



## Audit Report

App./Cert.	FMS20003
Date	30/01/2009

### SURVEILLANCE AUDIT

<b>Client:</b>	VicForests
<b>Site Address:</b>	Level 7 473 Bourke Street MELBOURNE VIC 3001 AUS

**Standard(s):** AS4708:2007

**Relevant Codes (as applicable)**

E0301, E0301, E0303 F01-F06

**Scope of Certification:**

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

The Defined Forest Area is as per the total available area of the allocation order provided by DSE currently comprising approximately 85,696ha.

COMMERCIAL- IN – CONFIDENCE

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

DISCLAIMER:

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

## Introduction

SAI Global conducted an audit of VicForests on 27/01/2009 to 30/01/2009 with additional time for report preparation and submission.

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

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

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

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

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

## Executive Overview

Overall VicForests has continued to make progress in the development of their forest management systems since the certification audit. There has been considerable focus over the past six months on documentation review, training and awareness and addressing issues previously raised in addition issues identified through internal processes.

This audit focused on the Central Highlands with visits to Ovens, Mansfield and Healesville offices with associated field inspections. The indication is that regions previously visited now show signs of a more mature system implementation and through greater understanding and awareness of system requirements, improvements are being made and the system adjusted to reflect these.

As there were no non conformances raised and all requirements are currently being adequately met, VicForests can be recommended for upgrade to the full 2007 version of the Standard.

## Progress on Previous Areas of Concern

VicForests are managing their corrective action process for actions very well with CAIRs being raised for all issues from the SAI Global external audit reports. Progress against these has been very good particularly the extensive work undertaken to address the silvicultural and seed management issues that were raised previously.

All areas of concern that have been closed are marked as an open dot o and those that still remain with some further work to be undertaken are marked with a solid dot● and will be followed up at the next audit.

- o *Some of the requirements shown on the Variations page did not give clear instructions (eg. boundary marking – Tallangalook). Some of the instructions given particularly those relating*

*to retained trees are currently in disagreement with the Utilisation Procedures. There are differing opinions within VicForests about who should be responsible for the marking of retained trees. The opinion expressed by the North East Region Silviculturist relating to seed trees is that "Seed trees should be marked by a trained forest officer. Contractors are not appropriate without training and even then may not be suitable". A training module exists. This matter needs resolution.*

The instructions have been updated and staff monitor through the coupe monitoring record if contractors are used. A competency unit for seed tree selection has been developed and personnel are being assessed against this. This has also been added to the internal audit process.

- *There is still a consideration that the CAIR system is used if issues are escalating to a point that one must be raised or if a contractor is refusing to follow instructions. Further reinforcement that this should be a method for internal reporting to improve the system rather than as a final warning to contractors is required. Similar comments were made at all regional sites and in one situation it was noted that incidents may go through the OHS system but may not be picked up in the CAIRs.*

The CAIR raised against this in the system is still open however, a coupe completion report is being developed and implemented. The number of CAIRs raised has increased due to the additional awareness sessions and these are discussed at management review. Tactical planning are now using the system very well.

## Orbost

- *An external consultant acting in the role of senior forester roading and appointed two weeks prior to the audit had not been inducted.*

Inductions are now being managed by East Gippsland with HR ensuring that records are completed.

- *There was some difficulty noted in determining exactly where records were located for issues such as seed store inspections etc.*

All the seed stores have now been audited and a RecFind file instigated with the seed store checklists.

- *New agreements and arrangement were being drafted up for the seed collection contractors however; the previous ones could not be located.*

Again, files have been generated in the official RecFind system.

- *The system is not clear that the road works planning instruction requires a coupe plan to be prepared for road maintenance whether the work is by DSE or VicForests and therefore a file should have been put together for coupe 871-502-0017. The instruction may require better wording and review by the roading group.*

All of the roading documents have now been reviewed and discussed with the groups. The road plan has been updated and the coupe monitoring sheets revised with standard questions to be added on construction.

- *In viewing the road works plan process, the system will need to ensure that if a yes is answered on the pre construction checklist that there is a link back to a specific section to note controls in place to manage the issue identified.*

A team training day was held on the instruction requirements.

- *The RecFind system is not in use at Cann River and hence, the records of calibration and gas usage for the kiln have not been picked up.*

RecFind has now been implemented in this office.

## Bairnsdale

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

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

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

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

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

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

- *Seed store management was seen to be not fully resolved due to the structural changes. As seed management is a key component of the AFS, this is seen as an area of concern.*

Restructuring and confirming of responsibilities has been completed.

- *The regeneration survey assessment requirement was recently sent out by DSE however, it was not clear that these instructions will go back into the VicForests system and with the spread of personnel, there may be potential for inconsistency in the group approach. VicForests will need to ensure that with the new groups, minutes are kept and noted of any changes to work practices etc.*

Meetings have been held with the groups and logged into SharePoint. The Regeneration SOP has been updated to reflect the instructions and in total, there has been a very good effort by the Silvicultural group to address all of the issues raised.

- *A number of issues were noted in relation to the regeneration survey and seed collection processes including:*
  - *regeneration surveys had not been undertaken in accordance with the instructions of going along the full length of the coupe and not across*
  - *The seed contractor filing is not in RecFind*
  - *There is no environmental section in the contract services application form*
  - *The contract services evaluation form also has no environmental questions*
  - *Part B Specifications for Eucalypt Seed Collection is all quality related and provides no explanation related to environmental significant aspects*

The SOPs have been updated and the contract template for minor works reviewed. The eucalypt seed collection plan has also been reviewed and adjusted.

- *There was no intention to generate a CAIR in relation to the 19 failed coupes not accepted by DSE. This would be the opportunity to note corrective and preventive actions such as training etc as some of the issues such as plots being too young could have been prevented.*

A CAIR was raised and a certification information session also held. The survey methodology has been revisited and will be incorporated into the new competency training being undertaken.

- *The seed extraction, cleaning and storage checklist for Bairnsdale was viewed as completed in August 2007 however the kiln questions were not answered.*

All checklists have been audited internally.

- *Whilst there are plans to test the OHS scenarios, the environmental mitigation and prevention measures of emergencies and accidents are also overdue for testing.*

The CAIR was still open although there were plans to undertake a test at Ovens during the week of this audit. The CAIR was due to have been closed on 30/12/08.

- *The issues associated with overloading of trucks, bindings etc will need to be picked up in the system as either checked by VicForests or through the STEMs audits.*

The CAIR in the VicForests system is still open as further work is done on ensuring that these requirements are either picked up by the OHS system process or through STEMs.

### Heyfield

- *Discussions indicated that personnel were not fully aware of the cutoff level for significance of aspects and impacts and the implications that this would have in the system.*

The instruction has been updated to define the explanation and has also been discussed at the certification information sessions that were held.

- *The current visitor's safety induction for forest operations does not pick up on system issues other than safety e.g. environmental, social, cultural and as it is the only induction, it is the only method of communicating the requirements of the VicForest management system.*

The safety induction was reviewed to ensure a prompt had been included.

- *The Fire Emergency Procedure is dated 2006 and is out of date. VicForests need to review how this has not been picked up by the system.*

Whilst the CAIR is overdue, it has yet to be closed as the procedure will be reviewed.

### Noojee

- *It has been some time since the Noojee personnel were involved in testing of the emergency response procedures.*

Testing was to have been undertaken in the week prior to the audit however, this could not be confirmed as the OHS person was on leave. The internal CAIR process will ensure that this is not closed until completed.

- *The process for handover from harvesting back to silviculture is yet to be formalised. As there is potential for issues to arise in relation to responsibilities, this should be structured in the system.*

A newer coupe planning checklist is to include formalised handover between the teams and is being finalised.

- *It is not clear on the CAIR flowchart whether a failure to identify something in the system i.e. a visual issue with DSE, requires the generation of a CAIR.*

More scenarios have been added to the instruction.

- *The intranet site will require adjustment as Appendix 2 is missing from the version of NFG 10 available.*

An electronic copy of Appendix 2 has been uploaded.

- *At present, germination plots are being checked on a fortnightly basis whereas the*

*guide requires weekly checking. Whilst fortnightly is likely to be appropriate, the system should be reflecting whether it has been determined as acceptable to vary from the requirements i.e. the SOP states that NFG10 is to be followed.*

The SOP was reviewed and adjusted to allow some flexibility in the checking process.

- *The stakeholder database is currently being used as a place to store names and contact details however, there is no indication of the area of interest for these contacts and the method for communication and involvement required in VicForest planning.*

Names have now been categorised to show the area of interest and the matrix reviewed for communications. A project has been instigated to review the whole database.

- *Determine average gross/net coupe area ratio to determine a correction factor to be applied in yield calculations. It is understood that this issue has already been recognized and a project to address the concern is planned.*

There is a project in place to look at the ratios of gross/net areas to be completed by June 2009. The coupe completion review is also to be completed in the few weeks following this audit.

- *There is a need to ensure that issues of concern identified in operational coupe management are not only followed through but that this process is fully documented.*

The certification information sessions have highlighted this issue and reinforced the requirements.

- *Whilst the instructions pick up on the specifics listed in the legal and other requirements, VicForests need to devise a method of ensuring compliance for those requirements that are not as frequent or directly related to instructions.*

The audit plan now notes that legal and other requirements are to be picked up. The register has been divided into primary and secondary with no definition i.e. it was a subjective decision. The 2009 audit was yet to be undertaken to address the gaps.

- *The audit checklist viewed for CSO indicated questions on what the interviewee could tell the auditor however, it is difficult to see which instructions or procedures in the system were being audited i.e. implementation.*

Instructions that are to be audited are now listed in the audit plan.

---

## **FINDINGS FROM THIS AUDIT**

### **Changes to Business**

There have been several staffing changes with a new training employee implementing online learning packages and working on the competencies, a new Central Highlands Regional Manager and a new modeller experienced in Woodstock. New harvesting and haulage contracts came into place on the first of October with around 86% of the current contractors successful.

Process flows of information across all business groups have been a key focus of the system personnel including all forms, checklists etc reviewed. VicForests are still working on achieving FSC certification aiming for August 2009 as a completion date.

The Healesville office has opened with 23 staff working from there mostly in the area of tactical planning for the Central Highlands. Satellite offices forming part of the Highlands are Alexandra, Ovens, Noojee and Heyfield with Mansfield closing down. Satellite offices forming the Gippsland Region continue to be Cann River (the office has moved into the former Parks Vic building), Bendoc and Swifts Creek with Orbost the regional office.

Clearer definition of roles in relation to strategic planning have come from recent discussions with DSE and further refining of the working relationship is planned. The next Allocation Order is being prepared with a release date of June 2009. A DSE reference group has been formed within VicForests to ensure a smooth TRP process. The 2007 coupes rejected by DSE have now been handed back and the results for the 2008 hand back are yet to be received.

VicForests has joined the CRC for Forestry and has been in active discussion with other forestry organisations in relation to machine technology and productivity improvements. A firewood strategy is being developed with DSE following complaints in the Gippsland region.

### **Logo Usage and DFA**

The logos appear on the external website for PEFC and AFS with the appropriate licence numbers displayed. The DFA has adjusted with the TRP changes made and current status is available on the internet and in the GIS.

### **System Elements**

An SFMS management review was undertaken in October 2008 with a prepared agenda noting all required issues to be discussed. The process of providing management with all issues for discussion and points in clear text is excellent ensuring that focus issues are discussed such as the status of objectives and targets. All CAIRs, training, stakeholder issues, productive capacity, soil and water, biodiversity and other relevant information was noted with good minutes.

The internal audit plan for 2009 had been recently approved with a good review of the previous cycle. Focus areas had been audited as were the instructions. Results indicate that the process is working well.

### **Areas of Concern**

- The CAIR process is not being fully utilised to ensure that all actions taken to address the issue are noted, agreed actions are related to the actual issue and root cause analysis is fully used to allow identification and allocation of preventive actions in addition to the corrective.
- In following through other issues, it was noted that the OHS Regulations 2007 are not considered to be a primary legal obligation on the Obligations Register, only in relation to construction. Another example was the CFA Regulations being considered a secondary obligation yet they were specifically stating no heat engines (and contractors advised) to be used on the total fire ban day. These examples suggest the primary/secondary process may be too subjective to ensure all compliance requirements are identified and checked through the system. In addition, the auditing process has not picked up the CFA Regulations for compliance checking.
- The link in the Obligations link for fertilising on landings shows the 1996 Agriculture and Veterinary Regulations and not the 2007 version that is located in the register.

### **Stakeholder Engagement**

Several complaints have been received in relation to speeding log truck drivers and dust issues. A very innovative approach has been undertaken in Ovens by issuing one resident concerned about safety on the roads with a radio to provide an ability to listen to truck movement. In addition to this, a section of road in the Buckland Valley has also been sealed to reduce the dust issue. These have been good local solutions to some stakeholder concerns.

In East Gippsland, there has been considerable engagement with stakeholders regarding harvesting in the area of Brown Mountain near Bendoc. Three coupes were put into the TRP in this area following the incorporation of 57 coupes that had been allocated for harvesting, into 33,500ha of old growth reserve. Harvesting at Brown Mountain commenced in October 2008 following the full TRP process of consultation and approval of the TRP in June 2007. Protests were held when harvesting began and the Minister for Environment was involved in discussions. In November 2008, VicForests met onsite with the ACF, Wilderness Society and other concerned parties to discuss the reserve system with DSE. Actions to date and communication have been appropriate and will be followed up when the next audit is undertaken in the Gippsland region.

There has also been interest by stakeholders in the management of harvesting in the water catchments and also in biodiversity species such as the Orbost Spiny Crayfish and Yellow Bellied gliders believed to be present in a coupe in the Gippsland region.

A project is currently underway to revamp the Stakeholder Strategy which has previously been issues based rather than strategic and proactive. Focus groups with staff will be held to get a better understanding of the more proactive approaches that can be put in place. This is a very good positive improvement in the system.

The external website has also been adjusted to provide easier access and more information to stakeholders.

### **Statistical Analysis**

VicForests are still to determine whether regeneration assessments meet statistical power requirements. Data is available and the only reason it would appear to have not been done yet is that there is no perceived problem with the current method or results however, it is planned to be undertaken in 2009.

The cutover residue study was statistically rigorous in its approach. The review of the ratio of D+ sawlogs to other low grade forest products was carried out using regression analysis instead of ratios.

VicForests are proposing a review of thinning operations and protection of flora and fauna values. ANU will do the statistical analysis.

Studies of retained tree survival and soil compaction are underway with the methods used having statistical rigor. Success of the retained trees strategy is being measured along with compaction across 21 coupes. The trees have been photographed and plotted by GPS and the number of coupes represents approximately 5% of the total. There is also a good spread between the two regions. This information will provide a baseline for further retained trees and compaction monitoring.

### **Fire Management**

VicForests are a part of the Network Emergency Organisation (NEO) and personnel undergo fitness testing under the DSE fire structure if involved in extended campaigns or undertaking certain roles where it is mandatory. Under the contract, DSE require basic wildfire and awareness training for personnel engaged by DSE to do work in the forest. OHS audits check fire readiness although at the time of audit; results could not be checked as the OHS manager was on leave. The memorandum with DSE regarding fire preparedness requirements was reviewed.

Currently there is a review being undertaken of the required personnel for fire preparedness and also to undertake supervisory roles in addition to the structure required to manage regeneration

burning. This report is yet to be actioned.

Instructions for the 200L slip on fire fighting units were obtained by VicForests personnel after some searching and these provide specific requirements for the units. At the time of audit it was determined that VicForests had 3 Pig units and 17 Piglets.

### **Areas of Concern**

- Whilst the emergency procedures had been reviewed since 2006, the current version had not been put onto the intranet with the updated personnel and duty officer details.
- The emergency policy referenced in the fire procedures could not be located during the audit.
- There was no evidence available to indicate that the requirements of the fire fighting unit instructions or the vehicles, pumps and other equipment are regularly checked for readiness during the fire season on a more frequent basis i.e. there is an annual pre season audit undertaken within the OHS system but more regular checking should be undertaken once the season is underway.

### **Carbon**

VicForests have a carbon account report prepared by consultant, Rod Meynink. This work will be updated following the reconstruction of the SFRI. VicForests is also working with DSE on carbon accounting to ensure a consistent approach in line with AGO methods.

VicForests also contributed their data for Central Highlands Region to a national CSIRO study – “Lifecycle inventory for forestry”. This report concluded that carbon emissions from forestry were low compared to the amount of carbon sequestered in wood products removed from the forest.

The largest carbon emissions from VicForests are through the regeneration burns which are prompting the study into better utilisation of the residue. There is a conflict between the need for fuel reduction burns and carbon emissions with DSE now modelling carbon. Further clarification as to whether the carbon accounting gives credit for the trees to DSE or VicForests will be considered.

### **Competency/Training Follow Up**

There has been further progress in the training assessments and material required to be completed and the momentum is continuing in this area. Training matrices, identification of workplace assessors and lining competency packages up with recognised standards is being undertaken and the additional resource and focus on e learning will improve the level of knowledge and awareness across the organisation.

### **Areas of Concern**

- Greater guidance is required to be provided for managers using the training assessments and completing the competency requirements as there is still some confusion noted in the regions on how to use the information, request and action training.
- The current Excel spreadsheets being used for noting skills, status etc need to be followed through by HR or another section of VicForests to ensure they are being completed and provide the required training records at a regional level.
- The compliance training matrix being developed indicates that all of the required training is

OHS and risk focussed with risk management being developed without the environmental/social focus. This is not indicating that the system being developed is a complete sustainable forest management one. Similarly the 2009 Development Options indicate Safety and Risk rather than the SFMS approach.

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

### **Opportunities for Improvement**

- The induction checklist for the new training incumbent has yet to be signed off including items required to be assessed in the first month.
- Personnel who are not in the capability stream may not currently have competencies assigned through the current matrix.

### **Productive Capacity**

A number of useful initiatives have been undertaken to refine and verify the sustainable sawlog supply and work towards better timber utilisation. This is timely as it was brought to our attention on this audit, while in the Ovens area that the SFRI data for that area is not very reliable.

Initiatives undertaken include:

- a) The Resources section has been strengthened with the addition of a dedicated forest modeller (using Woodstock) and a resources analyst.
- b) During 2008 a survey of cutover residue was completed leading to a call for expressions of interest in purchasing up to 600,000 tonnes per annum of low quality eucalypt logs. This will improve utilization and should increase revenue.
- c) A review of assessed versus actual sawlog volume has commenced to understand the reasons for any significant or consistent variations.
- d) The SFRI is to be reconstructed, as an interim measure, to enable more robust estimates of volumes and products.

Personnel also attended the annual pulpwood conference held in Singapore. Agreements with two key customers will be expiring later in the year providing an opportunity to consider further arrangements for low grade wood.

### **REGIONAL OFFICES**

Field inspections were undertaken for coupes managed by the Ovens and Mansfield offices and discussions were held in the Ovens, Mansfield and Healesville offices on system requirements and focus areas related to this audit.

#### **Ovens**

Three harvesting contractors are managed by the office with two working on the day of the audit which had been declared a day of Total Fire Ban. The coupe haulage plan had been laminated and clearly indicated school bus routes, noise and dust issues etc. Personnel in the office are now very familiar with the management system to the point that changes are being made to improve the practical nature of the documentation. Communication is good and there is a strong commitment to

good forest management practices. Whilst other VicForest offices have moved to functional groups, this continues to maintain roles that are all encompassing which works well considering the distance required for personnel to travel to reach the field from the Ovens office.

The following comments are raised in relation to the field visits:

**Lower Lightwood 676-511-0002A** coupe visited is in the Lake Hume catchment area and is predominantly Alpine Ash. A Montane riparian thicket SMZ had been buffered and clearly marked with blue tape. Fire equipment was present as required and the topsoil placement very good. The fuel bund construction was excellent. The contractor had also created a small plan for the landing and loading requirements and communicated this to the trucks. This is a STEMS document and is a very good initiative. Landings had only recently been prepared and were well constructed. The contractor had also devised a unique safety zone for drivers with a drum containing a radio and maps.

A log grading check had been undertaken in the week prior and the coupe diary last entry was 21 January. The log docket book indicated loads had been taken to Benalla and Heyfield. Barcodes were being used for the Dormit logs and had been provided by VicForests.

### **Opportunities for Improvement**

- The Public Safety Zones Information sheet and the Emergency Medical Evacuation sheet could benefit from some form of document control to indicate currency and recognition in the system.
- The induction booklet used by the contractors at Lower Lightwood was excellent however, it has been provided by STEMS and as such, has a strong safety focus. The opportunity exists for VicForests to potentially enhance this process by inclusion of some of the key forest management issues to be noted.
- The coupe diary is not being updated as events occur or issues are seen and dealt with.
- The contractor copy of the hazard sheet had not been ticked off to note issues present.
- As the track created was in coupe, no roading plan was required, VicForests may need to consider if more information is required for a small version of a roading plan.

**Murtagh's Shoulder 676-530-0004** Final clearance for the coupe was issued in December 2008 as harvesting occurred over two seasons. The coupe has an excellent proportion of seed and habitat trees with a well rehabilitated landing indicating good drainage and topsoil placement. The coupe file documentation was seen to be very good with the coupe planning checklist completed and a very good traffic management plan in addition to detailed coupe monitoring records. The coupe diary and copies of the visitor induction forms were also present.

### **Area of Concern**

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

### **Mansfield**

As the office is winding down, personnel attend the fortnightly meetings for all staff in Alexandra office. The 2007/8 coupes included ten ash and three mixed species coupes. Salvage prescriptions were still applying due to the 2006/7 fires. The TRP Atlas released in June 2008 provides good

detail on the current TRP coupes for the region.

Due to the day being declared a total fire ban, an SMS had been sent out to the crews to cease harvesting by noon and to restrict all work to the landing. This was verified in the field with the contractors.

**Lean To 399-503-0007** is an Alpine Ash coupe only 8ha in size and logged in March 2008. It was included in the TRP for salvage as it fell into the 1 and 2 scorch category. All timber harvested was sent to Midway for pulp. Coupe monitoring records and all other required documentation were present as required.

### Opportunities for Improvement

- A historic site had been identified during planning for the coupe with the coupe plan noting that no action was required. It would be useful if further information stated why this was the case e.g. a hut had been located and was outside the property or no longer existed etc.
- A cover sheet is now being used to note the documents that should be present in the coupe file. This is a good innovation and might be enhanced if it noted whether the documents were present or had been filed.

**Weston's Ridge 400-505-0005** coupe was active at the time of audit with the contractor undertaking an induction and signing the visitors into the coupe. Salvage prescriptions were being followed with very good notations made in the coupe diary. Fuel management was good and the knowledge and understanding of Total Fire Ban day and emergency response requirements also good. Utilisation procedures were well understood and being followed. Coupe monitoring had been well done and the coupe planning checklist followed through.

Fire fighting equipment was checked shortly prior to the audit, intermittent road closures undertaken and a traffic management plan in place. Soil assessments had been undertaken and the coupe overlay analysis and CIS Reconnaissance sheet now specifically asks about special values known to be in the region such as the spotted tree frog, rainforest, leadbeater's possum and the barred galaxis.

### Opportunities for Improvement

- It was not clear from the coversheet that someone from tactical planning had peer reviewed and whilst the notation was that the coupe was within a designated water catchment it did not specify which one.
- At the time of audit, all information in relation to the harvesting had yet to be entered into CIS.
- Given the importance of the Long Footed Potoroo, this may also need to be a prompt on CIS as a special value.

**Lost Scope 400-505-0006** had been added to the TRP after the 2006 fire as a salvage coupe. Originally 90ha were planned to be harvested however eventually only 40ha were used. The file documentation had been well managed and planned processes including the post harvest burn and reseeded were as required. Evidence of regeneration was viewed however there will be follow up surveys to be completed.

The following coupe plans (10) were reviewed by the Technical Specialist and those with an asterisk against them (5) were also field inspected. Notes relating to each coupe below appear in the table.

### **Ovens**

Lower Lightwood\* 676/511/0002  
Murtaghs Shoulder\* 676/530/0004  
Clean Up 700/504/003  
Mt. Sarah 647/509/0005

### **Mansfield**

Lean To\* 399/503/0007  
Westons Ridge\* 400/505/0005  
Lost Scope\* 400/505/0006  
Keystone 397/502/0002  
Stans Track 412/505//0001  
Old Coach Salvage 319/507/0001

<b>Coupe Plans checked (* and field inspected)</b>				
<b>Office</b>	<b>Coupe name</b>	<b>Coupe number</b>	<b>Species type</b>	<b>Notes</b>
<b>Ovens</b>	Lower Lightwood*	676/511/0002	Ash	Current clearfell coupe. Good induction from the contractor. Coupe plan thorough. It included details of school bus timetable and bus route demonstrating community interests and safety values. Two minor incursions with tree heads falling into a stream buffer zone were inspected – no environmental damage. Contractor did not intend to fall other trees that might fall into the buffer. The buffers were clearly marked.
	Murtaghs* Shoulder	676/530/0004	Ash/ Mt Gum	Clearfell coupe. Coupe plan generally thorough. School bus routes and log haulage plan on file. Blue-leaved tussock grass identified in the planning process was not documented in the coupe plan. However the area had been identified on the ground and excluded from harvesting. Habitat tree maintenance was good. Coupe monitoring done, issues identified, instructions given to contractors but no documented completion of requirements.
	Clean Up	700/504/0003	Ash	Coupe clearfelled 2006/07. Coupe plan thorough. Steep areas excluded from the net coupe area. Harvesting time restriction due to water catchment recognized in the plan. Coupe monitoring done with issues identified and followed up. Burn Plan pro forma on the coupe file but not completed however completed burn operations record present.
	Mt Sarah	647/509/0005	Ash	Clearfell salvage. Coupe plan generally good except for absence of final coupe plan map on file and management prescriptions for the long-footed potoroo. The coupe plan says that harvesting will be in accord with guidelines in SMZ plans 646/11 and 647/04. This guideline while on the coupe file is not part of the coupe plan. While the guidelines meet DSE requirements they are meaningless to the contractor when expressed in this manner. It was noted that there was documented evidence of agreement to the field location of the boundary between Parks and State Forest. Coupe monitoring done. Good follow up on issues relating to barring of tracks, stream crossings and safety but no follow up on debris around habitat trees.

Coupe Plans checked (* and field inspected)				
Office	Coupe name	Coupe number	Species type	Notes
Mansfield	Lean To*	399/503/0009	Ash	Clearfell salvage. Coupe plan meets all requirements. Coupe monitoring completed. Regeneration burn completed 2006/07. Regeneration appears to be inadequate due to dense cover of bracken – however some seedlings on tracks. Formal regeneration survey due December 2009.
	Westons Ridge*	400/505/0005	Ash	Clearfell salvage – active coupe. Coupe plan meets requirements. Coupe monitoring completed including log grading checks.
	Lost Scope*	400/505/0006	Ash	Clearfell salvage. Coupe plan meets requirements. Area seeded post-wildfire and pre-harvest. Regeneration patchy with some sections burnt post-harvest and seeding. Regeneration now present in those areas inspected. Coupe monitoring completed. Burn plan, ignition authorization, site establishment plan and aerial seeding record all signed off and on file.
	Keystone	397/502/0002	Mixed species	Seed tree retention. Coupe plan says coupe details will be forwarded to AAV for a site check. This should not be part of the coupe plan but part of the planning process. This may be a CIS issue with unnecessary info transferred into the plan. No documentation on file that the AAV check took place. Otherwise coupe plan okay. It was noted that the coupe monitoring record does not have a place to check whether prescribed basal area is being achieved. In this mixed species the requirement was for retention of 7m <sup>2</sup> per ha. On the positive side it was noted that the Australia Post Contractor had been notified about logging traffic on his route.
	Stans Track	412/505/0001	Mixed species	Selection logging – BA retention of 18m <sup>2</sup> per ha. Heritage site near to but external to the coupe not identified in the coupe plan. This may have relevance to the post-harvest regeneration burn. Otherwise coupe plan meets requirements. Coupe monitoring completed including log grading checks. Coupe plan requires wash down of machinery prior to moving to Westons Ridge. No evidence on file that this happened.
	Old Coach Salvage	319/507/0001	Ash	Clearfell salvage. Coupe plan meets requirements. Coupe monitoring completed with follow up.

### Areas of Concern

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

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

### **Opportunities for Improvement**

- Follow through on issues raised in coupe monitoring appears to have improved since last audit however there is some confusion as to whether follow up should be documented in the coupe diary or on the subsequent coupe monitoring record. As appropriate follow up is yet to be achieved in all cases so further reinforcement of this requirement is needed.
- It was noted in one case where an inappropriate prescription appears to have been automatically transferred from CIS into the coupe plan – this needs to be addressed (see coupe Keystone).
- Overall coupe files could be improved if they could be set out in a standard format across VicForests with a summary or checklist of mandatory inclusions and sign offs.

### **Healesville**

Silvicultural and sales were discussed in the office in addition to general responsibilities, training and communication processes. Position descriptions were viewed including Forester Operational Planning. The EPP provides a good method of recording required and desired training and the responsibility for other roles. New personnel were interviewed and the process of mentoring and peer review as personnel are learning the job.

Monthly production estimates and the Rolling Operational Plan (ROP) were viewed and are well managed with catchment closures incorporated into the spreadsheet. Adjustments were being made due to the fall in the pulp market.

### **Opportunity for Improvement**

- As the planning role is generally office based, the GIS skills required may need to be further detailed in the EPP and position description.

### **Roading**

Roading is managed through the Healesville office however, discussions were undertaken in Healesville. A new roading agreement is now in place with DSE and all information, including the annual road plan which is managed as an Excel spreadsheet, are managed through the RecFind system. The plan was sent to and signed off by DSE in December 2008.

Inspection reports were VicForest roads were viewed and indicated good notification of poor drainage at Powder with a road works plan to address the issues noted in the report. The plan was signed by DSE along with the road works request and the road maintenance monitoring record

indicated a very good assessment of the final outcome.

Aspects and impacts have been addressed in the risk register including rock drilling and blasting with blasting supervisors and required training identified.

A further file notes the specific issues around the use of B Double transport including the need to assess all roads using the form designed for this task. Questions on the assessment are very well compiled. These have been submitted to DSE with an approval notice issued and endorsement conditions attached.

Road works plans for Latrobe were viewed and maintenance in the Thompson region. Inductions, notices in the coupe diary on competencies and monitoring had all been well documented including a JSA for changed work conditions.

### **Areas of Concern**

- Whilst there is a plan to possibly add a field to the ROP for additional conditions set by DSE, this is yet to be picked up by the system to ensure there is a flag for compliance checking.
- There is currently monitoring that some of the requirements are being met e.g. signage, the system is yet to recognise and include this aspect.

### **Opportunities for Improvement**

- VicForests may wish to consider if a more formal letter or receipt of the annual road plan from DSE is required.
- As the coupe monitoring record is the key monitoring tool for activities being undertaken, this may be a method for noting the checks on the haulage requirements.

### **Silviculture**

A number of positive initiatives were noted in relation to coupe regeneration and the coupe hand-back process and these included.

- a) Aerial assessment of future seed supplies.
- b) Training of seed collectors
- c) Training of seed extractors – differentiating between mature and immature seed.
- d) Regeneration surveys carried out using the Trimble GPS unit.
- e) New coupe finalization procedures appear to be well understood
- f) Strong efforts to work with DSE to achieve positive outcomes on coupe finalization leading to coupe hand-back.

A working agreement is currently in place with DSE for seed collection and the program is now being co coordinated and managed by VicForests. Contractors are used for seed collection, extraction and regeneration surveys with a course being devised to ensure collectors can distinguish between mature and immature seed. All seed kilns have now been reviewed by an OHS consultant and the standard for seed extraction is being rewritten in addition to the monitoring. This demonstrates a very good focus in an area that is linked to significant aspects.

CIS is used to manage the trigger dates for regeneration. The coupe finalisation procedures were reviewed in October 2008 and a batch of coupes tabled for clearfell and seedtree for handback. These were emailed to DSE in October. The first report on coupe finalisation was completed in

July 2008 noting that 77 coupes out of the 96 had met the standards for regeneration. Of the 88 thinning coupes submitted, 85 were removed from the TRP as accepted. All regeneration surveys are planned to be completed by June with the report prepared by August to allow finalisation by October.

Since the previous audit, regeneration surveys are now being accurately plotted using the GPS with new instructions, maps and training for all personnel. The survey summary form provides an excellent record indicating clear comments and remedial action that may be required.

### **Areas of Concern**

- There were no records available to indicate the field training that had been undertaken with personnel to use the Trimble.
- In viewing the contractor file for eucalypt seed collectors from Toolangi, it was noted that the Minor Services Contract has a section on Safety and Compliance which refers to the Code however, it was noted that this is the Safety Code with no provision for the timber code and other non safety related forest management compliance requirements.

### **Opportunities for Improvement**

- Potential calibration or verification requirements for the Trimble are yet to be considered as part of the system.
- The meeting minutes taken in August 2008 relating to a ground collector indicate that the discussion was focussed totally on safety with the opportunity not taken to discuss any environmental or social issues or aspects.
- VicForests may need to consider a more structured competency for silvicultural personnel within the system.

### **Biodiversity Management**

Positive initiatives in biodiversity management noted included:

- a) Silviculture ensures maintenance of overstory species mix through seed collection, seed mix applied and trees retained on coupe.
- b) Biodiversity protection training completed and implemented.
- c) Habitat tree and seed tree selection competencies developed.

### **Opportunity for Improvement**

- The identification of biodiversity values and associated prescriptions in the coupe plan in a manner that clearly informs the contractor - see section 7. Coupe Planning.

### **Soil and Water Management**

- a) Overall the management of soil and water values on the coupes inspected was good. Earth banks were constructed on snig tracks and minor logging roads and landing rehabilitation had been completed. No instances of rutting were observed.
- b) There was evidence of excluding steep areas (>30 degrees) from harvesting.

- c) Harvesting time restriction periods in specified water catchments were included in coupe plans.

### **Coupe Planning**

While coupe planning continues to improve there are still are few opportunities to improve contractor understanding of the requirements and to demonstrate the professionalism and accountability of the planning process.

On a positive note it was good to see documented evidence advising relevant members of the community about harvesting and logging traffic – school buses, postal contractors and residents.

### **UPGRADE TO AS4708:2007**

As reported previously, VicForests had undertaken a gap analysis against the 2007 version of the standard to determine if there were any areas not quite conforming. The key changes to the new standard include greater emphasis on seeking more benign chemicals, making a public report available in relation to audit results, clarification on the conversion of native forest to plantation and stronger wording in relation to biodiversity.

As per previous audits, there have been no issues in any of these areas. VicForests do not undertake conversion, use fertiliser on landings, provide a public report through the website and also on request and have good processes in place for biodiversity management.

There were no areas of concern in relation to this at the previous audit and therefore VicForests can be recommended for an upgrade to the full standard.

### **Recommendation**

The recommendation from this audit is that your certification continues and is upgraded to AS4708:2007.

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

This report was prepared by: Sabrina Kerber and technical specialist forester Gary King.

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:

- Legal and other requirements and compliance checks
- Allocation Order planning
- Coupe hand back process
- Low grade wood project development
- Retained Trees Analysis
- Internal audits, CAIRs, management review
- Revised Carbon model
- Product delivery, Healesville
- Stakeholder engagement
- Objectives, targets and management plans

## AUDIT RECORD

**Audit Team Leader:** Sabrina Kerber  
**Auditors:**  
**Observers/Technical Specialist:** Gary King

**Total number employees relevant to this audit and site:** 136

**Applicable Statutory/Regulatory/Standards requirements (to be identified by the client):** Vic Timber Code, OHS and Environmental legislation

**Exclusions From Standard Requirements:** NA      **Exclusions From Scope of Certification:** Nil

Day	Auditor	Audit meetings plus functions/ processes/ areas/ *shifts audited	Audit area employee no	# Shifts*	Result
27/1/08	KERS/KING	Discussion of sites/system changes			
		Fire Management			✓
		Statistical Analysis, Carbon			✓
					✓
28/1/08	KERS/KING	Ovens Office and coupes	4		✓
29/1/08	KERS/KING	Mansfield Office and coupes	2		
		Roading			✓
		Silviculture			
		Productive Capacity			
30/1/08	KERS/KING	Healesville Office	23		
		Internal audits, CAIRs, mgmt review			✓
		Training/competency changes			✓
		4708 Upgrade			✓
		Areas of concern follow up			✓
		Closing discussion			
	Offsite	Stakeholder Communication, Report Preparation			✓

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

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

\* Enter shift details only where applicable.

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

### ***Non-conformity:***

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

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

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

**Follow-up activities incur additional charges.**

### ***Area of Concern:***

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

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

### ***Opportunity for Improvement:***

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

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