

| Forest Management System – Summary Audit Report | | | |
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| Client name: | VicForests | Certificate #: | AFS 703072 |
| Client address | Level 12, 461 Bourke Street Melbourne, Victoria 3001 | Website: | vicforests.com.au |
| Audit type: | Recertification | Audit date: | 6-14 December 2018 |
| Standard: | AS4708:2013 | Auditor/s: | Ross Garsden and Gerard Moore |
| <p>This document provides a summary of the findings contained in a report to this client with respect to the implementation of the client’s management system as determined during an audit conducted by BSI.</p> | | | |

Scope of certification:

Activities associated with the sustainable management of native forests in Victoria for timber production, including: the planning and supervision of harvesting operations; marketing of forest products and the regeneration of forests post-harvest. The Defined Forest Area consists of ash and mixed eucalypt forests in the east of the State and community forests primarily in the west of the State.

Executive summary:

This report presents the findings of a recertification assessment regarding VicForests’ compliance with the nominated Standard. This is the first assessment conducted by BSI since the organisation transferred from SAI Global. The audit included an assessment of administrative functions at the Head Office and forest management activities in both the western and eastern regions of Victoria including offices in Ballarat, Alexandria, Woori Yallock and Noojee. Activities in the west of the State are managed from the Ballarat Regional Office and Woori Yallock is the Regional Office for the east of the state.

The audit included community forest management activities in the west of the state at Mount Cole near Ballarat and Wombat State forest near Daylesford. In the east of the state, the assessment included planning and supervision of harvesting operations in Ash and Mixed Species forests in the North East and West Gippsland Regions.

A number of stakeholders were consulted during the audit, including harvesting contractors and a representative from the Victorian Government regulator, the Department of Environment, Land, Water and Planning (DELWP).

VicForests shares responsibility for management of the Defined Forest Area with other agencies.

Strengths of the VicForests’ management system noted in this assessment include:

- The corporate focus on safety and demonstrated performance, including the bi-annual 3rd-party safety audits of all contractors;
- VicForests contractor management processes generally;
- VicForests continuing contribution to native forest management research.

Significant improvements and initiatives include:

- Improved integration and coordination between Tactical and Operational Planning functions;
- Effectiveness of contractor safety management systems and accountability of the senior contract manager;

- The effectiveness and rigour of the internal audit arrangements;
- Development of an adaptive approach to native forest silviculture.

The minor non-conformance identified in the previous report (prepared by SAI-Global) has been effectively addressed and is now closed. Major non-conformances were identified during this assessment in relation to:

- The availability of a publicly available map of the Defined Forest Area; and
- Monitoring of Heavy Vehicles mass management requirements for measured sawlog loads.

These major non-conformances have been effectively addressed during the audit and are now closed. A minor non-conformance has been raised in relation to associated issues that require further work. A number of opportunities for improvement were identified during the assessment and the details are contained in the full report. The audit has confirmed the organisation’s commitment to continual improvement in both its operational performance and the systems that support the business.

The next audit is planned to assess the operations in East Gippsland with a focus on measures for identification and management of significant biodiversity values (including threatened species and old-growth forests) as well as processes for planning the spatial distribution of forest operations in terms of scale and intensity.

The auditors would like to acknowledge the cooperation and constructive engagement of all staff involved in the planning and conduct of this audit. VicForests staff demonstrated a high level of professionalism and competence and an interest and willingness to actively engage and support the audit process.

The audit has also verified that VicForests continues to meet the requirements of AS 4708:2013, and re-certification to the nominated Standard is recommended.

Defined forest area statement (Forest Management Units)

- FMU 1 – Ash Species / Eastern DFA
- FMU 2 – High Elevation mixed species / Eastern DFA
- FMU 3 – Low elevation mixed species/ Eastern DFA
- FMU 4 – Coastal mixed species / Eastern DFA
- FMU 5 – Low elevation mixed species / Western DFA
- FMU 6 – Coastal mixed species / Western DFA
- FMU 7 – Red gum / Western DFA
- FMU 8 – Box Ironbark / Western DFA
- FMU 9 – Ash Species (Blackwood) / Western DFA

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| Defined forest area (in hectares): | 2,730,419 ha |
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| Advised to AFS Limited on: | 15 January 2018 |
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| Certificate expires on: | 8 February 2022 |
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Report prepared by:

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| Ross Garsden | Lead Auditor – Forest Management Systems |
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| <i>Name of person who prepared this report</i> | <i>Position</i> |
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END OF REPORT