manage information. There is a strong commitment to training and reporting processes ensure top management are fully informed of the status of various performance indicators that have been developed across all performance requirements of the AFS and inherent in running a sustainable timber business.

Periodic Evaluation and Review of Compliance with Relevant Legislation and Regulations

The areas of concern previously raised and the shift of the Compliance Register into Risk Wizard has prompted further review of the legal and other requirements relevant to VicForests. The Utilisation Procedures have been developed to incorporate many of the compliance requirements and as such, the coupe monitoring that is routinely being completed is picking up on any potential non-compliances.

Additions to the register include the seed collection licences and the Child Act is also currently under review. The new category of relevant but not compliance requirement will ensure that other regulations will come under scrutiny.

Internal auditing is also being used as a mechanism for identifying any compliance issues.

Progress of Planned Activities to Improve Performance – Objectives and Targets

Current objectives and relevant targets to manage significant aspects are documented for 2012-2013. The VicForests Instruction – Objectives and Targets notes that these are to be reviewed on a quarterly basis for performance. As management review is still to be held in July, the objectives and targets will be updated and ratified at that meeting. These will be viewed in detail at the next surveillance audit.

Area of Concern

- There have been no recent quarterly reviews provided as per the Instruction.

Stakeholder Consultation and Summary Report

As VicForests have launched a new website, all external audit reports are now available for public viewing. This has caused some stakeholders to revisit comments made in earlier reports on issues that are either before the courts or have been resolved in this manner. These issues were followed up with VicForests and investigated however, no new information has been received and actions taken to address previous concerns have been completed and proven to be effective.

As discussed at the previous audit, there is a litigation strategy now in place within VicForests. The CEO is working on improving the rapport with various stakeholders including My Environment and the Wilderness Society with an invitation issued to join the possum advisory group.

There were no significant stakeholder issues with regard to the communication processes or actions being undertaken by VicForests other than those already raised directly with them and managed through the internal processes.

Complaints and Non Conformities

The complaint received by SAIG was passed onto VicForests and entered into the CAIR database. None of the issues in this complaint had been previously raised with VicForests and it was noted that they refer to events from harvesting in 2008. The two key issues were harvesting an ANU

monitoring site and harvesting in the Armstrong catchment. There is close communication between ANU and VicForests and all monitoring sites are located on a specific layer in the GIS database CENGEA. Procedures have been improved since 2008 and the investigation into these two issues has been thorough. Specific investigation reports are now prepared for issues of this nature with very good independent investigators and reporting.

The recent audit by SKM against the DSE (Department of Sustainability and Environment) audit module 5 results have all been added to the CAIR database and thoroughly investigated. Three areas of non-conformance were noted.

A protesters log has been compiled for East Gippsland with around 10 protests held this year. Excellent file notes are now being kept and DEPI were providing a debrief after which the SOP will be reviewed and VicForests Instructions updated. The new process of having Fisheries officers attending to protests and arresting any trespassers has assisted with the work being able to continue and to assist with safety of all personnel involved.

A complaint was received in relation to harvesting along Murringower Road which is a forest interpretive drive. The complaint related to initial concerns from a stakeholder managing cycling tours. VicForests personnel met with the individual and discussed the issues. An agreement has been made to ensure each coupe is assessed on merit. This is logged in the coupe file and the communications register.

Opportunity for Improvement

- The link between the Investigation Report number and the CAIR could do with some improvement.

Internal audits, management review

Internal audits have now been combined with the OHS audits and the relevant Instruction updated. Three core auditors have undertaken a five day integrated audit course. The audit focus areas will take a lead from management review and the CAIRs that have been raised. A three week internal audit was completed in April/May 2013 and the report prepared to cover SFMS and OHS requirements. This has been thorough and included all branch offices in addition to CSO components.

The next management review is due next month after the final sustainability reporting is complete. This change in timeline will ensure that all data is available at management review to enable decisions to be made on resourcing, funding etc. and focus areas for system improvement, internal audits and training.

Identification of environmental, social and economic aspects and determination of their significance

A new database Risk Wizard has been installed and is currently being populated with data from the aspects and impacts register (environment and social), compliance register and corporate risk register (economic and business). This has not yet gone live and as such will be fully audited for conformance to Standard and certification requirements at the next audit. Once the trial is completed, training will be rolled out to all personnel and then one on one sessions are to be held.

Significant aspects are still those ranking as high and extreme with a listing provided at the time of audit to allow an overview of the effectiveness of the new database. The summary reporting process is enhanced by the ability to review the actual activity, aspect and inherent ranking through the datasheets that provide base information.

Area of Concern

- Whilst the aspects and impacts register is basing the significance of the impact and hence, aspect on the inherent risk value, the items in the corporate database are ranked on

residual. The system will need to ensure that this is clear in the process as these registers are being merged.

East Gippsland District Office and Field Visit

This surveillance audit focused on East Gippsland with visits to Orbost regional office and Swifts Creek branch office. Due to the extremely wet conditions and closure of the bush, field inspections could not be carried out. The planned visit to Bendoc field office was also cancelled due to the heavy flooding and poor access and as a result the plan was changed to incorporate Swifts Creek. This provided an opportunity to visit the Benambra log storage depot which was accessible from the main road.

The market for sawlog has remained a constant in the region however; there has been a significant reduction since Christmas for pulp. The current personnel located at Orbost include four regeneration staff, three planners, four product delivery, two roading and six tactical planners. The office totals approximately thirty with four personnel at Bendoc and three at Swifts Creek.

The region provided resources and equipment as support during the fire season with a significant fire in the Harrietville area which burnt through the Alpine National Park. No actual fire damage occurred within the TRP although two proposed coupes were burnt over.

Roading

Roading personnel from Bendoc and Orbost were interviewed and a number of coupe files reviewed from both districts. All roading personnel have attended the rainforest training and the communications register indicated that discussions with neighbours, the Shire and other industry road users had been well documented prior and during works.

The road works plan for Queensborough River Road indicated good documenting of the activity and potential impacts, controls and very good notations on changes made. Apiary sites, exclusions zones and special values had been checked and JSAs completed. The works plan also contained the emergency evacuation plan. Coupe monitoring is also now being well done and the works diary used to note any particular issues or specific instructions.

The Splitsville road works plan demonstrated the location and management of Aboriginal Affairs Victoria (AAV) searches and site communication to contractors. Rare and threatened species had been noted and the location of a Special Protection Zone (SPZ). The notes and hand drawn details are excellent and further information and checks from the biodiversity planners is now well embedded in normal work methods. Maps have improved and the clear notes with colour at the front of the plan provide excellent and immediate warnings of values requiring protection.

At Ezards Track, the road improvement was undertaken within an area of European Heritage in the form of old mine workings and town site relics. These had all been hand marked with pink tape and a very good cultural heritage report undertaken.

The level of awareness, documentation and records detail and new communication methods to highlight values requiring protection is excellent and a considerable improvement from previous audits of roading.

Opportunity for Improvement

- An old specification table for roading was found on display in the office and the level of knowledge and understanding of the VicForests Instruction for roading will require some attention.

Product Delivery

Log storages, contracts and supply agreements are monitored through this group with log specifications noted in the Timber Sale Agreements. Any issues with log delivery are documented on the log feedback docket. Only one log storage is located in the District at Benambra. The most significant aspect associated with activities is the potential interaction with school bus routes. A

procedure has been written to document the process of annually obtaining the bus route listing and plotting any interaction with a DEPI or Shire road. Notifications are then sent to the school bus coordinators.

Haulage route specific conditions were viewed for the Fantabulous and Splitsville coupes. Notations in the plans are made in red if there is a school bus route. School bus safety alerts had been issued for Splitsville and passed on to the school bus board.

Area of Concern

- The coupe commencement advice had not been updated to show the junction with the Buchan-Orbost road.

Planning

The 2013 TRP amendment has just been completed with all records documented in a RecFind file. No briefings were undertaken in East Gippsland this year as engagement was via newspapers and direct with stakeholders. All relevant stakeholders were emailed with details obtained from the stakeholder database. The external website was changed and used as part of the stakeholder consultation process with copies of maps and lists of coupes made available to all who requested them. The community feedback period was over a one month period and all responses summarised.

Key concerns included the water quality impact in the Glen Willis catchment close to the township and haulage route issues. A field day was held to discuss these issues further and stakeholders have been directed to the Ovens office personnel for further communication. Other concerns included rainforest and threatened species and the potential of clearfall in mixed species coupes. This issue was further discussed and explained.

The new CENGEA database has made the provision of maps and information a smoother process and overall the process has been very well documented and thoroughly undertaken.

Indigenous Communication

Responsibilities have now been passed on to manage liaison and communication with local indigenous groups and individuals since the community liaison officer left the organisation. The registered group, Gunai Kurnai Land and Water Aboriginal Corporation, has been recognised and communication channels established. Programs to provide training in regeneration surveys, seed collection, and tree planting and spraying are being planned to enable local groups to tender for some of the field work. Firewood commercial businesses are also being considered.

All communication with the groups are being very well documented in the communications register and indicate the first training session that was held and communication with the other local groups. Cultural awareness training has also been completed for some staff and very good brochures were obtained to assist with cultural site and artefact recognition.

Opportunity for Improvement

- RecFind training is being planned to ensure that personnel are using the system to document the records that are generated through these various processes.

Orbost Seed Storage

A visit was made to the Orbost seed store which is located in the DEPI compound. As regeneration activities have recently been completed, a stock take is now underway. An OHS audit has resulted in a number of improvements around hazard removal or management. One of the more obvious of these is the change in drum size to allow easier handling but also stacking of seed in the store. At the time of audit, a few sacks of *E. obliqua* had been collected and were on hold waiting for the remainder of the stock. The store itself is well organised and seed clearly marked and noted in the database to ensure there is adequate and correct seed from the coupe or provenance for regeneration.

MSDS for the few substances at the site were up to date.

Areas of Concern

- There are a few examples of old or obsolete documentation and records in the various offices at the seed store which need to be better managed and others that require document control. These should have been noted during regular monitoring inspections or internal auditing.
- The sticker on the scales appeared to indicate that calibration may have been due in August 2012. It was discussed that the sticker may be old however, records were not able to be viewed to confirm calibration at this audit.

Swifts Creek

The office was not due for a visit at this audit however, local personnel made themselves available due to the inability to reach the Bendoc office. Discussions were held with harvesting, tactical planning and product delivery personnel.

Training undertaken since our last visit has included first aid certificate updates, regular Friday training attendance in Orbost for sessions provided by the team from risk and compliance, EVC training and rainforest and Montane riparian thicket reviews.

Some rehabilitated tracks have had to be opened up again to provide fire access however, this was done in conjunction with DEPI. Harvesting coupes are listed on the whiteboard and two contractors have moved out of the region. The only complaint was in relation to a noisy log truck which was being managed. The historical artefacts on the Ezards coupe were hand marked by personnel from Swifts Creek using the blue boundary tape.

Benambra Log Storage Facility – Field Visit

Documentation for the facility is kept in the Orbost office and included the monitoring records, a copy of the new agreement and the log storage plan. All of this documentation has been prepared since December 2012. The coupe diary is being well used to communicate with the contractor managing the site as there are times when VicForests personnel may visit and no one is on site.

The facility itself has approximately 5000 tonnes currently in storage and is located north of Swifts Creek branch office.

There were no personnel at the site when the visit occurred.

Areas of Concern

- Whilst the Hazard ID sheet attached to the log storage plan notes the generic hazards associated, there has been no specific aspect and impacts assessment completed using

the Log Storage Site Risk Assessment as required by the Instruction.

- There are additional hazards such as the proximity of the house to the log stack and the short logs on the house side that are not documented. The system should be ensuring that as these additional hazards are noted, controls are put in place and monitored during visits.

Opportunities for Improvement

- The log dump plan does not appear to provide any form of prompt to note if appropriate fire equipment or mitigation measures are located on the site for certain hazardous times of the year.
- There does not appear to be an emergency evacuation plan developed for the site.

Coupe File Review – Orbost/Bendoc/Swifts Creek

As there could be no field work on this visit due to the heavy flooding and bush closure, more of the coupe files were reviewed than normal. Files from all three offices were available and the review examined all components of the AFS in the process.

General comments in relation to forest management principles gleaned from the coupe files and discussions with staff are summarised as follows:

Biodiversity Management

- Surveys using cameras for Long-footed potoroo continued.
- The statically sound camera survey technique used for potoroos was extended to a potential Smoky Mouse, *Pseudomys fumeus* habitat site on East River coupe (767/503/0011). The habitat was flagged by Wildlife contractors. The survey identified several species but not Smoky mouse.
- The “Ironwood project” (see 2b below) has an objective that leaves the site in a state where the biodiversity values are retained or can quickly recover to pre-harvest levels. Cameras are being used to monitor use of sites by wildlife pre and post-harvest. Results are not yet available.

Opportunity for Improvement

- VicForests will need to consider developing an improved and quantified understanding of the distribution of habitat trees in the forest landscape particularly in proximity to harvested coupes.

Sustainability of Timber Production

- The projected dip in available ash sawlog has been brought forward from about 2028 to 2017/18. This follows work on the ‘Future Ash’ project which was directed at quantifying and characterising the modelled potential ash sawlog shortfall. The shortfall is largely due to the impact of three major bushfires since 2003. The long term outlook for Ash is good with an on-declining yield post 2018. The supply of mixed species remains steady in the immediate future increasing in the long term.
- The “Ironwood Project” is progressing well with the three sites, Dogs Back, Bad Computer and East Wingan now harvested. This project has a number of objectives including:
 - a. Maintaining a multi-aged forest with a range of tree sizes and species;

-
- b. Provide conditions for any under-represented durable species to return to the site; and
 - c. Saw millers and contractors to make a commercial return from the operations.

Preliminary analysis of harvesting at the Dogs Back site was available including pre and post harvesting photographs. Retained trees met desired retained basal area requirements. There was a good seed crop on retained trees. There was adequate mechanical disturbance to create a seedbed for natural regeneration in the gaps. Harvested volumes have been recorded in an approximate ratio of one part sawlog to three parts non-sawlog material.

Soil and Water Management

- Consultation was carried out with East Gippsland Water when harvesting was to be carried out in their water supply catchment.
- The coupe files reviewed recorded no significant incursions into streamside buffers. There was also an excellent example of landing rehabilitation demonstrated through photographs on Ranger coupe (see Appendix 1).

Carbon Cycles

- The “Ironwood Project” includes the objective to maintain or improve total carbon balance through sequestration in harvested products and growth of the retained forest. As the project is in its early stages results are not yet available.
- VicForests is a partner in a project titled “Carbon stocks and flows in native forests and harvested wood products in SE Australia”. The project is coordinated by Forest and Wood Products Australia and other partners include NSW DPI, CSIRO, DEPI, Forests NSW and AFPA. VicForests is in the process of selecting two Mountain Ash sites for assessment in Spring, 2013. One site should be 1939 Ash with no history of harvesting. The second site to be selected will probably be 1939 Ash that has been thinned or selectively harvested.

Silviculture

- The “Ironwood Project” is also a silvicultural trial directed at improving the productivity of mixed species forest (see objectives and preliminary results under 2b above)
- The seed bank database includes, apart from details of seed collected, details of the species mix on the coupe and site characteristics. The seed bank database has links to CENGEA. In selection of seed for sowing on a coupe - the species, proximity of the seed source to the coupe and site characteristics such as elevation, aspect and soil type are taken into account. The amount required can be modified in light of natural regeneration present (from preliminary seed survey). Seed requirements for coupes on the program for regeneration are determined well ahead to ensure that seed required by VicForests is not sold for external purposes. Details of seed sown are also recorded on the coupe files (see Appendix 1 – Coupes Clinton and Ripper). The seed bank database keeps a sowing record by date, species and weight (kg).

Heritage

- On Bismuth coupe (see Appendix 1) and artefact scatter was identified. Consultation was held with a representative from AAV before allowing the operation to proceed.

Coupe Planning and Implementation

- The implementation of the coupe planning checklist (CPC) was variable on the coupe files checked with officer sign off and peer review sign off not always completed. Tactical planners often complete sign off and peer review within their own process and do not necessarily complete the process again on the CPC. It is understood that the use of the CPC process is currently under review to both ensure efficiency and due diligence.
- The Timber Release Plan (TRP) is amended annually but with more coupes towards the end of the plan period. The need for amendment is in part determined by the length of the TRP period. Tactical planning attempts to be 2-2.5 years ahead of operational planning. This lead time has now been achieved but it was not always achieved in the past. Events such a wildfire, wind throw, new biodiversity exclusions and road closures can lead to the need for amendments. Planning also needs to meet seasonal access requirements for harvest at three levels – summer, shoulder and winter coupes. All coupes submitted for TRP amendment have been subject to field reconnaissance by Tactical Planning to determine their viability. Current amendments to the TRP are with DEPI for approval and no issues are anticipated.

Opportunity for Improvement

- VicForests may need to review of how coupe planning components should be checked and peer reviewed.

The following coupe plans (15) were reviewed. Notes relating to each coupe below appear in Appendix 1.

Poddies
Rock on Ernie,
Weeping Willow,
Bismuth,
Ranger,
Ripper,
Tweedledum,
Centre.

Flattened House,
Turtles Back,
Clinton,
Good Ole Boys,
Slime Time,
Gravitron,
Slim Pickens,

APPENDIX 1 – Coupe Plans checked					
Office	Coupe name	Coupe number	Species type	Area (ha)	Notes
Orbost	Poddies	566/506/0005	Mixed Species	30	Seed tree retention coupe. Tactical planning updated from original process in 2009/10. Coupe Planning Checklist (CPC) completed but not peer reviewed. Coupe plan well done with appropriate sign offs. The 120ha rule identified as a potential issues. Managed through coupe marking to ensure to ensure the total net harvested area did not exceed 120ha. The adjacent coupe involved was Sassy, 866/506/006. Coupe diary and coupe monitoring records (CMR) completed. Regeneration burn reconnaissance documented.
	Flattened House	832/509/0032	Foothill mixed species	38	Thinning coupe. CPC done but not always signed off or peer reviewed. Tactical planning well done with special values addressed. Coupe plan well done with appropriate sign offs. Liaison with DEPI in regard to buffers on growth and research plots documented. Threatened plant, <i>Olearia allenderae</i> identified in vicinity of coupe (not on DEPI overlay) and included in an SPZ. Post-thinning assessment progressively done. Initially retained BA was too low and this was adjusted to meet specifications. The percentage damage to retained trees was 8.8% below the specified maximum of 15% allowed.
	Rock on Ernie	765/504/0003	Alp. Ash	27	Clearfall coupe. Tactical planning well done with special values addressed. CPC completed with the exception of Tactical Planning. Coupe plan well done with appropriate sign offs. Visual issue taken into account with additional scenic reserve. SPZ takes into account presence of Powerful owl and threatened plant <i>Utricularia monanthos</i> . Coupe boundary with National Park agreed with harvesting to marked boundary. Grazing lessees advised of harvesting.

	Turtle's Back	834/506/0002	Coastal mixed species	22	Seed tree retention coupe. Tactical planning well done with potential issues identified including rainforest, Spotted-tail quoll, Long-footed potoroo and Lilac lily. Survey carried out for potoroo. CPC completed. Approval to harvest obtained from DEPI subject to creation of appropriate SMZs. Coupe plan yet to be completed with commencement of harvesting awaiting that process.
	Clinton (Nowa Nowa)	806/501/0015	Foothill mixed species	29	Seed tree retention coupe. CPC completed and peer reviewed (Except Tactical Planning). Tactical planning completed – no special values present. Coupe plan well done with appropriate sign offs. Coupe diary and CMRs completed. Regeneration burn planning and operation documented. Seed crop and subsequent aerial seeding recorded. Seeding carried out with Silver-top Ash and White Stringybark. Seeding takes into account natural seed source remaining on the coupe.
	Bismuth (Cann River)	874/507/0011	Foothill mixed species	24	Seed tree retention coupe. CPC completed and peer reviewed (Except Tactical Planning). Tactical planning completed. Potential biodiversity issues identified. Aboriginal artefact scatter found. Following inspection from AAV operations allowed to proceed. Two species of threatened flora identified but no specific action required. Coupe plan well done with appropriate sign offs. CMRs and coupe diary completed. Burn reconnaissance on file. Planned to seed with Messmate, Silvertop Ash and White Stringybark.

	Good Ole Boys (Tambo)	741/506/0004	Foothill mixed species	20	Seed tree retention coupe. CPC completed and peer reviewed. Tactical planning well done. Coupe plan well done with appropriate sign offs. CMRs completed. Preliminary seedling survey resulted in 73.7% stocked plots. Most unstocked plots fell in a filter. DEPI agreed to no burning or seeding.
	Ranger (Bendoc)	842/510/0014	Mountain mixed species	25	Seed tree retention coupe. CPC completed and peer reviewed. Tactical planning addressed all issues. Coupe plan well done with appropriate sign offs. CMRs well done. Landing rehabilitation excellent (photos on file). Seeding planned for coupe to include Messmate, Shining Gum, Cut-tail and Errinundra Shining Gum.
	Slime Time (Orbost)	842/510/0014	Foothill mixed species	36	Seed tree retention coupe. CPC completed and peer reviewed. Tactical planning completed with visually sensitive area identified. Area to be marked in the field and excluded from harvest. Coupe plan well done with appropriate sign offs. CMRs well done. Regeneration burn planning and operation documented. Planned to sow Messmate, Silvertop Ash and White Stringybark.
	Ripper	866/509/008	Coastal mixed species	35	Seed tree retention coupe. CPC completed. Tactical planning identified soil and water issues. Liaison required with East Gippsland Water who required notification of harvesting start and finish dates so they could monitor any impacts. CMRs well done. Regeneration burning process documented. Post-harvest seed crop assessment. Area subsequently seeded with Brown Stringybark, White Stringybark and Silvertop Ash.
	Gravitron (Bendoc)	893/507/0015	Mountain mixed species	46 (gross area)	Coupe at Tactical Planning stage. Field reconnaissance yet to be done. Will be seed tree retention coupe. SMZ located. Values present include landscape, plantation trial and Croesus mine. Total area affected is 4.7ha. coupe within 500m of national park boundary.
Orbost	Tweedledum	830/506/0014	Foothill mixed species	40 (gross area)	Coupe at Tactical Planning stage. Field reconnaissance completed. No special values identified. Will be seed tree retention coupe. Messmate main timber species present.

Swifts Creek	Slim Pickens	767/504/0017	Alpine Ash	25	Current clearfall coupe. CPC completed and peer reviewed. Tactical planning well done. Coupe plan well done with appropriate sign offs. CMRs completed. Montane riparian thicket buffered. Potential to exceed the 120ha rule for harvesting in contiguous coupes. This is being managed by ensuring a wide unharvested buffer between this coupe and Buemba Creek. GPS is being used to ensure this is achieved. CMRs well done. Some coupe diary records yet to go on file. Written advice given to grazing lessee of harvesting in coupe.
	Centre	767/504/0017	Alpine Ash	9	Clearfall coupe. CPC completed and peer reviewed. Tactical planning completed. Coupe plan well done with appropriate sign offs. Current coupe that commenced on 27 May. First CMR completed. Advice sent to grazing lessee advising of harvesting. Lessees generally only want to know when the regeneration burn will occur so that they can move stock if necessary.

NEXT AUDIT PLAN

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 set out in the plan below:

This plan is an indicative draft and can be modified to suit the availability of relevant people. Exact times and dates will be discussed closer to December with VicForests and an updated plan issued.

Audit type :		Surveillance		
Date	Auditor	Audit meetings plus functions/ processes/ areas/ shifts audited	# Shift	Approx. time
Dec 2013	KERS +TA	CSO Entry meeting – discussion on changes, complaints, incidents		9am
		Areas of concern follow up on progress		
		Internal audits, corrective/preventive actions, management review and top management discussion		
		Aspects and impacts identification and assessment process		
		Objectives and targets		
		Regional initiatives, new product or improved product value research		
		Legal and other identification and compliance including agreements and contracts		
		Noojee Office discussions and records followed by field coupe inspection Biodiversity, fire preparation and planning, forest health, harvesting and roading		
		Powelltown Office discussions and records followed by field coupe inspection Biodiversity, fire preparation and planning, forest health, harvesting and roading		
		Healesville Regional Office – discussion with personnel Roading, Harvesting, Tactical Planning, Fire season preparation		
		Exit meeting		
Stakeholder engagement and report preparation				