



App./Cert.	FMS20003
Date	16/03/2011

SURVEILLANCE AUDIT

Client:	VicForests
Site Address:	Level 7 473 Bourke Street MELBOURNE VIC 3001 AUS Central Highlands – Ovens, Alexandra, Healesville offices

Standard(s): 4708:2007

Relevant Codes (as applicable)

E0301, E0302, E0303, F01-F06

Scope of Certification:

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

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

COMMERCIAL- IN – CONFIDENCE

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AUDIT REPORT

Introduction

SAI Global conducted an audit of VicForests on 14/02/2011 to 17/02/2011 with additional reporting time.

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.

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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

The management system continues to function well and be continually improved to reflect changing focus in the business and identification of problem areas through the internal checking processes. Additional resources have been added to bolster the stakeholder engagement and biodiversity areas which have previously been identified as requiring greater focus. The appointment of the biodiversity officer is seen as a positive step in addition to full roll out of the biodiversity training which had been initially prepared in 2008.

Other areas of improvement include the wildlife and regeneration surveys, the use of remote sensing techniques to more accurately depict forest structure and determine standing volume and the reviews and release of new procedures. Stakeholder concerns have been taken very seriously with full recording of issues in the relevant databases, appointment of a specific case manager for several identified stakeholders and improved management of records. All complaints are thoroughly investigated and records maintained.

Field inspections were undertaken in the Central Highlands region and included the Ovens, Alexandra and Healesville based staff. Operations were found to be well managed and improvements noted in the peer review processes and records management including the checking and investigation methods and detail.

No non conformances have been raised in this audit and certification is recommended to continue.

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Audit objectives

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

Review of any changes

VicForests are continuing to address issues raised from the FSC audit to achieve certification with further action in management of threatened species and stakeholder engagement.

There has been a change of government since the previous audit with VicForests now engaged in discussion with the new government personnel and Ministers.

A DSE/URS audit was completed in November on the 2007/2008 coupes. This audit now replaces the former EPA audit format. The draft report has been received and VicForests personnel were preparing comment.

A tender for harvest and haulage is currently in progress.

A new Biodiversity officer has been appointed, the HR manager has resigned and the system management is now incorporated into the risk and compliance group which previously only related to OHS matters.

Actions taken on previous audit issues

Areas of concern from the previous audit have been very well managed through the CAIR system with a close out sheet prepared for use at this audit. Those which are yet to be fully progressed to completion are marked with a solid dot '•' and those closed are marked with an open dot 'o'.

Opportunity for Improvement

- The close out sheet used to determine status of the actions to address previous areas of concern has no indication of how recent the update status is.
 - *VicForests have yet to communicate to all those undertaking monitoring or developing monitoring processes the need to consider and apply statistical power where possible.*

The monitoring procedure has been reviewed and reissued in January 2011. There has been further communication of this to all personnel.

- *VicForests are reminded that areas of concern need to be reviewed as to the cause of the issue noted and allocate appropriate corrective and preventative actions rather than just add a comment or thoughts on the issue raised i.e. consider what the deficiency in the system actually is.*

The close out sheets are used to note the issues that are behind and there is a root cause drop down menu for use. Training is planned but is yet to be completed.

Opportunity for Improvement

- The drop down menu in the CAIR database for root cause may not be enough to enable personnel to ask the five 'whys' i.e. if asked five times, the root cause of the problem may be determined to enable appropriate preventive rather than just corrective actions to be allocated.

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- *The previous collation of documentation relating to the concerns raised by the environment group has not been systematic with no formal file created and no reflection in the communications register of corrective and preventative actions being undertaken by VicForests. As such, it was difficult, at the time of audit to locate the history of concerns and actions that had taken place to address the issues and to prevent any further issues.*

A RecFind folder has been created to manage all information from this stakeholder which can only be accessed by the Strategy Team. An electronic version is also stored in the system. All communication is now to be through a single point of contact at VicForests and any emails received will have a CAIR created, a report completed and coupe diary entries which are then discussed with DSE and receive appropriate investigation.

- *The current entries in the CAIR database do not indicate that the system cause has been fully thought through with very limited preventative actions noted. Reference to all actions and information should be noted as this is one of the key methods to ensure continual improvement in the system.*

This was discussed earlier and is being addressed.

- *VicForests will need to ensure that the assessment of significance of aspects and impacts is determined pre controls to ensure that those controls that are managing potentially significant impacts are highlighted and managed by the system.*

The aspects and impacts register indicates the risk level pre controls. The procedure notes that extreme or high is significant but does not indicate that this is to be from the pre control risk level.

Opportunity for Improvement

- The new system manager was unaware at the time of audit of the requirement to identify and assess significant aspects i.e. the risk level at which aspects and impacts are deemed to be significant.
- *It is not clear how stakeholder issues can be located in the communications register or collated from CAIRs to ensure discussion at management review.*

This is now being done through a variety of reporting processes.

- *Prior to hand back to DSE, a final road inspection report is completed and forwarded to the roading manager and then DSE. These will then come off the DSE list however, it is currently difficult to identify in the system the current status of roads subject to hand back or still on the books under VicForests responsibility. This becomes more confusing where some roads are unnamed.*

The roading manager at DSE was contacted to allow dual access to the roading database to enable a clearer picture of current status to be obtained. The Senior Forester Roding is based in Orbost and this will therefore be fully audited at the next audit.

- *It could not be determined that there is a system in place for consolidation of the roading condition reports and the roads to be handed back to DSE.*

Road status will now be tracked with respect to ownership and the database access will ensure up to date information.

- *The system does not appear to be fully recording where regeneration burns have been unsuccessful as no CAIR is raised and there were no consistent records to*

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indicate all had been assessed.

Regeneration surveys were carried out for all burnt coupes with the results stored both in CIS and the coupe file.

Orbost

- *VicForests are yet to undertake an internal audit of roading.*

It is now in a personal EPP to ensure that audits are undertaken of roading. The June 2009 Protivity audit was pointed to as an internal audit however, this did not audit implementation of the management system.

- *The community engagement officers will need to be made aware of the requirements of the AFS including the use of CAIRs.*

Information was sent to both officers and instruction provided on the CAIR system with complaints to be logged in there. There was also training in the difference between the CAIR database and the communications register. The training did not as yet make them aware of the two criteria of the AFS that would affect them in their duties i.e. Criteria 2 and 8.

- *The operator's induction information has no document control and is therefore not recognised as a system document.*

This is now a controlled document and on the system. The Silvicultural team has been updated on all changes through the staff meetings and procedure alerts.

- *The Stringer Track file has no evidence of checking of the silvicultural contractors conducting the regeneration surveys and there is no comment under the site preparation and establishment section in the coupe planning checklist for mechanical disturbance and burn plan and map peer reviewed and completed.*

A new form has been developed for regeneration survey monitoring and the burn plan for this coupe was found in the file.

- *There were no burn plans available for Stringer Track, Skinny or Cobon Road.*

The burn coordinator had removed the plans to allow them to be reviewed suggesting that some form of check in and out process is required.

Periodic evaluation and review of compliance with relevant legislation and regulations

In response to the overharvesting of the Allocation Order, risk audits against AS3806 were completed by an independent consultancy. VicForests has decided to create a separate compliance team with responsibilities in this area. In relation to this, further work is also being done in the planning area to address the gap between the tactical planning which focuses on a three to five year period and the long term strategic. VicForests has taken on the long term resource planning from DSE.

Compliance with the Code had been recently tested through the combined DSE/URS audit of a number of field coupes. The audit criteria and format has changed with some review of system procedures in addition to the field based audit. The report had only recently been received and was yet to be fully commented on and a final version released. This will be reviewed at the next surveillance audit.

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Progress on planned activities for performance improvement

Actions logged in the system for improvement have been progressed well. Biodiversity training, wildlife surveys, procedural changes and contractor auditing have all been completed.

DFA Changes/Logo Usage and Statistical Monitoring Protocols

Logo usage has not changed and VicForests are up to date with their AFS agreement which will expire in mid 2011.

The DFA changes are noted on the TRP and are available on the website with the internal system able to provide an up to date status at any given time.

Statistical Power

Significant progress has been made in the use of statistical power since the last audit. Two wildlife surveys have been completed for pre harvest at Brown Mountain and post harvest to determine the presence of long footed potoroos. Statistical power has been used to verify the sampling intensity required to determine whether Long-footed potoroos are present in coupes with potential suitable habitat. Statistically 25 nights sampling are required to have greater than a 99% chance of recording the presence. VicForests samples for 30 nights. Potoroos have been recorded in some coupes but not in others and appropriate measures taken where necessary. Mammal survey tools were taken from the DSE 2009 paper which has included statistical analysis.

Initial results and recommendations from the surveys completed in August and October 2010 have been written up in February 2011 noting that the current process used will have a 100% detection. An expert has also been engaged from Melbourne University to determine whether the survey design is satisfactory and the requirements demonstrate the use of statistical power. Excellent data and detail has been presented with the intensity found to be more than adequate.

It is proposed to use this approach for other fauna species of special interest.

In addition it is proposed to verify the sampling intensity required to develop a correlation between soil disturbance and the regeneration of several understorey species following harvesting operations. This will use existing plot data from the regeneration surveys and determine whether sampling intensity is adequate. As the surveys come in, statistical power will be applied.

The Vic Forests Instruction for Eucalypt Stocking, Soil Disturbance and Understorey Monitoring Surveys was released in September 2010 and describes the processes currently being employed.

Stakeholder Consultation/Complaints

During the previous SAI Global surveillance audit, stakeholder concerns had been raised by a Central Highlands environment group regarding the harvesting by VicForests of pre 1900 trees and damage to Leadbeater's possum habitat. At the time, all issues had been numbered and were reviewed for action in the CAIR system. The environment group also decided to raise legal action with regard to these issues in the Central Highlands, specifically in the Toolangi region.

These issues were followed up at this audit and file information viewed. The Victorian Department of Sustainability and the Environment (DSE) has dated all of the suggested pre 1900 trees and identified that they are post 1900 with some around 1906 age in an area that had been selectively harvested in the 1950s. DSE also completed a reconstruction of the site to determine if

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Leadbeater's possum habitat had been affected and these issues have been resolved between DSE and VicForests. The legal case that was raised by the group was withdrawn and there has been little further communication from the group with VicForests since Christmas.

Since the previous audit the court case involving Brown Mountain has been completed. The temporary injunction on harvesting remains. As a result of the Brown Mountain court case VicForests has developed a policy for *Pre Harvest Fauna Surveys*. The court case provided interpretation of the *Precautionary Principle* and provided guidance as to what is required for the conservation management of particular species and when a pre harvest survey is required. These findings have been incorporated into the VicForests policy. Both contracted pre-logging wildlife surveys and surveys by VicForests staff have commenced.

VicForests have added further resources by appointing a Biodiversity Planner. Surveys are currently being undertaken to determine the threat of irreversible environmental damage to wet forest elements. In the Central Highlands, VicForests implement the precautionary principle in relation to the potential for Leadbeater's possum habitat.

As part of the corrective actions implemented to improve management of stakeholder concerns, VicForests now ensures that all correspondence is directed through one point of contact. All information has been very well documented and was available for review. More resources are now also available to engage with stakeholders with community liaison officers based in Healesville and Orbost and the Strategy team has also increased. The greater focus on resources and implementation of system procedures will ensure a timely and coordinated response to issues raised.

With the support of senior management community engagement is now much more proactive than in the past. This is progressing well now that the Stakeholder Engagement Officer and the two Community Liaison Officers have settled into their roles.

A matrix of criteria has been established to determine the focus of activities for the CLOs with new financial year funding to assist. There have been internal newsletters put in place to update personnel on progress. Discussions have also been held with other environment groups particularly in relation to several contentious areas that have local focus groups. All communication has been very well documented with actions undertaken to manage the issues raised.

Pre briefings have been given to individual groups in relation to the new TRP including Shires, Councils, Environment groups and individuals that may be affected. All comments are back from the groups and are being compiled by the team.

The Central Highlands Stakeholder Engagement Plan has been completed with regional feedback provided at operations meetings and will provide greater structure to the communication and engagement processes. The stakeholder database has been updated and includes ownership of contacts assigned to relevant divisions.

Opportunity for Improvement

- It has been very well communicated within VicForests that all communication from the Healesville based environment group should go to one person however, it is not clear that this has also been requested of the group itself to ensure responses are coordinated and timely.

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Internal audits, CAIRS, management review processes and continual improvement

An internal audit of the system as applied in both regions was conducted in January 2011 with CAIRs still being prepared for the issues noted. The audit included various functional areas as observed at eight regional offices and provided a good list of areas for improvement and areas of excellence.

The review of the CAIR database indicated a very good spread of issues being noted and improvement in the actions being allocated. Personnel are now quite adept at placing issues into the database and reviewing outstanding actions. Processes are in place and working well.

A CAIR has been raised in East Gippsland relating to seed collected within an SPZ, this was also raised as an OHS non compliance as well in relation to the seed collecting group. The system has implemented appropriate corrective and preventative actions.

Management review has not been undertaken since the last SAI Global audit. The next will be conducted in July 2011.

Areas of Concern

- As the internal audit report is a summary of dot points of the areas of excellence and areas for improvement, it is difficult to see what was actually audited and observed to ensure system procedures have been fully tested for implementation. VicForests will need to ensure that auditor notes are kept to allow transparency in the audit process and for the internal system to identify what has not been audited.
- The audit schedule will need to ensure that other functional areas such as aspects identification and assessment, training, stakeholder engagement etc are also audited particularly where they are CSO functions.

Opportunity for Improvement

- There was some difficulty in locating the schedule for the internal audits.

System Elements

Aspects and Impacts Identification and Assessment

There have been no changes recently that have required further identification and assessment. The risk and compliance team are reviewing the format of the register. Silviculture was noted in the internal report to be reviewing their top ten risks on the register and this was discussed further in Healesville. Significance is based on pre control risks levels.

Biodiversity Management

VicForests have appointed a well qualified dedicated Biodiversity Officer who was in her third week with the organisation at the time of this audit. Her role will include pre harvest surveys and assisting with survey techniques including maintenance of scientific rigour. Induction into the VicForests business and system requirements has been well managed and documented.

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The biodiversity training module developed in late 2008 has been rolled out with training days held in Powelltown and Orbost. DSE assisted with these training days – Steve Henry in Powelltown and local DSE staff in Orbost.

Pre harvest fauna surveys have been documented for 2010-2011 through Wildlife Unlimited and there has been very good communication with DSE. Some personnel were found not to have been aware of the action statements that have been released by DSE to manage special values and this has also been addressed in the training. Work to date has also included a review of the EPBC and other threatened species information and the DSE action statements to ensure there are no gaps in the current system knowledge and information that is accessed by the planners. Experts have also been identified to assist with more specific knowledge in areas such as insect populations and management.

There was no instance of biodiversity values identified by Tactical Planning not being picked up in the preparation of the coupe plan.

Opportunity for Improvement

- There may be a need to spend further time in updating the Biodiversity officer of the link between her role and Criteria 3 of the AFS.

Sustainability of Timber Production

VicForests have produced a long term outlook for timber production over 20 and 100 year time horizons. This review has taken into account the impact of recent fire events and the creation of recent conservation reserves. It provides a very useful indication to industry of long-term availability of both Ash and mixed species.

Soil and Water Management

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. There was one instance in one coupe in Ovens where it appears drainage works were not completed over a short distance – see Appendix 1 - Marginal. Landings were being ripped post-harvest and topsoil spread.

Silviculture

There are a number of VicForests instructions for the various procedures carried out under silviculture. These instructions include *Site Establishment; Eucalypt Stocking Surveys; Eucalypt Stocking, Soil Disturbance and Understorey Monitoring Survey; Site Preparation – Mechanical Disturbance, Seedbed Assessment;* and DSE's *Burn Plan*.

It is not always clear where the documentation recorded in completing the above processes should be lodged. In some cases it is digitally lodged in CIS or FireWeb and in some cases it is lodged in Coupe Plans or other specific hard copy files. In some cases it is lodged in both locations. For some processes lodgement of information is in conflict with the VicForests *Coupe Planning Management* instruction. It was noted that in different centres information was being lodged in different places and that some documentation processes were not completed as required.

The Annual District Silvicultural Review, 2008/09 for Central Highlands Region prepared by consultant, Owen Bassett was examined. Key performance indicators were:

- Even-aged harvesting – 1340 ha
- Salvage of mature fire-killed Ash – 800 ha

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- Uneven-aged harvesting – 188 ha
- Thinning -296 ha (reduced amount due to fire salvage)
- Site preparation – 522 ha
- Aerial sowing of receptive area – 1800 ha
- Eucalypt seed collection – 7800 kg (record high)
- Regeneration assessment – 82 coupes totalling 1350 ha.

A key part of ongoing Silvicultural Reviews is the identification of issues and the making of recommendations to resolve these issues. A total of 29 issues have been noted since 2004 and 6 of these remain unresolved. The balance of 23 have either been resolved or controlled. A further 7 new issues have been recorded as part of this most recent review (received by VicForests 16 February, 2011).

One of the new issues raised was that a significant number of coupes were missed in the planning process for regeneration – this was attributed to the organizational restructure and changes in responsibility of personnel. The matter has already been resolved with harvesting foresters required to email an alert to Silviculture at the time of coupe clearance from harvesting.

Examples of unresolved issues are:

- Over-sowing of seed tree coupes without adequate justification – *this is directed at ensuring adequate regeneration but may result in overstocking of seedlings and unnecessary expenditure.*
- Carryover of some coupes into the next season for regeneration treatment – *this is due to limited windows of opportunity for regeneration burns. It generally includes those coupes harvested towards the end of the season that have less chance to dry out and this means a wait of 18 months to burn rather than 2 years. VicForests endeavors to burn as many coupes as possible and limit carryover to the minimum.*

Opportunity for Improvement

- While it clear that VicForests has made considerable effort to address the recommendations of the ongoing Silvicultural Reviews more effort needs to be made to finalise recommendations for improvement.

Cultural Heritage

The protection of an area of historical heritage was inspected in the field (see Leopard coupe). The protection buffers were determined in consultation with DSE and the boundaries of the buffer well marked in the field. VicForests staff have good processes for identifying heritage items and contractors are well aware of requirements and there is good history of reporting any new locations with controls implemented for protection.

Coupe Planning

Despite the existence of the *Coupe Planning Management* instruction which provides guidance as to what documentation should appear in the Coupe Plan the end result is somewhat variable. For example in Ovens the Tactical Planning process is only documented in CIS and not in the Coupe Planning file.

Most of the variability in coupe plan documentation relates to Silvicultural procedures. This was raised in the last audit in East Gippsland and has yet to be addressed.

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VicForest SFMS needs to provide improved guidance for required documentation of both coupe planning and silvicultural processes that are in accord with each other. The guidance needs to ensure a clear path to ensure the requirements of the SFMS are met and compliance demonstrated. Documentation can be in the form that most efficiently meets VicForests requirements. The Coupe File Index could be used to assist with tracking documentation.

Area of Concern

- There is a need for greater consistency in the implementation of VicForests planning process and the lodgement of necessary documentation that demonstrates the implementation of these processes. Records required to be generated are not clearly listed in the procedures and it is difficult to determine from coupe files what records may be missing or located elsewhere.

Field Activities

Central Highlands Region

Ovens

The office manages 24 coupes in the current TRP with quite a number handed back to DSE over the past two years. Focus has been on the Connors Plains area rehabilitation following salvage. Less than 30ha were noted as having failed regeneration. At Mt Stirling, 300ha was being prepared for salvage regeneration and three personnel were away from the office completing this work.

A complaint was received regarding some of the coupes on the TRP and water quality impacts on the headwaters. This was sent to the CEO of VicForests and has been logged in the system for action. Water sampling will be undertaken pre and post harvest. A response was issued in October 2010. At present there are no plans to log in the area.

As there is currently no pulp market, the second contractor operating in the Corryong region has moved on.

There is intent for one of the foresters to complete a tree climbing course to enable him to undertake seed collection duties.

The audit included an interview of the harvesting contractor who was also interviewed at the previous Ovens field visit. Inductions have been undertaken and there is excellent knowledge of the Utilisation procedures and VicForests requirements for forest management performance.

Coupe plans (12) for both Ovens and Alexandra were reviewed in each office and those with an asterisk against them (9) were also field inspected. Notes relating to each coupe appear in Appendix 1.

Glock 676/530/0009 *

Smith & Wesson 676/530/0010 *

Marginal 02 676/511/0008 *

Marginal 01 *

Murtagh's Shoulder 676/520/0004 *

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Areas of Concern

- The site safety summary for Marginal was required to be completed on the day of the burn however there was no record of this in the file.
- Buffers had changed at the Glock and Smith and Wesson. The map and site diary did not indicate communication of this.

Alexandra

The region has a new forester who is currently working through her induction checklist. Specific training in seed tree selection, habitat tree selection and cultural awareness have been identified as required to be completed. Harvesting was completed in October at Crow's Nest where an old winch had been located and buffered.

Review and discussion of the Crow's Nest file indicated that the cover sheet had been completed. The tactical planning section had not been filled in. Coupe planning had been very well done with good notes on the heritage site and clear indication on the map. Buffer markings were checked and noted on the pre harvest inspection form and hazards had also been well described. Coupe monitoring records had been completed at the required intervals and the burn reconnaissance checklist provided good notations including the requirement to check that no tourists were present on the day of the burn. Further records were viewed in FireWeb. The decision support system was also documented. Other related information included traffic management, quality control sheets, roading risk assessment, incident reporting in relation to a rolled log and fire and signatures on the emergency evacuation form.

At Ulna/Radius, the contractors were harvesting. There was evidence of contractor induction and checking of the safe zone, fuel dump, first aid kits and good understanding of the maps. Habitat clumps had been chosen and trees pre cut for roading. The landing had been very well prepared and discussions with the other operators indicated very good understanding of all values requiring attention. Rutting on the landing had been noted and managed with additional rock. Drainage was noted to be excellent on the roads and around the landing. Harvesting personnel also had copies of the salvage harvesting prescriptions and were working to those.

A visit to Thumb indicated good coupe diary entries from both VicForests and the contractor. Approval had been given to cross a filter. At Leopard the maps indicated the heritage site and the 30m buffer. Operational and contextual maps were dated and adjusted where required.

Areas of Concern

- The post harvest review for Crow's Nest provides no indication that values and buffers required to protect them were intact at the completion of the work i.e. there will have been a full field check with any discrepancies to be recorded in the coupe diary but the records do not provide the evidence.
- The peer review document in the Ulna file was incomplete i.e. there was no signature and the tactical planners had also not signed off.

Opportunities for Improvement

- The burn reconnaissance checklist used for Crow's Nest did not have a date.
- Alexandra has identified that the foresters will require further training in roading to

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ensure they identify the required specifications and any potential issues that might arise before they lead to problems.

- VicForests may wish to consider the potential for orange buffer colours to be merged with green if some contractors are colour blind.
- The coupe file index is a useful document to indicate what should be in the file but does not indicate if documents have been filed i.e. to assist in identifying if they have subsequently been removed.
- The emergency evacuation plan for Ulna did not have a date.

Dr.Conrad 283 505 0021

Ulna 287/517/0002 *

Radius 287/517/0001 *

Thumb 286/513/0015*

Leopard 287/515/0006 *

Jackson Five 283/505/0017

Monty 286/509/0002

Crow's Nest 310-506-0010

Healesville

System elements were viewed whilst in this office for the central system in relation to internal auditing, corrective actions etc and discussions held with members of the functional groups such as tactical planning and roading.

Areas of Concern

- A number of burn aspects in the aspects and impacts register for site preparation i.e. smoke generation, failed burn (poor regeneration), escapes etc are ranking as not significant. This suggests that controls may have been considered when determining the risk level. A review of the register should be undertaken to ensure that the pre control ranking on which significance is based reflects what would normally be considered potentially significant impacts and related aspects for the forest industry.
- Personnel indicated that they would be focussing on the top ten risks in the aspects and impacts register however, they were not sure which were the top and what the relevance of significance is as per the Standard.

Opportunity for Improvement

- The SAI certificate on the wall in the office is out of date.

Roading

The team consists of personnel in Noojee, Alexandra and Healesville. Roding in the Ovens region is managed by the local forestry team due to the distance from other offices. Competency includes the forest road construction course and there is a new training package for marking road lines and landing locations. Documentation relating to roading includes the UPs which reflect Code requirements, and instructions for road works in addition to the contractor induction booklet.

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Maintenance of roads is managed through the road works plan. There is a very good plan to ensure that harvesting foresters are included in the roading training as they are required to supervise in coupe road and landing maintenance.

Road planning is undertaken through the rolling operations plan with hand fallers used for steep and difficult coupes to be accessed. The ROP notification process ensures that roading personnel are kept aware of any changes.

Road work at Blue Range included clean up of culverts by a contractor. The induction and related notes were located in the RecFind file. This was undertaken after a rain event to ensure that soil and water values had been maintained.

There are good plans to do a review state wide of roading preparation to ensure consistency in processes. Internal processes identified an issue with the suppliers of road base and changes have been made. Truck haulage routes have been internally developed with a very good process in place for identification of the hazards, controls and gaps in the gravel cartage including working alone with a very good identification that haulage plans will also be required to ensure all potential issues are identified, assessed and controls documented.

Road inspection reports have been very well completed and filed in the system. Road works requests for DSE are sent electronically. Various other road works plans were viewed including very good instructions now being provided to the contractors on specifications.

VicForests personnel have completed a shot firer's course recognising that they are required to supervise contractors undertaking shot firing. Aspects and impacts associated with blasting had been documented and evidence of notifications to neighbours and police. A buffer of 500m is put in place and the road works plan reflects the blasting requirements. Evacuation plans and coupe maps were also reflecting requirements.

The contractor agreement for minor services is used for road works and indicated safety and compliance under Section 6.

Areas of Concern

- There is still a need to ensure that roading activities are included in the internal auditing process.
- Records were not available to indicate monitoring of the quarries where required.
- The VicForest instructions are not clear on the records required to be generated and kept in relation to road works (V1.5 Nov 09 was viewed).

Opportunities for Improvement

- The focus of the hazards associated with gravel cartage has been on OHS where this process could also have been used for environmental, social and economic aspect identification.
- The B Double route assessment sheet is yet to be included in SharePoint.

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APPENDIX 1 – Coupe Plans checked (* and field inspected)					
Office	Coupe name	Coupe number	Species type	Area (ha)	Notes
Ovens	Glock*	676/530/0009	Alpine Ash	21	Clearfell coupe. Coupe planning checklist completed and peer reviewed. Tactical planning well done and in CIS but not in coupe plan file. Coupe planning well done with relevant sign off where required. Coupe monitoring and coupe diary implemented but follow up on issues identified not always documented. One tree recorded as falling across coupe boundary but not removed due to potential increased damage to the buffer.
	Smith & Wesson*	676/530/0010	Alpine Ash	25	Clearfell coupe. Harvested in conjunction with Glock. Coupe planning checklist completed and peer reviewed. Tactical planning well done and in CIS but not in coupe plan file. Coupe planning well done with relevant sign off where required. Coupe monitoring records and coupe diary completed.
	Marginal 02* Marginal 01*	676/511/0008	Alpine Ash	5 23	Clearfell coupes. These 2 adjacent coupes were logged at the same time. Coupe planning checklist completed and peer reviewed. Tactical planning well done and in CIS but not in coupe plan file. Coupe planning well done with relevant sign off where required. During the course of the operation and the rocky terrain it was decided to retain 3 habitat clumps. One habitat clump was in a location requested by VicForests and the other two were selected by the contractor, as documented in the coupe diary. Coupe diary not always countersigned by VicForests where relevant. Silvicultural Burn Plan present but relevant sections relating to ignition and post burn results not documented on the hard copy. VicForest burn log completed. It was noted that burn outcomes had been documented in FireWeb. Seedlots for sowing came from Corryong and Mitta which was appropriate. The landing had been ripped providing a suitable seed bed – documented on file. Regeneration appears to be good on the coupe. These coupe were logged over 2 seasons. It appears that snig track drainage may not have been completed on one short section of one snig track in the first season as a drainage channel had developed and a second adjacent track had been established for the second season which was correctly drained. The Lake Hume catchment closure had been noted and adhered to. School bus routes had been well documented and communicated. There were no AAV sites identified requiring special attention. AA seed was to be collected from Alexandra seed store and the aerial sowing record was completed.
	Murtagh's Shoulder*	676/530/0004	Alpine Ash	34	Clearfell coupe. This coupe was previously inspected at the time of harvesting. It has now been regenerated. Silvicultural Burn Plan present but relevant sections relating to ignition and post burn results not documented on the hard copy. VicForests burn log not on file. The landing had been ripped and top soil re-spread. Aerial seeding process well-documented. Regeneration looks good with first assessment due in 6 months.

AUDIT REPORT

Alexandra	Dr. Conrad	283/505/0021	Mt. Ash	27	Clearfell salvage coupe. Coupe planning checklist done and peer reviewed. Tactical planning completed and well done. Biodiversity issues well considered. Coupe plan well done and clearly drew on the tactical planning process. Coupe plan had all the required sign offs. Coupe monitoring records well done. Harvesting occurred in modelled riparian thicket which was actually not present. Retrospective approval for harvesting obtained from DSE with documentation on file.
	Ulna*	287/517/0002	Alpine Ash	13	Clearfell coupe. Coupe planning checklist done but not peer reviewed. Tactical planning well done. Montane riparian thicket and rainforest identified in planning. Rainforest verified in the field and buffered – boundary marked with blue tape. Riparian thicket not present. Coupe plan well done and signed off where required. Boundary with National Park agreed upon in joint field inspection and documented on file.
	Radius*	287/517/0001	Alpine Ash	10	Clearfell coupe. Coupe planning checklist done and peer reviewed. Tactical planning well done. Special values identified and considered. Coupe plan well done and signed off where required. Boundary with National Park agreed upon in joint field inspection and documented on file. Roading access plan well documented. Roading along pre-existing track.
	Thumb*	286/513/0015	Alpine Ash	35	Clearfell coupe. Coupe planning checklist done and peer reviewed. Tactical planning well done. Special values identified and considered. Coupe plan well done and signed off where required. DSE required a 40m buffer on a Montane riparian thicket. Area was excluded from the coupe. Coupe monitoring records well done. In the field buffers clearly marked with blue tape, drainage works on snig tracks done, habitat clumps retained and stump heights satisfactory.
	Leopard*	287/515/0006	Alpine Ash	29	Clearfell coupe. Coupe planning checklist done and peer reviewed. Tactical planning well done. Special values identified and considered. Historic site identified in the field and well-buffered – field checked. In the coupe plan problem identified in the drop down menu for historic sites – says will refer to AAV. Otherwise coupe plan well done with necessary sign offs.
	Jackson Five	283/505/0017	Mt. Ash	35	Clearfell coupe. Coupe planning checklist done and peer reviewed. Tactical planning well done. Special values identified and considered. Coupe plan well done and signed off where required. Leadbeater's possum habitat and tramway relics protected. Coupe monitoring records well done.
	Monty	286/509/0002	Alpine Ash	28	Clearfell coupe. Coupe planning checklist done and peer reviewed. Tactical planning well done. Coupe plan well done and signed off where required.

AUDIT REPORT

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:

- Internal audits, management review, corrective actions
- Stakeholder communication
- East Gippsland
- Roding hand back processes
- Log dump establishment and monitoring
- Legal and other compliance, DSE audit review

Recommendation

The recommendation from this audit is that your certification continues.

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

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

AUDIT RECORD

Audit Team Leader: Sabrina Kerber					
Observers/Technical Specialist: Gary King (native forest expert)					
Total number employees relevant to this audit and site:			134		
Applicable Statutory/Regulatory/Standards requirements (to be identified by the client):			Victorian Code of Practice for Timber Harvesting, Victorian OHS and Environmental legislation		
Exclusions From Scope of Certification:			Nil		
Day	Auditor	Audit meetings plus functions/ processes/ areas/ *shifts audited	Audit area employee no	# Shifts*	Result
14/2/11	KERS/KING	Discussion on changes to business/system, complaints	3		
		Areas of concern follow up including statistical power	2		!
		Legislation update and compliance	3		✓
		Stakeholder engagement	1		✓
		Travel to Myrtleford			
15/2/11	KERS/KING	Ovens office and field coupe inspection	5		!
16/2/11	KERS/KING	Alexandra office and field coupe inspection	15		!
17/2/11	KERS/KING	Healesville office -			
		Roading, silviculture	4		!
		Internal audits, management review, CARs, complaints			!
		Discussion of audit results – at Healesville			
	Offsite	Stakeholder communication, report preparation			✓

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

* Enter shift details only where applicable.

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

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

Area of Concern:

An area of the system likely to become 'Non-conformity'

Action required: Client is required to investigate potential or actual non-conformity and complete the corrective or preventive action within own management system and will be followed up by SAI Global at Stage 2 audit.

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.