
Audit Report

Surveillance and Transition audit for

VicForests

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

Certificate No.: FMS20003

Audit Date: 1/12/2014 - 8/12/2014, 18/12/14, 22/12/14

Work Item I.D.: AU-386642

BACKGROUND INFORMATION

SAI Global conducted an audit of VicForests on 1/12/2014 - 8/12/2014, 18/12/14 and 22/12/14.

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):	4708:2013 Certification
Code(s):	02, F01-F06
Scope of Certification:	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:	132
Shifts:	1
Total audit duration:	48 hrs
Audit Team:	Sabrina Kerber - Auditor
Other Participants:	nil

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 90 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.

As the focus of this audit was on ensuring a transition from the 2007 version of the Standard to the 2013 version (i.e. not a system recertification), additional time was spent in the central office., VicForests had recently undergone a thorough field audit from DEPI examining a large volume of coupes in all regions other than the Bendoc area. This SAI Global audit included a visit to the Bendoc office and several field locations.

The new Standard and the aim of VicForests to achieve FSC certification has instigated additions to the management system including the development and release of a Stakeholder Engagement Strategy and an Ecologically Sustainable Forest Management Plan. Additionally, a High Conservation Value strategy has also been developed and an intensive stakeholder consultation process instigated.

As with all system changes that are made by VicForests, there has been a thorough and professional review process utilising the full extent of the internal databases and business initiatives available. Whilst the forest management system has been in place for some time, it is now evolving as a complete business system drawing in other sections that have been operating independently. This is now leading to a stronger, consolidated and consistent approach.

Several areas for improvement have been noted in the report and a few areas of concern that will require attention. These have already been identified through the internal scrutiny that VicForests maintains of its system and relate to aspect and impact identification, training, audits and documentation. A key improvement noted at this audit is the knowledge and use of the system at a regional level which is leading to suggestions for change. Further research activities in biodiversity and harvesting practices are leading to more specialist advice being available that is very well communicated to enhance the skills of all planners and operations staff.

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

Meeting Attendance Register

Name	Position	Entry	Exit
Vince White	Manager Operational Performance	✓	✓
Lachlan Spencer	General Manager Corporate Services	✓	
Murray Lawrence	Senior Resource Analyst	✓	
Jeremy Allen	Manager Forest Practices	✓	
Nathan Trushell	General Manager Stakeholders & Planning	✓	
Sabrina Kerber	SAI Global Lead Auditor	✓	✓

Review of any changes

Changes that have occurred since the previous audit conducted in June 2014 include the following:

- Newly elected State Government with an industry group to be established
- An EEG and writ lodged relating to the impact of the bushfires of early 2014

- A new Victorian Timber Industry Code has been released with specific comment on the Powerful Owl
- Further progress on the small scale catchment model harvesting in the Toolangi region
- Release of the Annual Report
- Implementation of the Leadbeater's Possum action group recommendations
- Completion by DEPI of an audit on the retention harvesting coupes
- Selection harvesting trials in East Gippsland
- Transfer of firewood licences from DEPI to VicForests management has commenced
- FSC Consultation taking place with a Draft Ecological FMP released
- Feedback still being received from stakeholders
- ARC grants awarded for Research and Development with the focus on carbon and old growth
- Ongoing timber sales processes
- Intention to transfer the SFMS to a Business Management System including commonality among all document types.

Actions taken on previous audit issues

The areas of concern as usual have been addressed through the CAIR system with excellent root cause analysis that has enabled the determination of wider system components requiring adjustment. Included in the CAIR are personnel responsible, actions, system issues and excellent evidence of the verification of actions undertaken. As previously identified, VicForests takes a far more thorough approach to determining improvement opportunities as most businesses.

Below are the previous surveillance audit areas of concern in italics with a comment on the information provided to close them out. All were discussed at management review and have had good progress. There are processes to ensure that these are actioned within thirty days if they rate as either high or extreme risk.

- *One of the improvement objectives relates to thinning damage. It is noted that almost 50% of thinned coupes have some form of damage noted in CENGEA however, no CAIR has been raised.*

A CAIR has been raised. This was left with regional managers to review damage and training. Only four coupes were assessed and therefore the results looked poor at the time .

- *The new audit programme will also need to ensure it picks up the system components and seasonal activities as the current intent will be focussed on implementation.*

The new program is now taking into account the seasonal variations with three internal audits to be run annually. System components are yet to be included with a system versus the Standard check required. This will remain open and must be addressed prior to the next audit.

- *System personnel were unsure on how the Risk Wizard is intended to be used when it is fully rolled out. Whilst this is a function of the new system, it will need to be fully implemented by the next audit.*

The roll out is complete and training passed on to all staff. The inclusion of checks of knowledge through the internal process is still ongoing to ensure the training has been effective.

- *Standards for coupe road profiles are still to be fully developed for VicForests to ensure there is a consistently built design for drainage etc. Once completed, this will need to be rolled out to all contractors currently tasked with preparing these access points.*

A work group is being developed specifically to address the roading issues previously identified including those picked up by the DEPI audits. As this is still not yet in full progress, this area of concern remains open and will be followed through at the next audit.

- *Results from the spot checks being done on the survey contractors could not be located during the audit.*

Four new Regeneration Co-Ordinators have been appointed for each region and the Instructions updated. Follow up actions will be captured more systematically

- *There have been some issues with rough heaping with distances required to be maintained from retained trees not stipulated in the site preparation planning instruction or on the site preparation maps.*

As noted above, the Instructions are being updated and responsibilities better assigned to ensure a consistent approach.

- *Whilst the burn plans are part DEPI, part VicForests, the outcomes are not being appropriately completed by the District Manager as required and as such it is not clear where a final check that the values are still intact at the end of the burn, is recorded.*

There is a good plan for this to be reviewed as a work group in preparation for the burn season. With retention harvesting, more monitoring and recording post burn is required including any assessment of escapes. A more formal post burn assessment has been prepared.

- *Site preparation plans are not picking up on any coupe specific values that could be impacted on and require management or additional site preparation specifications. An example was seen at Crawler where tree ferns and Blackwoods had been retained but not recorded in the plan as instructions to the contractor were verbal.*

Monitoring plans are now being developed and mapping will show exact values.

- *It was noted that there is limited evidence of progressive monitoring of the implementation of the silviculture processes.*

As noted above, monitoring plans are being further developed to ensure that values are noted at all stages of activities.

- *Variations are not being updated on the decision trees.*

The files viewed of more recent activity noted that there is an improvement in this area.

- *Many of the comments or further instructions from the central burn OIC are being passed on verbally with no record being retained.*

There are changes being made to improve the recording of instructions and observations across the full range of burning activities from planning through to post burn assessment.

Findings From This Audit

Management Responsibility

Senior management were present at the entry meeting and interviewed as a component of this audit. There is a very strong commitment across management to ensure the forest management system is fully implemented, maintained and supported. Resourcing is adequate and has more recently been enhanced to allow the SFMS to now expand across the entire business drawing in areas such as HR.

Systems

There have been no changes to the SFMS Policy with the policy signed by the CEO in August 2012 still relevant and endorsed at management review which was undertaken in August 2014. The outcome section of the review minutes are excellent including all actions to be addressed.

The internal auditing program is being implemented as a rolling audit focussing on current and ongoing issues. The risk rating on the VicForests Instructions has also been considered in determining which areas require audit. The intent is to have three smaller fixed internal audits per year and rotate through the four regions. This also now accounts for seasonal variations in activities. In addition the reporting process is also being reviewed and yet to be fully finalised into a new format. A register is being maintained of any issues found during audit which will allow review at the next audit.

Periodic Evaluation and Review of Compliance with Relevant Legislation and Regulations

Legal requirements have been removed from the word document previously used and now carried into the Risk Wizard system. The new Code has been included and compliance continues to be monitored through the built in components of the coupe monitoring. A full audit of this area is scheduled for the next surveillance audit.

Progress of Planned Activities to Improve Performance – Objectives and Targets

The Objectives and Targets 2014/2015 were presented as an appendix to the August 2014 SFMS Management Review. They include regulatory compliance, transparency, community, research, HCV, landscape planning, forest regrowth and business system focus areas. Targets are measurable, tracking processes identified through quarterly updates or reviews, responsibilities allocated and reporting noted in the spreadsheet. All are designed to address areas requiring improvement or attention and are proactive performance improvement measures.

DFA Changes/Maps/Logo Use

The invoice to AFS was viewed and has been paid for logo usage. The logo is not in use as only a 100% certified statement is made on the log dockets and the certification number quoted. Several dockets were viewed to confirm this.

The Total Area on the TRP (and therefore as the DFA) as advised by VicForests, is 114,451 hectares (plus an additional 127.1 for Log Storage Areas). This includes all current, proposed, harvested and regenerating coupes.

The website also provides a full suite of maps detailing all sections of the current TRP and information on proposed amendments. Information in the CENGEA database can be interrogated at any time to provide an accurate and up to date status of all coupes in the TRP and therefore comprising the DFA. There have been no changes to the DFA since the previous audit however, the inclusion of the salvage coupes will mean an adjustment will occur in January and the amendment is being prepared.

VicForests have been advised that the changes to the AFS and certification requirements include an annual update on the DFA to be provided to AFSL.

Opportunity for Improvement

- Whilst full detail of the TRP is provided on the VicForests website, there is no notation of the DFA. As this is communicated to AFSL and the certification body, it may also be something to consider publishing on the website.

Stakeholders

A Stakeholder Policy has been developed and has been made available on the VicForests website for the past six weeks in addition to the Stakeholder Engagement Strategy which was put up in the past week. These were developed based on previous feedback from stakeholders. Communication on these can be provided directly to VicForests through the 'contact us' section of the website.

The Engagement Strategy attempts to clarify the various roles that VicForests undertakes versus other land managers such as Parks Victoria, DEPI and the State Government and clearly articulates the responsibilities of the business. The stakeholder groups are broadly noted as is an outline of the mechanisms in place to engage, opportunities available and the database in use. This strategy is to be implemented through the Communications and Stakeholder Engagement Team 2014/15 plan. Regional queries continue to be managed by the locally based liaison personnel as per this plan. Whilst the Strategy covers off the broader approach to be taken, a more specific consultation plan is in place for the FSC process.

In addition to memberships and attendance of various community and industry based meetings, personnel also attend community events providing further opportunity to communicate.

The TRP process of stakeholder communication has resulted in new stakeholders being identified and added to the register and collation of issues to be followed through. Issues that have required additional engagement include the Great Forest Park proposal, firewood licences, water protection, vehicles, harvesting and fire management. All communication is well documented including responses and additional actions required and undertaken.

Market research has been completed on the community perceptions of forestry to assist in gaining a better understanding of the concerns and expectations. Monthly newsletters have been recommenced as an eBulletin to assist in providing more information on current activities.

Discussions with a variety of stakeholders took place as a component of this audit. Whilst there continues to be some fundamental opposition to the concept of native timber harvesting in Victoria, stakeholders the mechanisms for communication currently employed by VicForests and the attention paid to responding to issues, communicating actions etc. is appropriate.

Full copies of all certification audit reports are made available through the VicForests website.

Opportunity for Improvement

- It may be useful to proactively run the strategy past various stakeholders in addition to the feedback that may be received via the website and internal personnel.

Forest Management Plan

A second draft Ecologically Sustainable Forest Management Plan for consultation was released in October 2014 and was published on the website three weeks prior to the audit. No direct feedback has been received as yet from this method. An online survey was undertaken on how to be engaged with the process and options were sent out to everyone on the stakeholder database. There were fifteen responses to this which resulted in a second draft plan being prepared with a substantial change in approach between the two drafts. Feedback on the Plan will close at the end of January 2015.

A summary of all issues raised through the communications register has been prepared in a spreadsheet and a note of the response and actions made to track and update the register as

required. One of the results of this process has been the identified need to work more closely with the Apiarist Association with DEPI also following through by looking at more permanent sites.

New tables have been developed for tracking actual versus predicted yields on an FMA based level. The FMP documents the definitions for old growth forest and management which is further detailed in the High Conservation Value (HCV) strategy. Further stakeholder approval is to be sought in relation to the proposed management plan for HCV.

The Forest Management Plan is thorough and detailed providing all information as required by the new Standard.

Research and Development

A research and development committee has been formed comprising one member of the Board, the CEO, some of the Directors and senior foresters. The intent is to review the Research and Development Plan and project list to allow prioritisation based on business risk and funding using the business risks documented in the Risk Wizard database.

Key focus areas are the carbon model, modified burning and retained trees and the Leadbeater's Possum Action Group. Recommendations have been made to be further discussed with the regional management team for implementation to be eventually made through the operations plans.

Included in the projects is the small scale catchment model which is being built to allow special management plans to be developed. This will be completed in draft form by the end of January 2015.

VicForests has won Australian Research Council Linkage grants for two collaboration projects. The first is related to hollow acceleration trials to be conducted in various regions in association with the University of Melbourne and DEPI. The second, with University of Tasmania, Forestry Tasmania and the University of Melbourne is related to biodiversity distribution across the landscape and the use of new technology and modelling.

Complaints and Non Conformities

There is a very thorough root cause analysis process in place to deal with any complaints, non-conformities or potential issues that are identified through the various reporting and inspection processes.

All complaints are well documented and all are fully investigated utilising regional and central office specialists as required.

A complaint has been lodged with the AFS and SAI Global regarding the certification of VicForests. This is currently under investigation.

Biodiversity

A draft Ecological Forest Management document has been developed and a new focus on invertebrate monitoring will be instigated through a monitoring project of beetles in the Powelltown area.

The Leadbeater's Possum implementation committee currently meet monthly to discuss the actions that resulted from the advisory group with both shorter and longer term actions being tracked. Evidence was viewed of communication to staff on some of the changes being made e.g. the reduction in tree numbers from 12 to 10 in Zone 1B habitat. An excellent PowerPoint was used to communicate to all staff the retention harvesting requirements in the Central Highlands.

Instructions and procedures have been updated in light of further advice relating to the large brown tree frog, glossy black cockatoo, sheoak skink from the DEPI action statements.

VicForests have also developed a draft for consultation of their strategy for assessing and maintaining high conservation values. This was completed in October 2014 with the intent of feeding into a final HCV Assessment and Management Plan to be released in June 2015. The

document provides a full overview of the six identified high conservation values within the area of VicForests management with more detailed comment on objectives, threats, management strategies and monitoring processes.

Forest Productive Capacity

A new wood supply model was introduced eighteen months ago with a new yield table and new forest description. Total merchantable volume has been modelled rather than a focus only on the D+ sawlog with data from the last ten years of harvesting. The annual process is to run the logging history around July/August taking into account any fires. Sales contracts are then reviewed based on this information with a long term model drafted by mid-December. All buffers from the advisory group recommendations have been incorporated with the ash moratorium to also be built into the model.

Fire severity mapping information was previously obtained from DEPI however, this has now been taken on by VicForests with all areas flown to obtain high quality imagery. After smoothing and ground truthing, a final layer has been added to CENGEA.

Further modelling work is to be completed for East Gippsland with yield projections to be improved.

Salvage

Salvage coupes have been added onto the TRP for East Gippsland with extra prescriptions included such as double buffers. Salvage guidelines have been reviewed but are generally in line with those previously developed in 2009.

Carbon

A trial block at Mt Horsfall has been used to attempt to quantify the carbon in the forest however this is yet to be followed through due to issues with sales.

An FWPA carbon project is underway with DPI NSW with a comparison of older forest with managed forests. All wood products from a specifically selected coupe have been tracked for longevity i.e. through to pallets or paper including substitution impacts. Results are due to be released in late 2014 following the completion of this audit.

Briefings have been provided to all staff on this work which is linked to a research strategy and has been very well documented. As the carbon model was completed some time ago, the intention is to rebuild it following receipt of the results of the carbon project.

Forest Ecosystem Health

In addition to the current pest and diseases listed in the system, Myrtle Rust is being focussed on as a potential threat although, not yet known to be present in Victorian native forests.

The key threat has been identified as fire with fuel reduction and quick attack as the key defence methods in place. Mechanical fuel removal trials are being implemented in the Alpine Ash areas with regular thinning in the mixed species forests. At present the fire management zones set by DEPI are potentially forcing fuel reduction burns where they may not necessarily be intended.

The VicForests Instructions for Pest and Diseases and Noxious Weeds are being updated. All observations in the field are recorded in CENGEA via the coupe reconnaissance forms and are managed within an appropriate timeframe.

Browsing has also been considered as an issue with recognition that burning may not be taking place early enough to prevent the spring flush that has encouraged wildlife. There has been good use of field cameras and consideration of fencing and tree guards if required. VicForests do not undertake any shooting, trapping or poisoning.

Chemical usage overall is very minor and restricted to glyphosate for some weed management issues and fertilisers if required. All chemical use is logged at a coupe level and reported through the Sustainability Report. The Draft Sustainability Report currently in preparation notes the total amount of chemicals used in regeneration for the previous year as 47kg to either bulk up eucalypt

seeds or for grass or weed control. Fertilisers and pesticides are not normally used.

Soil and Water Resources

Soil and water values are initially identified at the planning and reconnaissance level with CENGEA recording catchments and prescriptions, streamside reserves, buffers and filters and soil erodibility. Implementation of measures to protect values is discussed at the individual coupe level and viewed in the field. There were no issues observed and all tracks and landings are very well managed by the contractors with wet weather precautions and shut downs in place. Bridges and crossings are very well built and maintained.

Cultural Values

Layers in CENGEA continue to be updated as new information is obtained either through field reconnaissance or from the various websites. The VicForests Instruction for Traditional and European Heritage notes the protection strategy on discovery and this is also communicated to contractors through the Utilisation Procedures. Cultural heritage officers have been identified within the regions to provide additional assistance in following up any new sites with local advisors. The communications register notes any discussions held and actions required.

Workshops have also been held with local groups in East Gippsland to further enhance knowledge on potential areas of significance, identification and protection.

Social and Economic Benefits

VicForests is involved in a community support programme in East Gippsland with funding or in kind donations provided to over 25 groups. All groups have been included on the stakeholder database and any new ones are added as they are identified.

The Sales process has been the key method of identifying markets for new products. Submissions were sought from interested parties with an allowance made for any new entrants. All were evaluated using in house developed criteria based on risk to long term viability, price, OHSE, equipment, business plans, skill development and the most economically sustainable for all parties chosen. Evidence of the evaluations has been filed in the system and was made available during the audit.

The Corporate Plan has identified the new markets as a project with actions reported through to senior management. Trials associated with some of the potential markets and products will be used to further develop residual market proposals. Currently a quantity of timber is being sent overseas through the port of Eden as part of a veneer/sawlog trial. However, there is still a government policy in place to process domestically and support the timber sales agreement.

Opportunity for Improvement

- The records being produced from the sales assessment process are currently not fully recognised in the SFMS. It is understood that the changes being made to the overall business system should address this issue.

Skills Development

The current skills capability framework for all staff is under review with forestry competencies set out as modules of either essential core or specific mandatory requirements. Several modules have been identified as mandatory for both personnel in operations and tactical planning roles including ecological vegetation classes, CENGEA and Leadbeater's Possum requirements. The training database has been moved from SharePoint into the payroll system.

E learning is progressing as a key tool to keep foresters up to date with a variety of skill requirements. There is also intent to continue with the Friday training sessions that have been successful to date.

Area of Concern

- Tracking of contractor training is currently left to the contractor. As contractors are involved in some key decisions in relation to seed/habitat tree selection, roading and landing preparation etc. the system should have a process of ensuring records of their training and skills development are retained where relevant.

Opportunities for Improvement

- Training is being tracked through regional personnel which may require further development of systems to ensure processes are in place to identify training needs and skills development paths.
- Consideration of a contractor development strategy may be needed.

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

Aspects and impacts have now been fully carried across to the Risk Wizard database however, some of the documentation and instructions on this is yet to be updated to reflect the new process and explain the intent of determining significance and how this is applied in the system. This will be an area of more detailed audit at the next surveillance audit.

Area of Concern

- There are no aspects (risks) rated in the register as significant and it is not clear in the system that pre control high or extreme risks were previously considered to be significant.

Chain of Custody/Sales and Supply

The electronic data capture system is now fully in place having been implemented in November 2012. All information is now stored in the CENGEA database which allows tracking of all products back to the DFA including coupe numbers, customers, grade and specifications, volume, product type, operator details etc. Individual docket numbers can also be pulled from the system. Requirements are detailed in various VicForests instructions including the codes of procedure for firewood, sawlog and pulp log buyers. These are currently up for review.

Each D+ sawlog is fully tagged by barcode with a unique number at the landing and this is maintained through to the sawmill customer. Coupe details are linked to the barcode or printed on log dockets where barcodes have not been utilised. Log dockets include the logo and certification details.

Each load of residual timber is branded by the contractor and coupe details noted on the log dockets with copies provided to the end weighbridge. All load information is noted on the handheld at the landing and uploaded to the server with full tracking available.

Smaller customers with no weighbridge rely on the truck scales for weight with the customer signing off on the load on the docket. Delivery is registered on the handheld.

All details of the docket procedure are outlined in the VicForests Utilisation Procedures noting requirements for log buyers of sawlog and pulp. At present VicForests is not selling any domestic firewood with all wood provided to commercial operators using delivery dockets on weighed loads to indicate source. Contractors in this situation are able to pick up directly from the landing.

Several log docket and the CENGEA system was interrogated to verify the process. Log docket indicated 100% certification to AFS, the certificate number of FMS20003 and source. The logo is not used on the docket.

Haulage route plans are developed for each coupe by the contract administrator as per the delivery schedule. The coupe commencement advice begins the process with a file set up, rates etc. Compliance on weight and vehicle maintenance is being checked on an ad hoc basis and has been recognised as an area that requires further attention. Whilst it is considered that there is little to no capacity for illegal logging there is no current checking process in place.

Opportunity for Improvement

- There is currently no process flow of VF instructions for the Distribution team.

Orbost Office

Discussions were held with the tactical planners in the office with regard to market changes including export and the move toward more E grade sawlog which had previously not been considered at the reconnaissance level. As a result an additional column has been added to the volume calculator and field sheets and the merchantability page in CENGEA adjusted accordingly. This indicates the capacity of the system to cater for new products and market change.

At the regional level, a small number of coupes were being prepared to be added to the current TRP for salvage and this has instigated the stakeholder engagement process with letters and the website prepared. Salvage prescriptions are still based on the 2009 requirements. The invitation for comment period would be open during December with coupes to be available in January. Changes have been made to the TRP maps available on the website to allow stakeholders to move around the page more easily and locate the coupes. This has received positive feedback from the stakeholders and has been driven by suggested improvements.

Fire severity mapping has improved and has been used to determine areas available for salvage. Good consideration of soil erodibility has enabled operational constraints in relation to roading to be identified and taken into account in the planning process.

Several coupe files were viewed and included salvage inventory forms, photography, mapping and field checks completed by the resource analyst. Site safety survey forms had also been completed and the VF Reconnaissance Instructions were being reviewed to reflect the new fire severity mapping. Coupes viewed included Shtick 827-501-0026 and Yang 825-511-0016.

It was also noted that staff are still required to follow the 2014 Operating Procedures and the East Gippsland guidelines including a focus on owl habitat and gully protection as the fires destroyed much of the owl habitat.

Minutes have been retained by DEPI of the quarterly East Gippsland round table discussions held with various stakeholders including Landcare, environmental groups etc. where the focus has been on fire and land management.

Cultural awareness refresher training has been completed by all staff and other refreshers have included chainsaw operations, stakeholder engagement, biodiversity awareness, TRP Preparation and Approval, VF Forest Management Plan and Reserve layer and harvesting considerations.

The role of the Biodiversity Planner for the region has been expanded to include a cultural heritage/indigenous role. Currently a forum on biodiversity planning is being prepared which will include information on heathlands, rainforest training, action statements for the glossy black cockatoo including habitat and food sources, prescriptions for Montane Riparian thicket and further hydrological considerations. All correspondence on EVC checks, regulatory requirements, special

management plans etc. is well documented including follow ups requested by foresters.

Consultation with the traditional owners of the region is progressing well with further information to be gathered on owners outside the region. The relevant VF policy and instructions are being reviewed. A partnership is also being developed with the local indigenous group to explore further opportunities for training including delivery of cultural awareness and enhancing local skills to enable the community to tender for work. Under the requirements of the Traditional Owners Settlement Act, there is provision for firewood and mineral resource access.

Few new sites have been identified and at the time of audit, a potential scar tree was being investigated. Notes and discussion have indicated that the community groups have endorsed the current management process VicForests have in place for identification and protection of sites. System documentation was viewed indicating thorough cultural heritage assessment checks are being undertaken and operations adjusted where there is potential for discovery.

A specific example at Dapples North 720-525-0019 was viewed in the biodiversity folder of a special management plan put in place for a threatened *Galaxia* species. Coupe management prescriptions had been detailed and the buffer width increased. Mapping was observed to have improved with clearer and stronger notations to indicate these additional requirements. Emails had been sent to the Senior Forester.

VicForests Pre-Logging Fauna Surveys for 2014 provides a clear summary of all results obtained from the wildlife surveys that have been undertaken in twelve coupes of special interest. There has been a significant increase in the quality and quantity of data now gathered in relation to special values in the region and the additional prescriptions and operational adjustments required.

To assist with correspondence and communication of values, mini posters have also been prepared for display explaining any new information on cultural or biodiversity values.

Areas of Concern

- Whilst the new Forest Management Plan had been sent out to local groups for comment, there has not been any further consultation and proactive discussion which is the intent of the Standard.
- Several staff members were not able to attend some of the scheduled training. An email has been sent but this is yet to be followed up on to ensure that personnel who do not attend training are picked up by the system and complete training as soon as practicable.
- It was noted that the conditions in the Timber Sales Agreement are yet to be picked up by some form of systematic monitoring or audit process.

Opportunities for Improvement

- The context map for Think Big does not clearly indicate the 17 mile tree that was being investigated.
- Document control could be added to the coupe marking sign off sheet used to indicate private property.
- The location agreement for landings has not had a yes/no tick for Slinky Fish and the burn reconnaissance check has no date or person noted.
- There has been no name or date noted on the front page of the pre harvest inspection form for Slinky Fish.
- Biodiversity training records are being stored locally on the hard drive and not in the system.

The following coupe files were reviewed in detail and the field visit also included these coupes:

Office	Coupe name	Coupe number	Species type	Area (ha)	Notes
Orbost	Think Big	829-507-0011	Foothill Mixed Species	35.61ha gross	Rocky River water catchment identified, scenic screening in place, seed tree selection, landowner communication noted regarding private property boundary. Seedcrop assessment records, boundary confirmation notes. Burn maps prepared.
Orbost	Slinky Fish	831-507-0014	Foothill Mixed Species	22.713ha gross	Pre and post harvest inspection forms, firewood notification, Snowy River Cycles communication, coupe monitoring, landing rip assessments, fire trail plan, burn reconnaissance checklist, post harvest seed crop adequacy survey, DSE permission to burn, machine driven over runoffs and repaired, scenic drive noted on context map, coupe diary notes feller buncher driven over blue tapes, traffic management planning.
Orbost	Spin Out	829-507-0012	Foothill Mixed	27.9ha gross	Coupe monitoring sheets, clearance certificates, burn reconnaissance map, aerial seeding advice and site establishment monitoring record
Orbost	Loose Tiles	895-505-0014	Mountain Mixed Species	24.4ha gross	Coupe plan indicates apiary within 200m, old growth within 500m. Trial coupe. Coupe marking checklist, operations maps indicating single tree selection for one half. Landing rip assessment plots, coupe diary notes of trial. All trees potential E+ sawlog.

Bendoc Office

The last SAI Global visit to this office was in September 2011. Staff from the office have been present at interviews held in Orbost however; the audit planned in 2013 could not be undertaken due to significant flooding at the time. Files and documentation have also been provided at more recent audits in Orbost.

Since the previous visit, the three staff have moved into the offices of DEPI and at the time of audit had four harvesting crews in operation. The roading supervisor now manages crews down to Cann River for fire trail and road maintenance. No new road construction has been undertaken in the region. VicForests have a Giant Tree Policy which stipulates the actions required on discovery of trees of this nature and assists with the definitions. The trees were protected with tape and GPS

locations taken with further buffering advised by Melbourne staff. All actions were well documented in the system.

At Hilo Road, AAV sites were identified during the pre-harvest checks and changes were made to the access to ensure protection of the sites. Other examples of operational changes made in consideration of values included Glossy Black Cockatoo habitat prescriptions enforced at Seahorse and potential montane riparian thicket checked at Nebula. The owl moratorium has prompted a check of 35 coupes that have potential habitat and were due for activity over the next eighteen months. No roading will be undertaken in these areas and there has been very good communication from the biodiversity planner to the roading supervisor on the location of specific zones with maps showing good detail.

Fire preparedness is traditionally well managed with the VF personnel operating completely under the DEPI FireWeb accreditation process. All equipment has been serviced prior to the season commencing and all fire trails have been maintained and rechecked in readiness.

Monthly log grading audits are being undertaken by the foresters and tickets are reissued every two years. A full list of competent log graders is being well maintained in SharePoint. Seed tree selection competency is assessed in the field and noted on the coupe monitoring sheets. Disease and pest management training is accredited every two years. There was an indication that noxious weeds such as blackberries are noted on the coupe maps or in the diary and contractors are required to wash down their machinery.

A large selection of road works and fire trail plans were viewed. These indicated good consideration of locally specific issues and adjustments to the plans after considering potential impacts or the location of particular values. There has been a significant improvement in use and awareness of the management system, detail in the plans and more accurate and detailed map production.

Records are being well kept of letters sent to tactical planning to check on features impacted by roading and to follow up on AAV locations.

Road works plans were reviewed for the following coupes:

Wedged 831-501-0017
Nebula 863-501-0003
Vegie Patch 886-505-0020
Get on Top 864-501-0005
515 road gravel 885-515-0003
Good Morning 804-502-0014
Potatoe 831-501-0018
La Nina 867-509-0013

Fire Trail plans were reviewed for the following coupes:

Mighty Duck 825-518-0021
Store It 827-514-0015
Stockman's Choice 827-507-0001
Thunder Bird 829-510-0020
Gloria 833-503-0009
Horizon 867-501-0021
Sunbury 867-501-0015

The draft East Gippsland harvesting plan 2014/15 was reviewed. The current coupe in operation Surprise 857-501-0001 documentation included the fire fighting equipment check on the contractor,

National Park boundary awareness including the usual red folder used to alert personnel of the proximity, landscape view considerations and notation on threatened fauna.

Harvesting coupe files viewed in the office included:

Office	Coupe name	Coupe number	Species type	Area (ha)	Notes
Bendoc	Green Gully	893-502-0006	Mountain mixed species	36.52ha gross	Private property noted as adjacent and communication record with landholder, 200m buffer added to the Bonang R SPZ, low water quality risk identified, pre harvest inspection, sensitive views protected, 20m water buffer for private property.
Bendoc	Nils Master	895-511-0007	Mountain mixed species	28.57ha	Landing rip assessment, adjustments made as logging history incorrect, record of public safety zone

Area of Concern

- Documentation in the Surprise coupe indicated the potential for threatened fauna within 500m of the coupe. A field check was required however; the context map provides no indication of what the issue was and in what location. Further information should be clarified to enable foresters and contractors to be made aware of the issue and therefore be alert to any indicators that may be found within the coupe.

Opportunities for Improvement

- It was noted that personnel had missed the recent cultural awareness training.
- The operations map was printed out for the Store It fire trail but not the context map. VF may need to consider if all values are at hand when this is done or which map should be used.
- The coupe monitoring sheets being used to check on roading activities have many not applicable marks. Consideration might be given to developing a more specific coupe monitoring sheet that links directly to the expected significant aspects (or risks) and the controls that are in place managing them.
- Where verbal approvals are being obtained with regard to AAV sites etc. from Tactical Planning, there may be a need to make a notation of this in the roading plan or file. Emails may provide a more reliable record.
- Pink and orange colouring is used on the maps to indicate additional buffers or other values. This may not assist contractors who may be colour blind as was noted by the supervising forester.
- A chainsaw training attendance record was put together for use in the office however; this may require document control to be recognised in the system as a record. Similarly a coupe marking checklist is being trialed and may also require document control.

The field visit included burnt and seeded coupes, modelled old growth and two year old regrowth coupes at Loose Tiles, Nils Master, Jacks and Lady Ashcombe. A trial at Jacks indicated very good results of regrowth of non burnt coupes. In all instances, soil and water values had been protected well, there were no issues of rutting observed, boundaries had been maintained for special value zones, streams etc. and roading and drainage well maintained.