

FOREST MANAGEMENT CONTROLLED WOOD CERTIFICATION EVALUATION REPORT

VicForests

State Forests in the Central Highlands and East Gippsland
State of Victoria, Australia

SCS-CW/FM-[APPLICANT]

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CERTIFIED	EXPIRATION
Pending	Pending

DATE OF FIELD AUDIT
11-22 November 2019
DATE OF REPORT UPDATE
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Foreword

SCS Global Services (SCS) is a certification body accredited by the Forest Stewardship Council to conduct forest management and chain of custody evaluations. Under the FSC/SCS certification system, forest management operations in compliance with *FSC-STD-30-010, FSC Controlled Wood Standard for Forest Management Enterprises* may make business-to-business claims that the wood originating from their forests is “controlled” – in other words, it does not fall under any of the following five categories:

- Illegally harvested wood;
- Wood harvested in violation of traditional and civil rights;
- Wood harvested in forests in which high conservation values are threatened by management activities;
- Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest areas;
- Wood from forest management units in which genetically modified trees are planted.

SCS deploys interdisciplinary teams of natural resource specialists and other experts in forested regions all over the world to conduct evaluations of forest management. SCS evaluation teams collect and analyze written materials, conduct interviews with FME staff and key stakeholders, and complete field and office audits of subject forest management units (FMUs) as part of certification evaluations. Upon completion of the fact-finding phase of all evaluations, SCS teams determine conformance to the FSC-STD-30-010, FSC Controlled Wood Standard for Forest Management Enterprises.

Organization of the Report

This report of the results of our evaluation is divided into two sections. Section A provides the public summary and background information that is required by the Forest Stewardship Council. This section is made available to the general public and is intended to provide an overview of the evaluation process, the management programs and policies applied to the forest, and the results of the evaluation. Section A will be posted on the FSC Certificate Database (<http://info.fsc.org/>) no less than 30 days after issue of the certificate. Section B contains more detailed results and information for the use of by the FME.

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SECTION A – PUBLIC SUMMARY

1. General Information

1.1 Certificate Registration Information

1.1.1.a Name and Contact Information

Organization name	VicForests		
Contact person			
Address	2/7-9 Symes Road, Woori Yallock VIC 3139	Telephone	
		Fax	
		e-mail	
		Website	www.vicforests.com.au

1.1.1.b FSC Sales Information

<input checked="" type="checkbox"/> FSC Sales contact information same as above.			
FSC salesperson			
Address		Telephone	
		Fax	
		e-mail	
		Website	

1.1.2 Scope of Certificate

Certificate Type	<input checked="" type="checkbox"/> Single FMU	<input type="checkbox"/> Multiple FMU
	<input type="checkbox"/> Group	
SLIMF (if applicable)	<input type="checkbox"/> Small SLIMF certificate	<input type="checkbox"/> Low intensity SLIMF certificate
	<input type="checkbox"/> Group SLIMF certificate	
# Group Members (if applicable)		
Number of FMU's in scope of certificate	1	
Geographic location of non-SLIMF FMU(s)	Latitude & Longitude: 38°03'01.2"S 146°30'14.7"E	
Forest zone	<input type="checkbox"/> Boreal	<input checked="" type="checkbox"/> Temperate
	<input type="checkbox"/> Subtropical	<input type="checkbox"/> Tropical
Total forest area in scope of certificate which is:		Units: <input type="checkbox"/> ha or <input type="checkbox"/> ac
privately managed		
state managed	all	
community managed		
Number of FMUs in scope that are:		
less than 100 ha in area		100 - 1000 ha in area

1000 - 10 000 ha in area		more than 10 000 ha in area	all
Total forest area in scope of certificate which is included in FMUs that:			Units: <input checked="" type="checkbox"/> ha or <input type="checkbox"/> ac
are less than 100 ha in area	0		
are between 100 ha and 1000 ha in area	0		
meet the eligibility criteria as <i>low intensity</i> SLIMF FMUs	0		
Total Area of Production Forest (i.e forest from which timber may be harvested):			
Species in the Scope of the certificate: (Scientific/Latin Name – Common/Trade Name):			
See Appendix I of this report for a full list including scientific names. Alpine Ash, Mountain Ash, mixed species, Acacia species, Red Bloodwood, Blue gum species, Black Olive Berry, Brown Stringy bark, Blackwood, Box species, Candle bark, Cut tail, Cherry Ballart, Mountain Grey gum, Mountain gum, Errinundra Shining Gum, Gippsland Grey box, Red Ironbark, Messmate, Peppermint, Red Box, Red Gum, River Peppermint, Red Stringybark, Sassafras, Shining gum, Southern Mahogany, Silvertop, Silver Wattle, Manna Gum, White Stringybark, Yertchuk, Yellow Stringybark			

1.1.3 FSC Product Classification

Timber products		
Product Level 1	Product Level 2	Species
W1	W1.1 Roundwood (logs)	Alpine Ash, Mountain Ash, mixed species
Non-Timber Forest Products		
Product Level 1	Product Level 2	Product Level 3 and Species
As this is a report on an audit against FSC-STD-30-010, non-timber forest products are outside the scope of this audit. Were 30-010 certification to be achieved, VicForests would not be able to make any claims regarding non-timber forest products.		

1.2 Areas Outside of the Scope of Certification (Partial Certification and Excision)

<input type="checkbox"/> N/A – All forestland owned or managed by the applicant is included in the scope.	
<input checked="" type="checkbox"/> Applicant owns and/or manages other FMUs not under evaluation.	
<input type="checkbox"/> Applicant wishes to excise portions of the FMU(s) under evaluation from the scope of certification.	
Explanation for exclusion of FMUs and/or excision:	The Western or “Community Forests” Region, lands north and west of Melbourne, have a significantly different management history compared to the Central Highlands and East Gippsland Regions of the VF forest estate. Current management circumstances including forest composition and commercial activities are also substantially different in the Community Forest portion of the VicForests estate.
Control measures to prevent mixing of certified and non-certified product:	The overall risk of mixing certified with non-certified product is very low to nil. All logs originating from the VicForests estate are traceable via the use of log truck dockets which contain unique bar code numbers on each log sufficient to trace each log back to the

	harvest area. Information is contained in hand held devices used by contractors to measure each log, and are electronically linked to the company CENGEA system where invoicing occurs after dockets are reconciled from the contractors information uploaded from the hand held device. Pulp logs have a barcode created for the whole load. In this case, a unique barcode covers the whole load and not individual logs.	
Description of FMUs excluded from or forested area excised from the scope of certification:		
Name of FMU or Stand	Location (city, state, country)	Size (<input checked="" type="checkbox"/> ha or <input type="checkbox"/> ac)
Western "Community Forests" Region	In the vicinity of Bendigo, Victoria	664,400

1.3 Standards Used

1.3.1 Applicable FSC-Accredited Standards

Title	Version	Date of Finalization
FSC-STD-30-010, FSC Controlled Wood Standard for Forest Management Enterprises	2.0	October 4, 2006
High Conservation Values (HCVS) Evaluation Framework For use in the context of Implementing Controlled Wood standards, FSC Australia.	1.0	June 2019
High Conservation Values (HCVs) Evaluation Framework	1.1	November 2019
All standards employed are available on the websites of FSC International (www.fsc.org), the FSC-US (www.fscus.org) or the SCS Standards page (www.scsglobalservices.com/certification-standards-and-program-documents). Standards are also available, upon request, from SCS Global Services (www.SCSglobalServices.com).		

1.4 Conversion Table English Units to Metric Units

Length Conversion Factors		
To convert from	To	multiply by
Mile (US Statute)	Kilometer (km)	1.609347
Foot (ft)	Meter (m)	0.3048
Yard (yd)	Meter (m)	0.9144
Area Conversion Factors		
To convert from	To	multiply by
Square foot (sq ft)	Square meter (m ²)	0.09290304
Acre (ac)	Hectare (ha)	0.4047
Volume Conversion Factors		
To convert from	To	multiply by
Cubic foot (cu ft)	Cubic meter (m ³)	0.02831685
Gallon (gal)	Liter (l)	4.546
Quick reference		

1 acre	= 0.404686 ha
1,000 acres	= 404.686 ha
1 board foot	= 0.00348 cubic meters
1,000 board feet	= 3.48 cubic meters
1 cubic foot	= 0.028317 cubic meters

2. Certification Evaluation Process

2.1 Evaluation Schedule and Team

2.1.1 Evaluation Itinerary and Activities

11 November 2019, Monday – VicForests Office, Melbourne		
FMU/Location/ Auditors	Feature of Interest	Activities/Notes/Topics addressed
VF Office Melbourne	Presentations and Interviews	<p>Staff interviews and presentations.</p> <p>General Manager of Corporate Affairs: VicForests overview, org. profile and structure, operations cycle, tactical planning, operational plan, roading, harvesting, clients, contracting, regeneration</p> <p>Developments since 2017 FSC CW audit</p> <p>Harvest retention decision support system</p> <p>Safety records</p> <p>Director, Forestry and Game</p> <p>Department of Jobs, Precincts and Regions: Management of timber resources, management of Allocation Order, management of 30 year legislated agreement with paper company.</p> <p>Issues related to allegations of harvesting outside Allocation Order – dispute over interpretation (investigated by State Ombudsman)</p> <p>Director of Forest Policy, DELWP: (DELWP – environmental policy, regulation, land management). Code, Action Statements, Old Growth policy statement (recent) implementation ongoing.</p> <p>RFA (being reviewed), Code of Practice, Action Statements</p> <p>New Office of Conservation Regulator established. Auditing, reporting</p> <p>VF Manager for Environmental Performance: Progress towards CW standard, four prior Major CARs, focus areas: Harvesting and regeneration systems (Variable Retention – Habitat Tree DSS), and improvement of methods of identification, retention protection and compliance, stakeholder engagement.</p> <p>VF Stakeholder engagement plan: strategy for outreach, SH registry for tracking, reporting for responses to stakeholder groups</p> <p>VF Manager, Policy and Compliance: Compliance, key actions, key accountabilities, compliance summary, major developments</p> <p>VF Ecologist: Habitat Tree (HBT) Decision Support System, background, scientific basis (Gibbons et al), monitoring framework</p> <p>VicForests Forest Scientist: Hydrology, (Thompson catchment)</p> <p>Others positions participating:</p> <ul style="list-style-type: none"> • Certification & Sustainability Officer, Environmental Management Systems • Manager Stakeholder Engagement and Communications • Customers, harvesting, hauling, operations • Consultant, Forest Policy Management Systems

• CEO		
12 November 2019, Tuesday – West Gippsland, All auditors		
Moby coupe (New)	Mixed - Active harvesting operation	<p>Presentations and interviews with Regional Manager, Senior Forester, Contractors (2) Demonstration of new retention and HCV Management system. Erica Office group were early adopters of NEW approach.</p> <p>Mixed species coupe, 10.6 ha permanently excluded from harvest</p> <p>New variable retention system used, process explained step-by-step by Senior Forester</p> <p>Harvest challenges by contractor and crew to implement new approach after retention patches and trees marked for retention within the harvest area.</p> <p><u>“New Approach” Notes:</u></p> <p>VicForests identified a Riparian zone area as potential spotted quoll habitat, designating a Special Management Zone (SMZ). Notified DELWP who conducted threatened species survey and confirmed presence in coupe. Presence also documented - Yellow-bellied glider, Greater Glider and adjacency to sooty owl sightings.</p> <p>Coupe Context map identifies locations of fauna species with prescriptions including both threatened and those identified for prioritization by management.</p> <p>Adjustment for threatened species and habitat trees include widening of hydrology layer and extensive retention of all habitat trees classes including recruitment of habitat trees.</p> <p>The habitat quality surveys are used to identify significant concentrations of hollow bearing trees or potential/future hollow bearing trees, if not enough are present, in various stages and conditions from green to decaying stags, collectively referred to as “HBT”, Type 1-3, or habitat trees.</p> <p>Coupe divided into three harvest regimes – clearfell (CFE/STR), Selective and Variable Retention 2. See online document for more detailed descriptions of silviculture harvest regimes here (last accessed 30Nov19).</p> <p>Adjustment for threatened species and habitat trees include widening of hydrology buffer/layer and extensive retention of all habitat trees classes.</p> <p>Habitat trees were identified on the coupe context map.</p> <p>Habitat trees were confirmed as retained in the coupe. Other changes in the approach was that significant consideration was given to reducing potential fire intensity, and thus severity, prior to harvest. Contractor documented 7 hours prior to harvest completion (leaving coupe) on implementing protection measures around retained islands and habitat trees. Note also in the New Approach, the Feller-buncher operator was provided GPS enabled maps of coupe with features to be retained and boundaries. Contractors adoption of the GPS mapping system was quick and comprehensive. Later contractor interviews confirmed consistency of adoption and use.</p> <p>Discussions: Cost implications of more intensive preparation time, volume in retention lost to sale, training and others.</p> <p>NEW = Management program and silviculture regime under new procedures referred to as HCV management system started on 1 July 2019. Incorporates new habitat tree retention protocols.</p> <p>TRANSITION (TXN) = Preliminary implementation and exploration of techniques to be used under NEW. Generally began implementation of techniques 1 Feb 2019 but some sites were early adopters/pilot and may have occurred about 6 months prior.</p> <p>OLD = Coupes managed under VicForests management approach prior to transition sites.</p>
Long John Silver coupe (Txn)	Mixed - Active harvesting operation	<p>Mixed species coupe. Harvest area within coupe was started prior to new approach so was not fully adapted to new HCV management approach. However, retention trees were present and at levels greater than under old approach.</p>

		<p>Demonstration of new retention and HCV Management system, confirming retention of HBT trees marked within harvest area.</p> <p>A transition coupe. Challenging site w. many HBTs, have tested cool regeneration fires on coupe (lost only 1 HBT).</p> <p>Coupe was divided into 2 sections. Trees were marked in a ridge for retention, including clumped retention (habitat clump), designed to protect HBT and associated mid- and understory plant species.</p> <p>Context map provided to contractor identified presence of pre-1939 large trees outside the harvest area for awareness to protect.</p> <p>Burning done in 2 sections, one part hand burn and the other aerial. Has served as training and testing ground for staff.</p>
Whispy coupe (New)	Mt Ash -Active harvest operation	<p>Demonstration of new retention and HCV management system</p> <p>Mountain Ash coupe, active coupe, operator interview, started 2 weeks prior to 2019 audit.</p> <p>Net planned area 38 ha, 15.3 ha clearfell, 12 ha excluded in total, retained islands</p> <p>Planning process described, burn not implemented yet.</p> <p>Discussion: Tree Geebung protection as HCV management</p>
Martel coupe (Txn) (VicForests staff)	Mt Ash- Post-harvest, not burned	<p>Ash Coupe, 50% harvested w new method.</p> <p>Consideration of HCV and social aspects include buffer of minimum 50m along Baw Baw Road. This was extended in places up to 70m to include mature Tree Geebung specimens. Threatened species surveys did not detect LBP, did not detect any quoll species.</p> <p>Coupe split into CFE of 15 ha but harvested as two patches of 7.2 ha and 8.5 ha both with retention islands. Also, two areas of variable retention 1.</p> <p>Values identified and protected in coupe and on GPS enabled map include River catchment with extended riparian zone and Tree Geebung. Adjacent to coupe and protected in riparian zone include Rainforest, Yellow-bellied Glider and Greater Glider and Tree Geebung.</p> <p>In Ash forest variable retention was clumped to minimise burn damage and provide improved mid/understory species protection, and the maintenance and injection of uneven aged characteristics into the regrowth forest after regeneration. Opportunities for connectivity were sought.</p> <p>VicForests were issued with section 70 notice by DELWP regarding damage to Tree Geebung following a third-party report. Following this, trees were taped with pink flagging tape within the coupe for retention. These trees are no longer standing.</p> <p>Discussions: Reviewed Tree Geebung related protections with VicForests staff.</p>
Martel coupe (with stakeholder group)	Post-harvest, Not burned	<p>Reviewed issues: Stakeholder engagement, Quality of survey procedures, 3rd party species observations, alleged failure to protect Tree Geebung on site.</p> <p>(Later Coupe folder reviews indicated that VicForests followed regulatory procedures. Auditors later confirmed through review of the Martel coupe planning folder that damage of a group of Tree Geebung within the harvest area was attributed to windthrow as confirmed in on-site inspection with DELWP officer. Accidental damage to 3 individual Tree Geebung trees during normal harvest activities were self-reported by harvester. Although explainable, the damage to Tree Geebung in this case constituted a failure to safeguard, or conserve, a protected species. Noting that the regulatory requirement for this species is:</p> <p style="padding-left: 40px;">“Protect mature individuals from disturbance where possible.”</p> <p style="padding-left: 40px;">The species is not a listed threatened species either under the EPBC or FFG Acts. In the sense of “maintaining” HCV, the audit team confirmed that there were individuals of the species retained in the buffer areas surrounding the coupe and thus, maintaining the species within the locality.</p>
Tori coupe	Harvested in 2018, burned	<p>Stakeholders. Discussions: 3rd party Greater Glider observations, SH engagement, questions around what constitutes sufficient foraging habitat. Stakeholders reported the</p>

	2019	audit team there were 18 instances of 3rd party Leadbeater's Possum (LBP) detections over 10-month period in 2019 not found by VicForests. Discussed another coupe (Swing-Mid, old): Escaped fires , impact (destruction) of habitat values in retained areas (provided photo evidence).
13 November 2019, Wednesday – Central Highlands		
VicForests Office:	Overview and interviews	Abbreviated meeting with staff at VicForests Office Introduction to area. Interviewed Ecologist: Mt Ash ecosystem, DELWP's performance as a regulator, detection-based surveying and/vs habitat retention, need more population monitoring, relationship with DELWP Definitions of old growth, rainforest, clarifications Tree Geebung issue.
Regional Office Woori Yallock Team 2: Lea and Ziegler		Briefing and overview of region
Swing Mid (Old) Team 2	Mixed - Harvested coupe. Leadbeater's Possum habitat and protections Escaped fire, severe impacts	Harvested over two summer seasons – 2017/18 and 2018/19. Burned autumn 2019. Known Leadbeater's possum (LBP) populations either side of eastern and western side. LBP detected by camera. Coupe boundary effectively the edge of the 12ha SPZ. The high intensity burn entered both SPZ's but particularly the western SPZ and burned downslope into terrain difficult to control fire – dozer rolled during fire suppression activities – no serious injury. The southwestern section was left unburned following the burn entering the SPZ's. Burned sections with severe impacts all retained trees were dead. Burned section was aerially sown with seed. VF acknowledges multiple problems occurred during burn and increased stakeholder interest after burn. Burn plan not documented prior to harvest or burn but was developed post-harvest. Plans to undertake regeneration survey in Jan 2020. If required, planning to plant seedlings. Although explainable to factors considered to be outside of VicForests' control, the damage to the Leadbeater's possum habitat constituted a failure to safeguard the habitat of a Critically Endangered and protected species and triggered heightened attention by critical stakeholders.
Tiffendell (New) Team 2	Mixed - Active coupe LBP habitat 30-degree slope	17.5 ha:10.1 CF/STR, 5.5ha V1 & 2.1 ha Selective harvest. Mixed eucalypt stand. Threatened fauna species survey done. Habitat tree sampling done. Two LBP SPZ to the south of coupe. With excluded area, with a high concentration of habitat trees between harvest area and LBP SPZ that further buffers the SPZ. The coupe boundary did not go to the maximum slope allowed but rather stayed on the edge of the plateau which allows for easier boundary / fire control. The CF/STR has two retention islands and numerous habitat trees. Contractor team have and use new tablet GPS enabled map. It was the 4 th coupe done by this contractor using New approach.
Man City (Old) Team 2	Ceased harvest Mt Ash - LBP surveys 3 rd Party LBP presence detection	Planning included a threatened fauna camera survey done by VF. LBP known and reconfirmed in area but was not found within the planned harvest area. Contractor (both roading and harvesting) constructed road line during first week of operation – late Feb 2019. Third party recorded lead beater possum in centre of coupe following the construction of the road line. VicForests notified by DELWP the following Monday. VicForests stopped work immediately on the coupe, road and rehabilitated and coupe harvest was permanently abandoned.
Big Snake Road Project Team 2	Road improvement LBP habitat	Existing road improvement on fully formed road. Did not warrant operation under RDC plan – no timber was harvested, and trees were not fallen. The LBP colony marked as SPZ around the start of Big Snake Road was shown on map and grader driver given instruction to minimize slashing while within the SPZ and to aim for tree crowns to connect over road. Considered by audit team to be of low risk to LBP and habitat.

Castella Quarry coupe (Txn) Team 1: Jacqmain and Larsen	Mixed and Mt Ash - Active harvest coupe Barred Galaxias	Mixed species and Ash. Active harvest, no prescribed burn plan or nor was there a burn yet implemented. Demonstrated implementation of new HBT retention system. Barred Galaxias was not found as modelled by the reference GIS layer, so no survey was triggered. A 3rd party later detected the Barred Galaxias and reported it to DELWP. VF increased width of stream buffer from 20-25m to 30m following a Section 70 from DELWP. Roading construction/improvement subsequent to the harvest and burn, resulted in boulders damaging the stream and directly impacted Barred Galaxias known location. Corrective action was immediately taken by VicForests which was constituted by a complete review of roading manual. Revisions were then made to the road manual. Other immediate corrections to the site damage were also done including culvert crossing and siltation protection mitigation measures installed on-site were inspected by audit team and found to be sufficient. Although explainable to cross-departmental complications, the damage to the Barred Galaxias stream location constituted a failure to safeguard, or conserve, a known habitat of a protected species and triggered heightened attention by critical stakeholders.
Gags coupe (Txn) Team 1	Mixed - Active harvest coupe, not burned	Demonstrated implementation of new HBT retention system. Discussed requirements for buffers and filters, Retention when absence of Type 1 HBTs, Discussed regeneration strategies
Mr Ed coupe (New) Team 1	Mt Ash - Active harvest coupe, not burned	100% Mt Ash coupe, 3 rd week of harvesting. Operator interviews, map inspections. Active harvest, audit team stayed in lower section of coupe close to crib. New management site, ongoing. 44.1ha gross coupe, 14.5 ha net coupe. Old forest north in coupe protected (Zone 1A LePo habitat mapped, discussed procedure). Retention of 3 triangles to meet retention target, and no area greater than 150m from standing timber. Discussion of retention shapes. Noting that the the shape design at Mr Ed coupe reflected VF's approach of working with harvesting contractors to determine the most suitable and effective designs, the forest type and slope of the coupe. Logger interviews demonstrated understanding of intended objectives for wildlife habitat connectivity and also reflected training efforts by VicForests.
Spyglass coupe (New)	Mixed - Harvested coupe, not burned, hand seeding	Demonstrated new management approach. Harvested July-August. Neighbours engaged prior to site design which was adjusted to meet stakeholder requests (enlarged buffer). Regeneration: hand seeding, no burn. High number of GREATER GLIDER observations. Discussed hyper grazing – observed the use of nets to protect seedlings. Interview with VF Scientist about pre-harvest survey methodology, monitoring
14 November 2019, Thursday – Central Highlands		
Little Jacqui (Old) Team 1: Jacqmain and Ziegler	RUBICON VALLEY – Stakeholders Area outside Allocation Order. Escaped fire, severe habitat burn. Apparent regeneration failure.	Stakeholders. Harvested approx. 4 years ago. Clearfall with harvest started 27/01/2016 and done 27/10/2016. Burning done 2 years after harvest, 30/4/2018, and sown after burn in 2018. Allegation of being outside the Allocation Order at time of harvest. Discussions: Allocation Orders and legal harvesting (historic zone), patterns of damage to retention areas, apparent regeneration failures, The area observed by the audit team had little visible regeneration over the many hectares in view. Heavy bracken fern found, which is very difficult to establish trees in once well established.
Ralph (New)	Active harvest	Observed at a distance from across the valley while standing at the Little Jacqui coupe.

Team 1		<p>Appeared to have steep slopes perhaps in excess of 30 degrees. Discussions: slope allowances within the coupe.</p> <p>Audit team later checked the slope map and confirmed the area fell within the slope allowance.</p>
Rio and Calvin (Old)	Allocation order	<p>Also noted an assertion to be outside the Allocation Order in effect at the time of Harvest.</p> <p>Observed at a distance from across the valley while standing at the Little Jacqui coupe.</p>
Edge of Sputnik and Colombia	HCVs	<p>Edge of Sputnik (upslope) and Colombia (downslope)</p> <p>Assertions of disturbance to HCV LBP, rainforest and inadequate hydrology buffer.</p>
Team 1		
Mongoose Team 1	Unresolved DELWP breach report	<p>Regrowth Alpine Ash</p> <p>Assert illegal logging because it logs a corridor between Royston and Royston Ridge.</p> <p>It remains an unresolved breach report with DELWP.</p>
Snobs 14 Team 1	SH agreements.	<p>Community stakeholders allege that VicForests had agreed to leave 40 m buffer along Snobs Creek Road. It was not left. Follow up enquiries were not answered. Supporting letters were sent to the audit team from the stakeholders as evidence.</p> <p>Follow up with VicForests found no records of such an agreement.</p>
Banana Man Team 1	Coupe clearcut adjacency and creation of "mega-coupes"	<p>Harvest over 16/17, 17/18</p> <p>Community concern expressed regarding multiple adjacent coupes cumulatively reaching sizes of greater than 120 hectares. Community members noted the Code of Practice requirements and referred to this as a mega coupe. (SCS notes, 2014 "Code of Practice for Timber Production" 3.1.1.5, "The size of clear fall, seed tree harvesting or shelterwood coupes should generally not exceed 40 hectares net harvested area. Coupes may be aggregated but not exceed 120 hectares net harvested area over a period of up to five years. Aggregated coupes must not be contiguous (forming a coupe greater than 120 hectares within a five-year period).</p> <p>Retained values were burned by escaped high intensity regeneration burn, including retained vegetation and historic tramline.</p>
Marginalized coupe	Mixed - Active coupe, almost finished not burned	<p>Demonstration of new HBT retention system, discussed 'combing', peer review process, the collector app, DSS flow chart, Step-by-step explanation of harvesting process, Road issue (through retention patch)</p> <p>Regeneration plan</p> <p>Interview with harvesting contractors</p>
Team 2 G Lea E Larsen		
Shockwave coupe	Mixed - Active coupe, almost finished not burned	<p>Mixed species coupe</p> <p>VR2 – higher density of HBT2 and HBT3</p> <p>Greater Glider, YBGL, SOOW, Koala observations</p> <p>Demonstration of new HTB retention system, discussed koala prescriptions, sooty owl prescriptions, limited SH interest in this coupe</p> <p>Interview with contractors</p>
Team 2		
Phone coupe	Mixed - Active Coupe, almost finished not burned	<p>Mixed species coupe</p> <p>Demonstration of new HBT retention system, step-by-step explanation of harvesting process, retention of regeneration, buffers to walking track, Regeneration plan (self-regeneration), minimum 5% of harvest area retained – requirement for seed tree retention.</p> <p>Interview with contractors</p>
Team 2		
Toboggan, Snowboard Team 2	Mixed - Harvested coupes, not	<p>Mixed species coupes</p> <p>Short visit, demonstration of new HTB retention system, fire damaged forest</p>

	burned	
15 November 2019, Friday – VicForests Office		
Team 1 Larsen and Ziegler	VF Office	Interview with Arboreal Mammal expert. Demonstration of SH communications system. Allocation order Examined stakeholder register – received printed reports for key stakeholders. Continued discussions regarding regeneration monitoring for effective establishment.
Team 2 Jacqmain and Lea	Stakeholders	Various Field sites. Discussions: Volume requirements for VicForests at-large, Allocation Orders, harvesting in coupes with excessive slopes, water yield.
All Auditors	Stakeholders	Interview
18 November 2019, Monday – East Gippsland		
Swift Creek Office All auditors	VicForests Office	Abbreviated opening meeting with staff at VicForests Office, Swifts Creek, East Gippsland. Presentations/Interviews: Operations Manager, Ecologist Introduction to area by Acting Regional Manager: Organisation, planning Topics discussed: SH engagement, threatened species management in East Gippsland, prescriptions for LoFoPo, Greater Glider, Orbost Spiny Crayfish, forest owls, frogs. Ecologist research (Greater Glider and Adaptive silviculture – the effect of different silvicultural practices on Greater Glider populations), Old Growth definition via field guide, OG map layers (based of aerial photos from 2009 - only 30% verification in the field). Use of new Lidar images for improved detectability regarding OG.
Duped (New) Team 1: Jacqmain and Larsen	Alpine/Mt Ash - Active coupe Not burned	Alpine Ash coupe (some mountain gum), New Approach harvest Interview with contractor Topics discussed: training, familiarity with new process, relationship with VF Discussions- HBT retention system as applied on coupe – mostly Ash, some Mt Gum. Mt Gum often retained as HBT due to growth form. Minimum 5% of harvest area retained under new approach; YeBG prescriptions; Owl detections and implications.
Bucket Mouth (New) Team 1	Active harvest	Receive site induction from harvest contractor. Receive a briefing from VicForests staff. Operation classified as aggregated retention harvest area of approximately 30 ha. Sooty owl and Greater glider had been detected in the area. Auditors informed that there was some modelled “old growth” in this harvest area that upon ground inspection was rated as “regrowth”. Inspected harvest documentation including harvest maps using the contractors iPad which showed retention areas marked within the harvest area and these were on ground verified by the auditors, noted that undergrowth had been retained in the retention areas.
Ferntree West (Txn) Team 1	Mixed - Harvested, not burned	Mixed species coupe, 31.47 ha gross, 23.92 ha net harvest Transitional coupe: harvested before the HBT retention system was fully implemented. Contractor selected patches – “did clusters on his own accord”. Some modelled OG – not validated by field checks. Too much regrowth to qualify for OG (per Ecologist). Discussion on OG. VicForests HBT retention filled a “policy vacuum” (for OG and other HCV values). Noted that there were a lot of hollow trees, mature trees and tree ferns left in the coupe. Large landing. Large old stumps (although < 2.5 m diameter).
19 November 2019, Tuesday – East Gippsland		
Shazam (New) Team 1: Larsen and Ziegler	Mixed - Harvested, not burned	Mixed sp, 40ha gross/28 ha net New Approach coupe – test coupe to try out new approach Topics discussed: HCV values, HBT assessment and retention strategy, Greater Glider management (40%+ retention as required by prescription, incl HBTs and patches), retention of undergrowth in patches (importance thereof), the >2.5m DBH retention rule, regeneration strategy (no burn, woody debris, concerns)
Squirrels Paw	Mixed -	Mixed sp, transition site

(Txn) Team 1	Harvested, not burned	Silviculture: Seed tree retention Coupe part of Ecologist’s research (“Greater Glider and Adaptive Silviculture”) Topics discussed: Ecology research, regeneration strategies. Also discussed the Allocation Order issue (SPZ changed to GMZ on zoning schedule). Review of prescription for the Long-footed Potoroo (SPZs).
Coyotes Paw (Txn) Team 1	Mixed - Harvested, not burned	Mixed sp, transition site Silviculture: Dispersed retention site Coupe part of Ecologist research (Greater Glider and Adaptive Silviculture). Short stop to review the difference between seed tree retention and dispersed retention
Quick Step (Txn) Team 1	Mixed - Harvested, not burned	Mixed sp, transition site. Silviculture: Aggregated retention Coupe part of VF Ecologist research (Greater Glider and Adaptive Silviculture)
Midnight Runner (New) Team 1	Mixed - Harvested, not burned	Mixed species, seed tree retention New Approach coupe. HCV values: buffers for Giant spiny crayfish, rainforest, YEBG, large trees. Topics discussed: site with very dense regrowth, could not survey within it, patch sizes; Planning; Regeneration (light burn, rough heap).
Unnamed Team 1	Mixed - Harvested, not burned	Mixed forest (next to Midnight Runner) 34 ha gross/11 ha net Orbost Spiny Crayfish and Rainforest buffers were validated. Some SH interest (near Bendoc, tourist track nearby). Regeneration: light burn, rough heap.
Big Flat (No harvest) Team 1	Mixed - Unharvested, Verified Old growth per VF OG field guide	Mixed forest, old growth – verified following the VicForests Old Growth (OG) interim standard. Planned but will not be harvested due to verified OG. Coupe part of Ecologist research (Greater Glider and Adaptive Silviculture – control site). Topics discussed: verification of OG, definitions of OG (FSC vs other definition), “the old growth standard is in development, we are using VF’s interim standard, closely aligned with FSC – “we had to get out of old growth because we were seeking FSC certification”.
Kanuka Team 2: Jacqmain and Lea	Unharvested planned Coupe	Visited Kanuka with ENGO stakeholder representatives. Topics discussed: This proposed area had identified [Amphibian considered rare with limited ecological data available] alongside the harvest area, found during the DELWP survey, October 2019. Mapped/modelled old growth including ecologically mature trees with hollows also in proposed harvest area. VicForests have commenced construction of entry road to proposed harvest area, however, ENGO representatives contended that a 300 m buffer is more appropriate for LBTF found alongside this coupe.
Mind Your Manners and Onsite Team 2	Proposed harvest areas	Visited (Mind Your Manners and On-site) proposed harvest areas with ENGO stakeholders. Topics discussed: These coupes are claimed to contain a depleted ecological vegetation class (Valley Grassy Forest EVC, as well as mapped/modelled old growth) . ENGO representatives contended that no harvesting should occur in areas with alleged depleted EVCs.
Spotty Team 2	Active Harvest area	Visited (Spotty) with ENGO representatives. Received site induction from harvesting contractor. This coupe had been largely harvested at the time of the visit. Inspected harvested area with ENGO representatives. Topics discussed; Multiple large stumps found during third-party survey of this harvest area, also possible Owl roost tree and habitat within the harvest area. This harvest area contained mapped/modelled old growth and had no history of harvesting per state of Victoria spatial databases. Sampling was carried out by VicForests throughout the proposed harvest area which was cited that the coupe was classified as “regrowth” due to small areas of pole and sapling trees re-growing after spatially limited fire disturbance. This harvest area had been visited by VicForests ecologists who examined the a tree identified by DELWP biological surveyor as observed roosting occurrence by a forest owl. The field review done by VF staff determined it was not an owl roost tree , and also

		<p>determined the classification “regrowth” as accurate under the field guide. ENGOs contended that this should be classified as “old growth” and dispute the protection of HCV in these harvested areas. ENGOs were also aware of pre-surveys identifying a owl wildlife tree including its GPS location, and that it was harvested.</p> <p>Although rationale to harvest the identified owl tree by review and approval by state ecologist, the damage to the forest owl tree constituted a failure to safeguard, or conserve, a known habitat tree of a protected species and triggered heightened attention by key stakeholders.</p> <p>Although harvest of this ecological mature forest, with no history of harvest activity was justified by use of an approved field identification guide and review by state ecologist, the damage to a large number of high quality habitat trees constituted a failure to safeguard, or conserve, known habitat values used by protected species and triggered heightened attention by key stakeholders. Additionally, the audit team, after careful review questioned the determination by VicForests that this was not old growth forest.</p>
20 November 2019, Wednesday, East Gippsland		
Orbost Office All auditors	Area introduction Interviews	<p>Abbreviated opening meeting.</p> <p>Interviews with: District Manager, DELWP staff, VF Aboriginal relations staff</p> <p><u>Roads</u>: Toll agreement, burn plans, road management (access roads to coupes included – not roads within coupes), surveying before roading (full suite of env and cultural checks)</p> <p><u>Biodiversity</u>: Topics discussed: Roles and responsibilities, Ecosystem vs detection-based conservation management, Forest Management Planning, the review of RFA, zoning amendments (SPZ, GMZ etc.), Old Growth mapping – defined by the Forest Regulations Unit.</p> <p><u>Indigenous Aboriginal engagement</u>: RAP and non-RAP review of engagement practices and records. Topics discussed: Trainings, qualifications, general practices, engagement types (consultation, direct hiring, contract statistics), Consultation process, experiences with allowing groups access to planned coupes, learning and planned improvements to practices.</p>
Orbost Office Ziegler	Regeneration surveys	Detailed review of regeneration program and monitoring of regeneration success over time. Discussions: Survey timelines, effectiveness monitoring and “ownership” of coupes.
Travel		Return to Melbourne
21 November 2019, Thursday – VicForests Office		
VF Office Larsen and Ziegler	New Habitat retention program	Presentation of the VicForests Habitat Retention Decision Support System and Habitat Tree and Inventory Survey Guideline
VF Office Jacqmain, Larsen and Ziegler	Allocation order TRP update process. Forest Agreement Water Yield	<p>Allocation Order: Clarification of the Allocation Order amendment process (managed by the Env. Dep.), the AO Amendment of April 2014 (inclusion of GIS layer, new Forest Produce Licenses), further AO Amendment in April 2019? Allocation (Amendment) Order 2019. Zone scheme changes (managed by DELWP).</p> <p>TRP update process.</p> <p>Forest Agreement: current rates following post-2009 fire reduction, silviculture and species adjustments, the resource outlook process (document ‘Resource Outlook’), resource modelling reviews.</p> <p>Water yields: Discussion of logging in catchments and effects on water yields (Thompson catchment in particular), reviewed information in the Management Standards and Procedures</p>
The Slide (Txn) Lea	Central Highlands MA and AA harvested coupe	<p>Visited Central Highlands Mountain ash coupe. Topics discussed during coupe inspection; Classified as a regrowth retention harvest area.</p> <p>This area is classified by the auditor as a “transition coupe” (harvested between previous MA ad AA clear fell operations and the current aggregated retention harvest practices also seen throughout the audit).</p> <p>“The Slide” was largely clear felled with retained seed tree/connectivity trees kept every</p>

		50 m. Retained habitat retention area seen to provide connectivity.
Corkscrew Lea	Central Highlands alongside "The Slide"	Comments above also related to this coupe. This coupe had a gross area of 51.65 ha, a harvest area of 30.68 ha and 21.1 ha of buffer buffers/habitat areas. The auditor was also informed that the Area of Influence for this coupe equates to 68.8% of the harvest area. Tree height and tree habitat surveys were completed prior to harvest. Slope was 25 to 28 degrees. Coupe was largely clear felled with two Habitat trees marked during ground survey by VicForests staff. There was a significant edge "retention Island" also maintained for connectivity (0.6 – 0.8 ha).
Mr Ed G. Lea	Current harvest operation	Visit (Mr Ed), receive site induction from harvesting contractor. As stated during the initial visit to this coupe the area of this coupe is 44 ha, the net harvest area is 14.5 ha and the retention islands 0.7 ha each. The auditor and the VF representative then walked through the operational harvest area and inspected retention islands and tree clumps, all retained after harvest for habitat, recruitment and connectivity. Noted standing "stag" trees were marked and retained. Inspected current harvesting location and verified boundaries of a retention Island compared to operational maps.
Audit team	Private venue	Closed deliberations. Auditor(s) take time to consolidate notes and confirm audit findings
22 November 2019, Friday – VicForests Office		
VF Office Audit team		Final information gathering and interviews
	Closed deliberations	Consolidate notes and confirm audit findings
	Closing meeting	Closing Meeting: Review preliminary findings (potential non-conformities and observations) and discuss next steps

2.1.2 Total Time Spent on Evaluation

Number of days spent on-site assessing the applicant:	10
Number of auditors participating in on-site evaluation:	2
Number of days spent on-site by technical expert	20
Additional days spent on preparation, stakeholder consultation, and post-site follow-up:	7
Total number of person days used in evaluation:	47

2.1.3 Evaluation Team

Auditor Name:	Beth Jacqmain	Auditor role:	Audit Team Leader
Qualifications:	Beth is a Senior Certification Forester with SCS Global Services. She has 20+ years' experience in forestry including public land management, private consulting, and private corporate forest management working with landowners and harvest crews. Qualified ANSI RAB accredited ISO 14001 EMS Lead Auditor and an FSC Lead Auditor for Forest Management/Chain of Custody. Audited and led FSC evaluations, harvest and logging operations certification audits; and joint/combined PEFC (AFS, RW, SFI, ATFS) audits. An 11-year member of the Forest Guild, 21-year adjunct-Faculty with Itasca Community College, Natural Resources Department. Member 20+ years Society of American Foresters, served MN State Chair 2010 and multiple committees, state and national, throughout. Master of Science in Forest Biology/Ecology from Auburn University and Bachelor of Science in Forest Management from Michigan State University. Beth's experience is in forest management and ecology; ecosystem silviculture; the use of silviculture towards		

	meeting strategic and tactical goals; nursery/tree regeneration; forest timber quality improvement (sawmill/veneer), CSA/FIA Phase II forest inventory; conifer thinning operations, pine restoration, wildfire fighting, and fire ecology in conifer dominated systems. Beth has conducted evaluations throughout the United States, and in Australia, New Zealand, Fiji Islands (Viti levu), and in Slovakia. Beth has experience in forest ecology and management in the US Midwest, Pacific Northwest, and the southeastern US.		
Auditor Name:	Graeme Lea	Auditor role:	Team Auditor
Qualifications:	Graeme Lea is a Lead Auditor for FSC FM and a Senior Lead Auditor for CoC/CW and has 30 years' experience in forestry in New Zealand and Australia, is qualified as a Forest Service Woodsman and has been involved in many aspects of forestry, including establishment, silviculture, harvesting, sawmilling, processing, exporting and bio-security. Graeme gained a NZQA National certificate in Forest Product Inspection while working in New Zealand and has been a qualified Quality Management auditor for approximately ten years. In addition, Graeme has also undertaken ISO 14001 training. Graeme moved to Adelaide South Australia four years ago and since that time has taken part in Forest Management, Controlled Wood and Chain of Custody (Australia, New Zealand, Japan and Taiwan) audits and assessments, but has also undertaken Controlled Wood auditing in Papua New Guinea, Vietnam, Cambodia and Thailand. Graeme has been part of more than fifty teams for Forest Management audits in both exotic and indigenous forests and has also carried out in excess of 150 Chain of Custody audits.		
Auditor Name:	Elisabeth Larsen	Auditor role:	Technical Expert
Qualifications:	Elisabeth Larsen has a Master's in Environmental Management from Macquarie University and a BSS from Bergen University, Norway. Larsen's experience is in ecology, natural resource management, and tertiary education. She has 10+ years' experience as an environmental consultant based on the South Coast of NSW. She is an accredited Biodiversity Assessor under the NSW Biodiversity Offset Scheme, and work duties include ecological assessments, environmental impact assessments and environmental planning for private, commercial and public clients. Previously, Larsen held a position as a Postgraduate Program Developer at the Department of Biology, Macquarie University. In Norway, Larsen worked as a science management coordinator for the Norwegian Polar Institute, and was stationed on the High Arctic islands of Svalbard for 3 years. She has also worked with information management for the Norwegian oil and gas industry. Larsen has participated in several high profile and complex FSC FM and CW audits.		
Auditor Name:	Karen Ziegler	Auditor role:	Technical Expert
Qualifications:	Karen Ziegler was initially trained as a Technical Forester in Tasmania and went on to undertake a Bachelor of Science (Botany). Karen has worked in research, operational planning and conservation planning in Tasmanian Forestry. She has worked extensively in identifying conservation values – including threatened vegetation communities, threatened flora and fauna, geomorphology and Aboriginal and cultural archaeology in the field for multiple uses including mining, windfarms, dams and forestry. Forest Practices Officer under the Forest Practices system in Tasmania, preparing Forest Practices Plans; firefighting qualified with STT for regeneration burns and wildfire control; and experience in identification and		

	management of weeds and weeds of National Significance, particularly in significant native vegetation.
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2.2 Evaluation of Management System

2.2.1 Methodology and Strategies Employed

SCS deploys interdisciplinary teams with expertise in forestry, social sciences, natural resource economics, and other relevant fields to assess an FME's conformance to the FSC Controlled Wood standard and policies. Evaluation methods include document and record review, implementing sampling strategies to visit a broad number of forest cover and harvest prescription types, observation of implementation of management plans and policies in the field, and stakeholder analysis. When there is more than one team member, team members may review parts of the standards based on their background and expertise. On the final day of an evaluation, team members convene to deliberate the findings of the assessment jointly. This involves an analysis of all relevant field observations, stakeholder comments, and reviewed documents and records. Where consensus between team members cannot be achieved due to lack of evidence, conflicting evidence or differences of interpretation of the standards, the team is instructed to report these in the certification decision section and/or in observations.

2.3 Stakeholder Consultation Process

In accordance with SCS protocols, consultation with key stakeholders is an integral component of the Controlled Wood evaluation process. Stakeholder consultation takes place prior to, concurrent with, and following field evaluations. A public notice was sent to stakeholders at least one month prior to the CW/FM evaluation notifying them of the audit and soliciting comments. Distinct purposes of such consultation include:

1. To solicit input from affected parties as to the strengths and weaknesses of the FME's management, relative to the Controlled Wood standard, and the nature of the interaction between the company and the surrounding communities.
2. To solicit input on whether the forest management operation has consulted with stakeholders regarding identifying any high conservation value forests (HCVFs).

The names and contact information of stakeholders offering comment are considered confidential. Records of persons contacted and comments received are kept on file in the SCS offices.

The volume of stakeholder input for the VicForests forest management was relatively large with stakeholder input received before, during, and after the audit. Detailed records of input, stakeholders, and individual responses as well as all inquiries stemming from stakeholder comments are maintained confidentially in SCS records, subject to examination by FSC. All communications are treated as strictly confidential unless express written permission was provided.

Submissions were first evaluated as to whether they are addressed within the Scope of the FSC-Controlled Wood Standard. There were submissions that were critical, in general, of FSC or aspects of Victoria government that did not fall under the scope of this Standard. The FSC Controlled Wood Standard, FSC-STD-30-010-V2-0 is available online at www.fscic.org.

Stakeholder submissions were all carefully reviewed. There were critical, as well as supportive, comments related to VicForests received by SCS. Input requiring response and evaluation under the Controlled Wood Standard were grouped into CW category topic areas and summarized below.

2.3.1 Stakeholder Summary Table

CW category	Stakeholder comment	SCS team response
<p>1. Illegally harvested wood.</p>	<p>Central Highlands and East Gippsland:</p> <ol style="list-style-type: none"> 1. Steep Slopes - Substantial analysis was conducted by stakeholders regarding harvesting on steep slopes done under VicForests management. The stakeholders assert this constitutes illegal harvesting. Stakeholders provided evidence and cited relevant legal requirements. 2. Allocation Order - Assertions were made by stakeholders that VicForests are illegally harvesting outside of the Allocation Order. The Allocation Order is the means by which VicForests is legally authorized to harvest timber. 3. Tree Geebung - Stakeholders asserted that VicForests was deliberately destroying Tree Geebung, after being informed of locations within harvest coupes, thus constituting illegal harvest. 4. Code Violation – Central Highlands: Failure to identify biodiversity values in breach of the Victoria State Forestry Code of Practice, specifically Leadbeater’s Possum. 	<ol style="list-style-type: none"> 1. Steep slopes issue – The audit team issued one finding related to this topic area, see Observation 2019.3, under indicator 3.1.b). The audit team visited several coupes, see Site Notes, where clinometer measurements confirmed harvesting on slopes greater than 30 degrees. However, such harvests in the areas inspected, containing slopes greater than 30-degrees, was allowed under interpretations of several different regulatory manuals, at least one of which is currently under revision. Stakeholders were unaware of how these different regulatory documents are applied to harvesting activities and such information is not readily, publicly available in culturally appropriate forms. The audit team concluded that although legal, VicForests should reconcile the various documents that regulate harvesting on slopes greater than 30 degrees, transparently communicate and engage in public consultation regarding these applicable policies in culturally appropriate forms, with stakeholders. See Observation 2019.3.b) for more detail. 2. Allocation order (AO) – The audit team issued one finding related to this topic area, Observation 2019.3. a). The current harvesting outside the AO is legal, and was also legal prior to the most recent AO Amendment, which was gazetted in April 2019 – when a more precise GIS map of spatial data was provided and the Licence system was introduced. The legislation and the management of the AO prior to the 2019 Amendment was in the audit teams’ assessment, was complicated. There were two Departments managing two different maps/systems - one of them static (AO) and the other dynamic (the zoning scheme, updated quarterly by DEWLP). Additionally, it seemed there may have been room for improvement in communications between Departments. It was the determination of the audit team that VicForests provided enough evidence to support the conclusion that they operated legally under a complicated system. However, under FSC context of evaluation, even though the actions were legal there was not enough transparency about the process for public scrutiny. <i>It is critical to understand that under FSC stakeholder engagement practices, expectations for transparency and accountability are higher</i>

CW category	Stakeholder comment	SCS team response
		<p>for managers of publicly owned lands. In the FSC context, public stakeholders constitute those persons interested in and affected by forest management activities. Regardless of decisions to form and structure public land management agencies under corporate models, which was done with the State of Victoria, FSC still considers these publicly owned lands. See Observation 2019.3. a) for more detail.</p> <p>3. Tree Geebung Conservation/Protections – The audit team reviewed evidence provided by stakeholders and examined documents and other evidence provided by VicForests in response to audit team inquiries. Several sites were visited with the stakeholders who submitted comments and concerns. The audit team visited specific sites cited by stakeholders where Tree Geebung occurred and were impacted by harvesting, see Site Notes. Major CAR 2019.5 was issued as a result of this line of inquiry where assertions were corroborated in the field confirming insufficient protections/conservation of Tree Geebung. There were examples where VicForests had identified Tree Geebung within-coupe and where Tree Geebung was not detected by VicForests but was found by 3rd party surveyors, or citizen scientists. In these examples, destruction of known occurrences of Tree Geebung occurred. In one case, although VicForests records and DELWP authorities found no violations by VicForests staff, eg VicForests staff did act within regulations, the audit team concluded there was a wider pattern of failure to conserve known occurrences that were not in accordance with FSC HCV protections. See Major CAR 2019.5 for more detail.</p> <p>4. Code violation - The audit team evaluated VicForests performance throughout the audit relative to a variety of species. VicForests forests staff was observed to consistently follow legally mandated procedures for identification of biodiversity values. Such failures, while not meeting criteria to be considered illegal under FSC’s system, were found to be Major non-conformities, Section 3.1.5.</p>
<p>2. Wood harvested in violation of traditional and civil rights.</p>	<p>Central Highlands and East Gippsland: Stakeholder comments were received that VicForests does not consult indigenous “excluded groups” as required in the FSC system. They stakeholders specifically identified the following groups as excluded: Bidwell Maap Aboriginal Corporation; Nindi or Ngujam Ngarigo Monero Aboriginal Corporation; Snowy Cann Rivers First People’s Country and Water Corporation; Dhudhuroa Waywurru; Duduroa Local Custodians; Yaitmathang</p>	<p>The audit team concluded no non-conformity is warranted relative to this submission. The language to address “excluded groups” comes from 1.3.b of the FSC-Controlled Wood Standard which states under 1.3, “The Forest Management Enterprise shall ensure that where stakeholder consultation is required by the Forest Management Enterprise in relation to implementation of this standard, procedures for consultation include at least the following: b) excluded groups shall be given particular attention when identifying interested or affected parties. FSC clarifies the intent of this within the standard that, “The company shall identify particular groups that might be affected by forest operations and for particular reasons do not have equal opportunities to access relevant information (for example illiterate people).”</p>

CW category	Stakeholder comment	SCS team response
		<p>The audit team found that VicForests had identified, had procedures for engagement, and had engaged with these non-RAP groups, in accordance with requirements of the standard. However, other non-conformities were identified during the course of the audit that includes reference to Indigenous groups, see Minor 2019.1 and Major CAR 2019.7.</p> <p>The audit team conducted additional interviews with Aboriginal representatives. Interviews and examination of evidence confirmed activities were not illegal relative to traditional and civil rights. VicForests verified awareness of current border disputes and appropriate tracking mechanisms of those disputes.</p> <p>It is important to note that the Aboriginal representatives consulted did communicate potential areas for improvement. The audit team communicated these areas for improvement, while respecting anonymity and confidentiality, to relevant VicForests staff. Generally, it was communicated to the audit team that the following are opportunities for improvement specific to forest management planning:</p> <ul style="list-style-type: none"> • Aboriginal comments requested more time for reviews of planned harvesting areas within coupes, or better mechanisms for requesting more time without having to reveal sensitive or protected data and information. Aboriginal groups consulted for this audit indicated a willingness to collaborate with VicForests and explore potential solutions. • Aboriginal groups would like more opportunities to work collaboratively with VicForests for conducting landscape - scale surveys to proactively identify areas where more time might be needed. <p>Interviews from all levels of VF staff, from administration to front line foresters demonstrated awareness and knowledge of procedures for accurately identifying and engaging Aboriginal groups. Moreover, there appeared to be a high level of commitment towards continuous improvement for engagements for both RAP and non-RAP groups.</p> <p>In response to identification of areas for improvement, VicForests has already been exploring ways to work with local representatives more. The model examined during the audit was for East Gippsland but similar models were described for greater-Victoria. Progressive techniques discussed within the East Gippsland area were described as applied throughout Victoria.</p>
<p>3. Wood harvested in forests in which high conservation values are threatened by</p>	<p>The greatest proportion and breadth of stakeholder comments were around High Conservation Areas (HCVs). Detailed correspondences, notes, and analyses are maintained in SCS records, subject to FSC examination. There was a</p>	<p>The audit team reviewed evidence provided by stakeholders and examined documents and other evidence provided by VicForests in response to audit team inquiries. Specific coupes were identified by several different stakeholders. Where possible, and when identified prior to the audit, those sites were included for field site visits during the audit to evaluate topics raised by</p>

CW category	Stakeholder comment	SCS team response
<p>management activities.</p>	<p>good amount of overlap between Central Highlands and East Gippsland so topics are presented as applicable to both regions unless otherwise specified.</p> <ol style="list-style-type: none"> 1. Montane ash forest ecosystems (Central Highlands) – Montane ash in Central Highlands is undergoing significant decline which are related to timber harvesting. [related] Mountain Ash ecosystem has been formally classed as Critically Endangered under the IUCN Red Listed Ecosystem procedure and any clearfell harvests in this system should be excluded. [related] VicForests is overharvesting mountain ash ecosystems due to legislated/mandated wood delivery agreements. 2. Hollow bearing trees - Accelerating losses of hollow-dependent fauna such as Greater Glider and the Critically Endangered Leadbeater’s Possum 3. HCV protections and planning - Harvesting operations under VicForests Timber Release Plan has timber harvesting that is planned to take place in areas of significant conservation value for the threatened forest-dependent species in Victoria. Why aren’t VicForests staying out of areas with known HCV? <ul style="list-style-type: none"> ▪ General biodiversity under HCV: Numerous comments were received regarding various species of concern to stakeholders. In addition, to those listed above concerns were given regarding several species of forest owls, Barred Galaxias, Yellow-bellied Glider, Large brown tree frog, Quoll species, Myrtle beech, and Orbost Spiny Crayfish. 4. Use of clearfell - Despite claims of “new methods” for habitat management, the newest VicForests 	<p>stakeholders, see Site Notes. For those comments where findings were raised from resulting lines of inquire, they are identified for more details.</p> <ol style="list-style-type: none"> 1. Montane ash forest ecosystems as HCV - findings include Observations 2019.1 and Minor CAR 2019.2. Related to mandated harvest levels see Minor 2019.1 2. Hollow bearing trees - related see Major CAR 2019.5 and Major CAR 2019.6. 3. HCV protections – Major CAR 2019.4, Major CAR 2019.5, Major CAR 2019.6. Numerous comments were received regarding various species of concern to stakeholders. Each species was examined for cross-referenced to HCVs. The audit team prioritised evaluation of those identified as HCV. Further prioritization was done based on degree of threat. 4. Use of clearfell – VicForests continue to use clearfell as a silvicultural regime. However, the changes to their system occurs under the new Habitat Retention methodology. See related Major CAR 2019.5 regarding implementation of new methodologies for habitat tree retention. 5. Variable retention harvests – The stakeholder input received referred to VRH in ways that highlighted differences in how terms are defined. In this case, VicForests defines their use of the VRH and follows the approach they have outlined. It may not match exactly how the term is defined in academic research but there was no non-conformity warranted. 6. Existing CAR reserves – The audit team found that there is enough uncertainty around this topic to merit findings. See Major CAR 2019.5 and Major CAR 2019.6. 7. Net loss of old growth through attrition and repeated fires. See Major CAR 2019.6 relative to identification of old growth and conducting consultations for such. 8. EVCs – This topic was introduced during the audit. <p>Water Catchments/Yield – See Minor 2019.1 and Major CAR 2019.7.</p>

CW category	Stakeholder comment	SCS team response
	<p>Timber Release Plan, shows still > 95% clearfell in mountain ash.</p> <p>5. Variable Retention Harvests - Areas tagged as being harvested using Variable Retention Harvesting do not meet specifications for that kind of silvicultural system with logging operations more akin to conventional clearcuts.</p> <p>6. Existing CAR reserves are not sufficient for viability of key species - Specifically, viability analyses done for greater glider, large forest owls, and leadbeater’s possum.</p> <p>7. Extensive, successive fire burning areas of old-growth - Attrition loss of legacy hollow-bearing trees. This means regrowth dominated by young trees, and successive losses of hollow-bearing trees to burning and/or logging, in and out of CAR reserves. Repeated fires and fire impact is not being accounted for enough related to aspects of many of the bullets above.</p> <p>8. EVCs – Stakeholder asserts VicForests should use EVCs in defining HCVs and in determination of old growth under the CAR reserve system</p> <p>Water Catchments - Water yield</p> <p>1. Stakeholders assert general harm to watersheds. VicForests harvests over multiple watersheds. For example, Thompson Watershed is being threatened by harvesting in Central Highlands.</p> <p>2. Individual stakeholder asserts their farm impacted by harvests in operating watershed.</p>	
<p>4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses.</p>	<p>Central Highlands: Forest Conversion</p> <ul style="list-style-type: none"> • Diverse forests are being homogenised in single species replantings. • Harvest areas are not being replanted. 	<p>The regeneration program of VicForests was examined in great detail. All management actions undertaken by VicForests are properly documented, including records of all reforestation activities following final harvests. Areas where reforestation efforts have failed received follow-up effort to establish a new stand of commercial trees. No non-conformity was warranted under this controlled wood category. The regeneration program was found to follow forestry norms.</p>

CW category	Stakeholder comment	SCS team response
		<p>However, the line of inquiry did find some lack of clarity around timelines for regeneration following harvests and roles and responsibilities for ensuring long-term reforestation after coupes have been harvested and released from VicForests management authority. See Observation 2019.8.</p>
<p>5. Wood from FMUs in which genetically modified trees are planted</p>	<p>None received</p>	<p>VicForests does not plant or use GMO trees as confirmed by documentation review, interviews with stakeholders and observations in the field.</p>
<p>6. Other FSC standards and policies or SCS requirements</p>	<p>Stakeholder comments received related to management systems are included in this section.</p> <p>Harvests</p> <ol style="list-style-type: none"> 1. Planning: Harvested areas are not being planted in a timely manner. 2. Procedures: Detailed guidance notes for amended harm minimisation practices and modified coupe regeneration practices are not consistent or transparent. 3. Monitoring: Post-harvest assessments for new practices are not sufficient. <p>Communities engagement</p> <p>There were two community groups that had representatives contact the audit team. The concerns of these group were similar and included water catchment impacts, loss of biodiversity, and regeneration concerns.</p> <p>Other Stakeholder engagement</p> <ol style="list-style-type: none"> 1. Environmental Groups - Stakeholder engagement with environmental groups needs to improve. 2. Transparency - Vic forest actually do a lot to protect not just high conservation values, but other values like hydrology, water quality, sediment management, exclusion of values that do not need to be publicly reported. (RTE habitat, buffered exclusion of rainforest). While these values are protected by harvest exclusion or modified harvesting practices, this information is not shared outside of VicForest. The benefits of sharing would reduce the negative assertions made against VF practices and improve State data on forest values. 3. Community Engagements – Three separate communities contacted the audit team with concerns about VicForests management relative to biodiversity and other HCV. Communities specifically mention 	<p>Harvests</p> <ol style="list-style-type: none"> 1. The VF Regeneration program was reviewed in great detail. See item 4, above. 2. Numerous examples in the bush were observed where amended harm minimization activities were applied consistently. This indicates that procedures for training are sufficient. However, these procedures and their method of implementation are not conveyed to the general public (interested and affected stakeholders) in a transparent manner. Modified coupe regeneration practices are acknowledged by staff to be a new and learning process whereby ecological principles are being incorporated more into programs and increasing in tolerance for “messy” regeneration to retain identified habitat features. These modified practices are key elements of the new approaches that bring VicForests closer to FSC certification by greater protections and conservation of HCVs. The audit team found no non-conformity was warranted relative to this standard. 3. Post-harvest assessments are part of VicForests adaptive forest management program. VicForests acknowledges that the new systems have not been in place long enough to begin full implementation of monitoring plans. There was on finding relative to full implementation of new management approach, see Major CAR 2019.5. <p>Stakeholder Engagement</p> <ol style="list-style-type: none"> 1. Despite progress and new improvement stakeholder engagement programs, VicForests has some areas for additional improvement, see Observation 2019.x. 2. The audit team concurs that there are many new practices, in addition to current practices, that positively benefit the environment of forests under VicForests management authority. These would be much better understood by the general public if transparency were heightened by VicForests. The need for improvements in

CW category	Stakeholder comment	SCS team response
	<p>Leadbeater’s possum, Greater Gliders and other species of concern such as Lace Monitor, Narracan Burrowing Crayfish, Powerful Owl and a number of floral species (as included in <i>Victorian Flora and Fauna Guarantee Act 1988</i> and the <i>Commonwealth Environment Protection and Biodiversity Conservation Act 1999</i>. Additional concerns expressed were related to water catchment impacts, logging on steep slopes, concerns about Aboriginal heritage features in the landscape, and accounting for fire disturbance in the landscape. (Rubicon, Mirboo, and Tambo communities).</p>	<p>transparency was highlighted in several findings including Minor 2019.1, Minor 2019.2, and Majors 2019.6 and 2019.7.</p> <p>3. Most of the community group concerns are addressed in items 1-5, above. One community group participated in a multi-stakeholder field session during the audit and with whom the audit team visited multiple coupes. These coupes highlighted various concerns shared by the other communities, although each community submitted perspectives on threats/risks for area and region specific species of concern. Additional concern brought forth that were not included above involve concerns about water stream buffers and impacts on a downstream fish hatchery. These lines of inquiry were investigated to seek corroboration by the audit team. Audit team visited numerous streams where buffers were correctly applied, see Site Notes. However, there was one situation where a stream buffer was damaged by post-harvest road construction, see Major CAR 2019.5.</p> <p>The other two community groups contacted the audit team and there was not enough time to arrange additional site visits. However,</p>

3. Results of the Evaluation

3.1 Process of Determining Conformance

3.1.1 Structure of Standard and Degrees of Non-Conformance

Consistent with SCS Forest Conservation Program evaluation protocols, the team collectively determines whether or not the subject forest management operation is in conformance with every applicable indicator of the Controlled Wood standard. Each non-conformance must be evaluated to determine whether it constitutes a major or minor non-conformance at the level of the associated indicator.

Corrective action requests (CARs) are issued for every instance of a non-conformance. Major non-conformances trigger major CARs and minor non-conformances trigger minor CARs.

3.1.2 Interpretations of Major CARs, Minor CARs and Observations

Major CARs: Major non-conformances, either alone or in combination with non-conformances of all other applicable indicators, result (or are likely to result) in a fundamental failure to achieve the objectives of the relevant Controlled Wood requirement. These are corrective actions that must be resolved or closed out before a certificate can be awarded. If Major CARs arise after an operation is

certified, FSC requires immediate suspension or withdrawal of a CW/FM certificate. Certification is contingent on the certified FME’s response to the CAR.

Minor CARs: These are corrective action requests in response to minor non-conformances, which are typically limited in scale or can be characterized as an unusual lapse in the system. Corrective actions must be closed out within a specified time period of award of the certificate.

Observations: These are subject areas where the audit team concludes that there is conformance, but future non-conformance may result due to inaction. Action on observations is voluntary and does not affect the maintenance of the certificate. However, observations can become CARs if performance with respect to the indicator(s) triggering the observation falls into non-conformance.

3.1.3 Major Non-Conformities

<input type="checkbox"/>	No major CARs were issued to the FME during the evaluation. Any minor CARs from previous surveillance audits have been reviewed and closed prior to the issuance of a certificate.
<input type="checkbox"/>	Major CARs were issued to the FME during the evaluation, which have all been closed to the satisfaction of the audit team and meet the requirements of the standards. Any minor CARs from previous surveillance audits have been reviewed and closed prior to the issuance of a certificate.
<input checked="" type="checkbox"/>	Major CARs were issued to the FME during the evaluation and the FME has not yet satisfactorily closed all major CARs.

3.1.4 Existing Corrective Action Requests and Observations

Not applicable. This is a full evaluation for initial certification.

3.1.5 New Corrective Action Requests and Observations

Finding Number: 2019.1	
Select one: <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> 12 months or next regularly scheduled audit (surveillance or re-evaluation) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
FSC Indicator:	1.1 The Forest Management Enterprise shall have procedures and/or work instructions covering all the applicable elements specified in this standard.
Non-Conformity (or Background/ Justification in the case of Observations):	
VicForests program would be greatly strengthened by improved transparency and collaboration with key stakeholders, such as ENGOs, citizen scientists, and the larger scientific community including those individuals and organizations that may hold adverse views.	
1. Required Mountain Ash Volume Delivery: The audit team received significant stakeholder comments in relation to the legislated supply commitment of 265,000 m3 of Mountain Ash species to a contract	

<p>buyer, and the impact this has on the remaining estate after harvest. Stakeholders expressed concern that the ongoing harvest pressure associated with this supply commitment has adverse impacts on the remaining estate, in particular the Mountain Ash ecosystem.</p> <p>Evidence provided to the audit team has not been made readily available to interested and available stakeholders who would benefit by more transparency around the various aspects of the sustainable harvest program. For example, numerous stakeholders referred to the 300,000 m3 of mountain forest agreement in section 14.(2) of <i>Forests (Wood Pulp Agreement) Act 1006, Act No. 16/1996</i>. These stakeholders were unaware of adjustments made in the volume commitment after the 2009 fires, reducing the commitment to 265,000 m3, nor were they aware of species substitutions that currently apply.</p> <p>2. <u>Impacts on Water Catchments</u>: The audit team found significant discrepancies among stakeholders, including within the scientific community, with regards to the understanding of the impacts on water catchments caused by forest practices applicable to VicForests. Although evidence was provided of consultations regarding this issue, the audit team found that there was not sufficient evidence of transparent consultation, including with ENGOs, and with representatives and members of communities and indigenous peoples living in or adjacent to the FMUs.</p>	
<p>Corrective Action Request (or Observation): The VicForests program should consider addressing the following observations:</p> <p>1. <u>Required Mountain Ash Volume Delivery</u>: Procedures should be developed to provide more transparent evidence to demonstrate that the legislated supply volume of Mountain Ash does not impact the short- and long-term sustainability of the Mountain Ash ecosystem. VicForests should further investigate procedures or work instructions to transparently account for and mitigate Mountain Ash ecosystem impacts.</p> <p>2. <u>Impacts on Water Catchments</u>: Procedures should be developed to provide sufficient evidence of a transparent review and clarification of the impacts on water catchments caused by forest practices applicable to VicForests, including evidence of consultations with the scientific community, ENGOs and with representatives and members of communities and indigenous peoples living in or adjacent to the FMUs.</p>	
FME response <i>(including any evidence submitted)</i>	
SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 2019.2	
Select one: <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input type="checkbox"/> Pre-condition to achieve or maintain CW/FM certification (sections 3-7) <input type="checkbox"/> Pre-condition to achieve or maintain CW/FM certification (sections 1-2) <input checked="" type="checkbox"/> 12 months or next audit (surveillance or re-evaluation, sections 1-2 only) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):

<p>FSC-STD-30-010 Indicator:</p>	<p>1.3 The Forest Management Enterprise shall ensure that where stakeholder consultation is required by the Forest Management Enterprise in relation to implementation of this standard, procedures for consultation include at least the following: a) key stakeholders shall be identified and invited to participate in the consultation with sufficient prior notice; f) The Forest Management Enterprise shall be responsive to stakeholder questions or concerns.</p>
<p>Non-Conformity (or Background/ Justification in the case of Observations): VicForests’ means and methods of consulting with stakeholders are generally sufficient and in accordance with expectations of FSC systems. However, gaps were identified as follows:</p> <ol style="list-style-type: none"> 1. <i>Central Highlands and East Gippsland:</i> VicForests has developed and improved stakeholder consultation strategies and methodologies to more effectively engage a wide cross section of stakeholders. This now includes individuals and organizations that may hold adverse views regarding VicForests’ compliance with the Code of Practice and other applicable regulations. However, during the 2019 audit, further key stakeholders within the wider scientific community were identified who are not adequately considered in the pool of interested or affected parties. These include citizen scientists, independent 3rd party surveyors, and others engaged as state biological surveyors who contribute to information used by VicForests in forest management planning. 2. <i>Central Highlands:</i> Regarding the Mountain Ash Ecosystem. The audit team evaluated the IUCN listing of the Mountain Ash forest ecosystem, as acknowledged in VicForests’ HCV Management System. It is noted that FSC does not stipulate that IUCN listed species and ecosystems cannot be harvested, only that the HCV attributes are maintained. Evidence was provided by VicForests that current practices, using new habitat retention methodologies, will address the identified threats to the Mountain Ash ecosystem type as identified in the IUCN listing. However, in the interest of greater transparency, VicForests should investigate ways to address stakeholder comments and concerns in relation to the IUCN listing of this ecosystem relative to HCV maintenance. The audit team acknowledges the enhanced efforts made by VicForests in informing and reaching out to key stakeholder groups included briefings with the Wilderness Society, GECO, and Greening Australia. Additionally, webinars were provided regarding these new approaches. However, at the time of the audit, stakeholders were largely unaware of the new methodologies and protocols being implemented by VicForests that address the threats identified in the IUCN listing. 	
<p>Corrective Action Request (or Observation):</p> <ol style="list-style-type: none"> 1. VicForests must continue its new stakeholder consultation strategies and methodologies. Additionally, VicForests must expand to an even wider cross section of stakeholders. Specifically, VicForests must demonstrate and provide evidence of continued engagement with stakeholders to include the broader scientific community with expert knowledge applicable to VicForests (such as scientists, citizen scientists/3rd party, and other biological surveyors). 2. VicForests should investigate ways to continue to address stakeholder concerns in relation to the IUCN listing of the Mountain Ash ecosystems relative to HCV maintenance. This should include greater transparency of VicForests assessments of the overall status of the Mountain Ash ecosystem; past, present, and projected hectares and estimated harvest volumes. 	
<p>FME response (including any evidence submitted)</p>	
<p>SCS review</p>	

Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> <i>Other decision (refer to description above)</i>
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Finding Number: 2019.3

Select one: Major CAR Minor CAR Observation

FMU CAR/OBS issued to (when more than one FMU):

Deadline	<input type="checkbox"/> Pre-condition to achieve or maintain CW/FM certification (sections 3-7) <input type="checkbox"/> Pre-condition to achieve or maintain CW/FM certification (sections 1-2) <input type="checkbox"/> 12 months or next audit (surveillance or re-evaluation, sections 1-2 only) <input checked="" type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
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FSC-STD-30-010 Indicator:	3.1 All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1. a) Evidence of legal authority to harvest, b) Evidence of compliance with applicable management planning requirements
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Non-Conformity (or Background/ Justification in the case of Observations):

This relates to regulatory compliance with respect to management activities undertaken by VicForests, relative to the scope of requirements delineated in Table 1 of this Standard. VicForests’ program could be strengthened and improved relative to public transparency for: a) Evidence of legal authority to harvest, and b) Evidence of compliance with applicable State management planning requirements.

a) Evidence of legal authority to harvest: There are questions around the accuracy and clarity of the Allocation Order by stakeholders. An Allocation Order (AO) in Victoria is drawn-up by the Minister for Agriculture, used by VicForests, and then regulated by the Department of Environment, Land, Water and Planning (DELWP). The AO provides the mechanism that legally authorizes VicForests to harvest from State lands, including the scope and scale of timber harvests.

There were assertions made by stakeholders that VicForests has set up TRPs outside of the Allocation Order (albeit with no harvesting done) and of coupes harvested in the past outside of the existing Allocation Order. However, the Minister for Agriculture authorized these harvests, through other mechanisms. It was not understood by the general public how these mechanisms are being used as part of the TRP planning. Adding to the public confusion is the use of Management Zones (a dynamic zoning scheme managed by DELWP) used to define various levels of protections for environmental values which are conflated by members of the public with the AO. **It is critical to understand that under FSC, the expectations for transparency and public accountability, and thus stakeholder engagement, are higher for publicly owned lands. Further, operating on publicly owned lands can tend to involve/include a wider cross section of the community of stakeholders than sometimes seen under privately owned company operations.** Maximising stakeholder inclusion and improving clarity for all stakeholders are also seen as critical elements of planning. The public in the FSC context are those communities interested and affected by forest management activities. Regardless of decisions to form and structure public land management agencies under corporate or SOE models which Australia the Victorian Government has done for this State, FSC still considers these publicly owned lands.

Within the last two years there were documented issues around VicForests harvesting outside of the Allocation Order. VicForests, at the time of the 2019 audit, were operating under the most recent Allocation Order 2019, as amended. The current harvesting outside the AO is legal, and was also legal prior to the most recent AO Amendment, which was gazetted in April 2019 – when a more precise GIS map of spatial data was provided and the Licence system was introduced. The legislation and the management of the AO prior to the 2019 Amendment was, in the audit teams' assessment, complicated and confusing. There were two Departments managing two different maps and systems - one of them static (AO) and the other dynamic (the zoning scheme, updated quarterly by DEWLP). Additionally, it seemed there may have been room for improvement in communications between Departments.

There is one additional mechanism to authorise harvesting on State forests and that is through a licence issued by the Minister under section 52 of the Forests Act 1958. Section 22 of the Forests Act enables the preparation of plans which includes the TUP but they do not provide authority. The AO is not created under this Act but under the Sustainable Forests (Timber) Act 2004.

In western Victoria and a few coupes in the east, a TUP is prepared to identify proposed areas for harvesting under which Forest Act s52 licensees may harvest timber with an appropriate coupe plan.

In the east, it is recognised that there are errors and discrepancies in mapping associated with the AO and VicForests applies for a s52 Forest Act licence to cover these discrepancies and errors to ensure all harvesting has an appropriate authority.

It was the determination of the audit team that VicForests provided enough evidence to support the conclusion that they operated legally under a complicated system. However, under FSC context of evaluation, even though the actions were legal, there was not enough transparency about the process for public scrutiny.

b) Evidence of compliance with applicable management planning requirements:

- *Open DELWP investigations* - Although there have been no new violations issued within the last 2 years by DELWP, the regulatory agency for forest management on state lands in Victoria, there are current and open investigations, some of which are over 2 years old, that have not yet been resolved by DELWP. Also, there were recent court cases resulting in the creation of a new and independent DELWP regulatory body due to perceived inadequate enforcement. Even though there are a limited number of open investigations relative to the total number of harvesting operations undertaken by VicForests, the audit team concludes the open investigations should continue to be addressed by VicForests (in the first instance), with consideration also undertaken by VicForests how to improve co-operation with, and encouragement of the DELWP regulatory body to confirm a practical timeframe for each issue to be reported/resolved.
- *Harvesting > 30-degree slopes* – In another issue raised by stakeholders, VicForests currently harvests in areas of greater than 30-degree slope as allowed by interpretation of several different regulatory manuals, at least one of which is currently under revision.

Corrective Action Request (or Observation):	
a) <u>Evidence of legal authority to harvest</u> : VicForests should provide clarity and transparency around the role and accuracy of the Allocation Order, and other means that legally authorize management, relative to VicForests planning and harvest activities as evidence of compliance with laws.	
b) <u>Evidence of compliance with applicable management planning requirements</u> : <i>Open DELWP investigations</i> - VicForests should work with DELWP to more efficiently close open investigations and pursue corrective actions. VicForests should also improve timber harvest planning and operations procedures for the purpose of continuing to effectively avoid regulatory violations. <i>Harvesting > 30-degree slopes</i> –VicForests should reconcile the various documents that regulate harvesting on slopes greater than 30 degrees, and transparently communicate and engage in public consultation regarding these applicable policies and operational implementation to stakeholders.	
FME response <i>(including any evidence submitted)</i>	
SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 2019.4	
Select one: <input checked="" type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input checked="" type="checkbox"/> Pre-condition to achieve or maintain CW/FM certification (sections 3-7) <input type="checkbox"/> Pre-condition to achieve or maintain CW/FM certification (sections 1-2) <input type="checkbox"/> 12 months or next audit (surveillance or re-evaluation, sections 1-2 only) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
FSC-STD-30-010 Indicator:	5.2. The Forest Management Enterprise shall keep records of evidence to demonstrate compliance with Section 5.1 above. Evidence shall include but is not restricted to: a) records of an assessment (e.g. ecological assessment, environmental impact assessment or wildlife census, social assessment) appropriate to the size of the FMU and intensity of management to identify the presence of high conservation values. AND c) a list of the high conservation values thus identified in the FMU, together with evidence indicating that high conservation values are not threatened in the FMUs.
Non-Conformity (or Background/ Justification in the case of Observations):	
VicForests has made dramatic improvements in development of within- and adjacent-coupe connectivity and has also developed an innovative and potentially effective approach for maintenance of Habitat Trees (HBTs) as defined by VicForests in, <i>Harvesting and Regeneration Systems, 3.2.2 Increase use of variable retention harvesting systems</i> , referred to below as Habitat Retention Program. Detailed description of this new Program is available online here . However, gaps remain as described below: <u>Leadbeater’s Possum and Greater Glider</u> : Regarding maintenance of the Critically Endangered species, the Vulnerable species Greater Glider, and their habitat. The surveys carried out by the state government (whether by staff or contractors) have not been sufficient for species location identifications. There were	

<p>consistent cases of failure to detect and protect individual occurrences of both these, and other species of concern.</p> <p>In one example, the Leadbeater's possum, a Critically Endangered species, was not detected in the "Man-City" coupe. Leadbeater's Possum is a species that has habitat buffer requirements that may extend outside of planned coupe areas. Current methodologies strictly sample within planned harvest boundaries, and these methodologies did not detect the presence of Leadbeater's Possum. After harvest, 3rd party citizen-scientist surveyors found presence within and adjacent to planned harvest coupes. The audit team received evidence that in the 10 months prior to the audit, there were 18 examples of Leadbeater's Possum observations within harvest boundaries, or overlapping with their required habitat buffer areas, which had not been detected in state pre-harvest surveys. There are also questions around the adequacy of legislated protections. The audit team also notes that there are pending court rulings related to Lead Beater's Possum involving VicForests.</p> <p>Section 1.1 of the <i>High Conservation Values (HCVS) Evaluation Framework, For use in the context of implementing Controlled Wood standards, FSC Australia, Version 1-1</i> states, "Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach." The pattern of harvesting in areas of known habitat and occurrences was also noted for Greater Gliders, and other species of concern, and is not consistent with conservation of HCVs using a Precautionary Approach as defined by FSC.</p>	
<p>Corrective Action Request (or Observation): <u>Leadbeater's Possum and Greater Glider:</u> Regarding the maintenance of a Critically Endangered, HCV species Leadbeater's Possum and its critical habitat, and the Vulnerable Greater Glider and its habitat. VicForests must investigate methodologies to continue to make pre-harvest surveys and legislated protections more effective. Additionally, pending court rulings related to Lead Beater's Possum, VicForests must update protections as soon as possible after any such changes may be deemed necessary.</p>	
<p>FME response (including any evidence submitted)</p>	
<p>SCS review</p>	
<p>Status of CAR:</p>	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 2019.5	
<p>Select one: <input checked="" type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input type="checkbox"/> Observation</p>	
<p>FMU CAR/OBS issued to (when more than one FMU):</p>	
<p>Deadline</p>	<input checked="" type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> 12 months or next regularly scheduled audit (surveillance or re-evaluation) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
<p>FSC Indicator:</p>	<p>5.2. The Forest Management Enterprise shall keep records of evidence to demonstrate compliance with Section 5.1 above. Evidence shall include but is not restricted to: a) records of an assessment (e.g. ecological assessment, environmental impact assessment or wildlife census, social assessment)</p>

	<p>appropriate to the size of the FMU and intensity of management to identify the presence of high conservation values. c) a list of the high conservation values thus identified in the FMU, together with evidence indicating that high conservation values are not threatened in the FMUs.</p>
<p>Non-Conformity (or Background/ Justification in the case of Observations):</p> <p><u>Landscape-scale Strategic Planning:</u> Surveys and management of multiple species, identified by VicForests as HCV, at a landscape level must be done appropriate to the size of the FMU and intensity of management. Patterns of insufficient pre-harvest surveys were found during the audit, as exemplified by consistent non-detection of the Critically Endangered Leadbeater’s Possum, and other threatened species, which were found by 3rd party citizen scientists within harvest boundaries. The audit team identified a gap in the understanding of landscape level population dynamics of the Leadbeater’s Possum, in particular. Further landscape level, multi-scale approach to strategic planning is necessary for species with very large home ranges such as threatened forest owls and the Leadbeater's Possum. It should be noted that VicForests presented information regarding the broader framework informing forest management plans which included habitat targets for multiple species.</p> <p>There were other related deficiencies in application of protective <i>conservation</i> measures for known locations/occurrences of HCV species that did not follow the FSC Precautionary approach, including the Greater Glider, the Tree Geebung, Forest owls, Orbost Spiny Crayfish, and Barred Galaxias.</p> <p><u>VicForests New Management Approach:</u> The Habitat Analysis by VicForests for dispersed and aggregated retention within and adjacent to coupe harvest areas may be sufficient to accommodate HCV habitat needs for key species. However, at the time of the 2019 audit, the new Habitat Retention Program had not yet been fully implemented. Specifically, the audit team was not presented with any coupes where prescribed burning had been completed following the new habitat analysis and retention methods (recently instituted 1 July 2019). There were a number of examples observed during the audit of sites planned and/or prepared in new and innovative ways in order to reduce the intensity of future prescribed burns to achieve protection of retained habitat features. However, there were also several examples of coupes planned and harvested prior to 1 July 2019 where fire had escaped and burned through retained habitat features and values such as large hollow bearing trees and habitat buffers/patches following management, including habitat patches retained specifically for HCV. In the absence of a fully implemented new HCV Management System, and specifically prescribed burning, the audit team cannot conclusively state that the new Habitat Retention program will sufficiently maintain HCV species as intended and planned.</p>	
<p>Corrective Action Request (or Observation):</p> <p><u>Landscape Analysis/Context:</u> VicForests must make improvements in understanding population dynamics at the landscape scale which would serve as a primary source in developing efficiencies for identification and habitats of HCVs at the coupe <i>and surroundings scale</i>, leading to better connectivity in the landscape as a whole. VicForests shall investigate methodologies to determine baseline data for population dynamics of HCV species such as Leadbeater’s Possum and other species with large ranges.</p> <p><u>New Management Approach:</u> VicForests must demonstrate effective implementation of the new planning and management approach including Habitat Tree Retention Policy, HCV evaluations, and implemented planned prescribed burns in coupes planned, designed and harvested after 1 July 2019 under the new Habitat Analysis and Retention Program.</p>	
<p>FME response (including any evidence submitted)</p>	
<p>SCS review</p>	

Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)
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Finding Number: 2019.6	
Select one: <input checked="" type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input checked="" type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> 12 months or next regularly scheduled audit (surveillance or re-evaluation) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
FSC Indicator:	5.2.b.
<p>Non-Conformity (or Background/ Justification in the case of Observations): <u>Old Growth Assessments:</u> VicForests have identified old growth as an High Conservation Value under HCV3, see VicForests High Conservation Values Management System (August 2019) and Annexure A, Assessment of High Conservation Values within VicForests’ Eastern Forest Management Unit (August 2019).</p> <p>VicForests did not demonstrate that the Old Growth models have been fully verified in scientific consultation with those of relevant expertise with regards to Old Growth assessment and identification. “There were valid critiques articulated and demonstrated in the field by stakeholders that VicForests’ interpretations and implementation of Old Growth identification and resulting protections merit further review. “</p> <p>For example, a harvest site was visited by auditors and stakeholders where varied age classes were justification for determining the forest area was not old growth, thus allowing harvesting. Notably, this site had no reported history of harvesting in state databases, and there was evidence on-site of abundant, large, ecologically mature trees bearing large hollows observed that had been harvested or pushed over. The audit team concluded that the newly developed <i>Interim Old Growth Forest Field Assessment and Management Instruction</i> requires further validation for defining and classifying old growth to meet requirements for FSC’s <i>Precautionary Approach</i>.</p>	
<p>Corrective Action Request (or Observation): <u>Old Growth Assessments:</u> VicForests must develop a transparent process for using new Old Growth field assessments to establish that HCV protections will maintain Old Growth forests and associated hollow bearing trees. VicForests must continue to engage with relevant stakeholders in their efforts to further develop the <i>Interim Old Growth Forest Field Assessment and Management Instruction</i> designed to maintain Old Growth by appropriate identification. Given the importance of VicForests' Old Growth identification guide’s use in the state of Victoria, and the interest in VicForests management of the public estate as expressed by key environmental stakeholders, the audit team finds that VicForests must undertake further expert scientific and community stakeholder consultations related to the methodology and implementation of the identification guide. Furthermore, given the consistent pattern of external parties discovering critical species and habitat where state agencies have not done so, which has generated great distrust by stakeholders, VicForests should consider consulting with <i>external</i> experts in the validation and verification of their old growth identification, management, and HCV-specific protections approach.</p>	

FME response <i>(including any evidence submitted)</i>	
SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> <i>Other decision (refer to description above)</i>

Finding Number: 2019.7	
Select one: <input checked="" type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input checked="" type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> 12 months or next regularly scheduled audit (surveillance or re-evaluation) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
FSC Indicator:	5.2.b The Forest Management Enterprise shall keep records of evidence to demonstrate compliance with Section 5.1 above. Evidence shall include but is not restricted to: b) evidence of consultation with stakeholders in relation to the precautionary measures, including NGOs and parties that are involved with or have an interest in the forest area with respect to social or environmental aspects. Where relevant, the assessment shall include consultation with representatives and members of communities and indigenous peoples living in or adjacent to the FMU.
Non-Conformity (or Background/ Justification in the case of Observations): <u>Water Catchment Impacts:</u> The audit team found significant discrepancies among stakeholders, including within the scientific community, with regards to the understanding of catchment impacts caused by forest practices applicable to VicForests. Although evidence of some consultations was provided regarding this issue, it was found that there was not sufficient evidence of transparent consultation, including with environmental groups (ENGOS), and with representatives and members of communities and indigenous peoples living in or adjacent to the FMUs. For example, the Rubicon Forest area included areas that local community members called “mega-coupes” where adjacent harvest coupe areas appeared to form large harvest blocks that exceed water catchment minimum requirements. The <i>Victoria Thomson Reservoir Catchment</i> requirements are, “To meet current sawlog licence commitments and to minimise the impact on long-term water yields, harvesting of ash-eucalypt forest within the catchment will be restricted to an average of 150 ha per year for the period 1987 to 2002.” Additionally, there were unresolved issues raised by an adjacent community farm-owner within Toolangi area.	
Corrective Action Request (or Observation): <u>Water Catchment Impacts:</u> VicForests must investigate ways to transparently address stakeholder comments and concerns in relation to watershed forest management. Such stakeholder engagement must include ENGOS and representatives and members of communities and indigenous peoples living in or adjacent to the FMUs.	
FME response <i>(including any evidence submitted)</i>	

SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 2019.8

Select one: Major CAR Minor CAR Observation

FMU CAR/OBS issued to (when more than one FMU):

Deadline	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> 12 months or next regularly scheduled audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
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FSC Indicator:	6.2. The Forest Management Enterprise shall keep records to demonstrate compliance with section 6.1. 6.1. No conversion of natural and semi-natural forests and other wooded ecosystems such as woodlands and savannahs to plantations or non-forest uses take place, except as permitted by section 6.3 below.
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Non-Conformity (or Background/ Justification in the case of Observations):

The tree regeneration program of VicForests was examined in great detail relative to success or failure as indicative of possible intentional or accidental conversion of forests to non-forests. There was one site observed during the audit, "Little Jacqui", where heavy fern cover, followed regeneration activities, inhibited successful regeneration. Further examination found that VicForests had plans in place for this site for remediation activities to ensure tree regeneration. For the tree regeneration program overall, those management actions undertaken by VicForests were properly documented, including records of reforestation activities following final harvests and are consistently monitored and reporting in accordance with professional forestry norms. The audit team confirmed that where reforestation efforts did not meet restocking standards, coupes received follow-up efforts to establish a new stand of commercial trees. Thus, the team concluded the regeneration program is not converting natural forest in conformance with 6.1 and 6.2 of this standard.

However, there were some questions on the timelines for regeneration following harvests and about responsibility for ensuring long-term reforestation after coupes have been harvested and released from VicForests management authority (via Timber Release Plans, TRPs) and back into DELWP management.

Corrective Action Request (or Observation):

VicForests should clarify long-term roles and responsibilities for ensuring regeneration is effectively completed within appropriate times, and monitoring in the long-term following harvests.

FME response (including any evidence submitted)	
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SCS review

Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)
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Finding Number: 2019.9	
Select one: <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input type="checkbox"/> 12 months or next regularly scheduled audit (surveillance or re-evaluation) <input checked="" type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
FSC Indicator:	COC 1.5. Invoices and shipping documents for sale of controlled wood shall always include the claim “FSC Controlled Wood”. Where sale or transport documents cover a consignment of both controlled and uncontrolled wood it shall specify which products are sold or transported as “FSC Controlled Wood”.
Non-Conformity (or Background/ Justification in the case of Observations): A random selection of Tax Invoices was reviewed, including # 36478 dated 31/10/19, D36506 dated 31/10/19 and R36506 also dated 31/10/19, all of which included the requirements a), b), c), and e). The FSC CW/FM code needs to be included along with the applicable claim. The FSC CW/FM code needs to be included along with the applicable claim. Given no claims have been made nor products sold under FSC certification the grading of Observation is justified.	
Corrective Action Request (or Observation): The auditor found that sales documents included the common names of species as required in d) but could not find any evidence of scientific species being included in sales documentation.	
FME response (including any evidence submitted)	
SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 2019.10	
Select one: <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input type="checkbox"/> Pre-condition to certification/recertification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> 12 months or next regularly scheduled audit (surveillance or re-evaluation) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
FSC Indicator:	COC 1.6. The Forest Management Enterprise shall ensure that claims in relation to FSC Controlled Wood meet the requirements specified in Appendix 4 of this standard.

<p>Non-Conformity (or Background/ Justification in the case of Observations): After review of the <i>VicForests Managing Chain of Custody Instructions dated 30 September 2019</i> the auditor confirmed that the document does not specify a management representative as having overall responsibility for compliance with the standard. Section 5.8.1 of the CoC Procedures states training is provided to VicForests staff via the ELMO online learning system and training records. Training records were reviewed and confirmed they were provided for Managing Chain of Custody for 56 people with the organisation. The training record showed an 89% completion rate as at 22/11/19. The auditor was not, however, provided with training processes for the Outsourced provider. Also, Section 5.8.2 of the CoC Procedures states training is delivered to contractors under VicForests Procedure Chain of Custody External Training processes, however evidence of CoC training actually being delivered to contractors was not provided.</p>	
<p>Corrective Action Request (or Observation): VicForests must nominate a person as having overall responsibility for compliance with all applicable requirements of this standard. VicForests must ensure that evidence of training, such as training materials and a list of trained personnel for all applicable Outsourcers is completed and that records are maintained.</p>	
<p>FME response (including any evidence submitted)</p>	
<p>SCS review</p>	
<p>Status of CAR:</p>	<p><input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)</p>

4. Certification Decision

Certification Recommendation	
<p>FME be awarded FSC Controlled Wood certification subject to the minor corrective action requests stated in Section 3.</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p>The SCS evaluation team makes the above recommendation for certification based on the full and proper execution of the SCS Forest Conservation Program evaluation protocols. If certification is recommended, the FME has satisfactorily demonstrated the following without exception:</p>	
<p>FME has addressed any Major CAR(s) assigned during the evaluation.</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p>FME has demonstrated that their system of management is capable of ensuring that all of the requirements of the applicable standards are met over the forest area covered by the scope of the evaluation.</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p>FME has demonstrated that the described system of management is being implemented consistently over the forest area covered by the scope of the certificate.</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
<p>Comments: 1. There were several key issues that were difficult to evaluate during the course of the audit.</p>	

The State of Victoria released public announcements of changes in official State Policies during the audit that are relevant to FSC Controlled Wood evaluation. On 13 November 2019, the Victorian Government announced an immediate end to timber harvesting in old growth forests and phase out all native forest timber harvesting on public land by 2030. <https://www.forestsandreserves.vic.gov.au/forest-management/environmental-regulation-of-timber-harvesting>. The FSC audit team was unable to evaluate the policy announcement as it had not yet begun to be implemented.

Additional announcements and documents provided at the website, or in documents linked to, the website above:

1. Plans to conduct an update to the current old growth layer (MOG 2009) to account for disturbance events and more substantive updates using LiDAR data being completed over the coming in the year following the 13 November announcements, with the first release planned for 30 November 2019.
 2. Plans to provide more protection for the habitat of Greater Gliders, the Leadbeater's possum and more than 35 other threatened species.
 3. Immediately protect more than 96,000 hectares of State forest including areas in the Strathbogie Ranges, Central Highlands, Mirboo North and East Gippsland. It also includes areas of significant community interest in the Rubicon Valley, around Toolangi and Noojee.
2. The audit team unanimously found the following to be commendable:
- a. At the time of the audit, November 2019, VicForests had completed a shift to smaller harvesting coupe sizes and an improved emphasis for HCV species, such as the new habitat tree assessment and retention strategy.
 - b. VicForests staff and contractors demonstrated consistent commitment to positive change and supporting new approaches in efforts to achieve FSC certification. This support of innovation and changing practices was found throughout all levels of the organization.
 - c. Notwithstanding some further refinements that were identified, stakeholder engagement was assessed to be greatly improved compared to prior audits.
 - d. VicForests staff maintained high levels of professional behaviour during the audit despite very stressful circumstances.

SECTION B – APPENDICES (CONFIDENTIAL)

Appendix 1 – Selection of FMUs for Evaluation

- FME consists of a single FMU
 FME consists of multiple FMUs or is a Group

Appendix 2 – List of Stakeholders Consulted

List of FME Staff Consulted

A listing of VicForests staff interviewed during the audit may be provided by VicForests, upon request and written permission of staff members.

List of Stakeholders Consulted

Note: Not all stakeholders gave express written permission to be included in this audit report and/or there were stakeholders who expressly requested confidentiality. In those cases, the information is not included within the audit report, however, all records are maintained by SCS subject to FSC examination.

Name	Organization	Contact Information	Consultation method
Aboriginal representatives	Confidential records maintained by SCS		Interview, field
Academic representatives	Although written permissions were obtained for some of this group, SCS will maintain confidentiality and retains records of their individual input.		Interviews, emails, field
			Email
			Interview, email, field
	Although written permission obtained for some members, SCS will maintain confidentiality for this group		Interview, field
	Although written permission obtained for some members, SCS will maintain confidentiality for this group		Email
			Written submission
			Interview, email, field
			Written submission
	Various	Confidential	Interviews, email, written submissions
			Written submission
			Interview, email
			Email

Appendix 3 – Additional Evaluation Techniques Employed

None.

Additional techniques employed (*describe*):

Due to intense interest on the part of a large number of environmental stakeholders to share their views about VicForests management practices with the SCS audit team, the audit team held a series of in-field meetings with regionally aggregated groups of stakeholders. In-field meetings with members of the audit team were held in the Central Highlands (North East) region (4 meetings) and East Gippsland (1 meeting).

Appendix 4 – Certification Standard Conformance Table

C= Conformance with Criterion or Indicator

NC= Non-Conformance with Criterion or Indicator

NA= Not Applicable

Conformance Checklist

FSC-STD-30-010: FSC Controlled Wood Standard for Forest Management Enterprises

Subject Area/Requirement	C/NC	Observation/CAR
Subject Area 1: Quality Management - System Requirements & Supplying FSC Controlled Wood		
<i>System Requirements</i>		
1.1. The Forest Management Enterprise shall have procedures and/or work instructions covering all the applicable elements specified in this standard.	C (OBS)	VF has developed written procedures that address the applicable elements of FSC-STD-30-010. There are a number of documents which constitute procedures and work instructions related to conformance with the applicable standard including: <ul style="list-style-type: none"> • Code of Practice • HCV Assessment and Plan • Chain of Custody However, see Minor 2019.1
1.2. The Forest Management Enterprise shall identify the person (or position) responsible for implementing each procedure and/or work instruction.	C	is duly designated by VF to be the responsible person for assuring implementation of each 30-010 related procedure.
1.3. The Forest Management Enterprise shall ensure that where stakeholder consultation is required by the Forest Management Enterprise in relation to implementation of this standard, procedures for consultation include at least the following: <ol style="list-style-type: none"> a) key stakeholders shall be identified and invited to participate in the consultation with sufficient prior notice; b) excluded groups shall be given particular attention when identifying interested or affected parties; <i>Intent: The company shall identify particular groups that might be affected by forest operations and for particular reasons do not have equal opportunities to access relevant information (for example illiterate people)</i> c) the consultation process shall be opened to parties claiming an interest in or affected by implementation of this standard; 	NC	The audit team concludes that there is presently a Minor Non-Conformity relative to this Indicator. VF’s means and methods of consulting with stakeholders are insufficient with respect to: <ul style="list-style-type: none"> • Completeness of the list of stakeholders that VF maintains and uses in its outreach efforts. Although quite extensive and covering of key stakeholders: <ul style="list-style-type: none"> ○ Groups of scientists within the scientific community. ○ Citizen scientists • Consistent dissatisfaction was expressed in responsiveness relative to timeliness of DELWP investigations of VicForests closures and communication. • Several 3rd party, citizen scientists reported and the audit team confirmed that their concerns about protection for threatened species observations and recommendation were ignored. (See Major CARs for different indicators under 2019.4, 2019.6 and 2019.7).

<p>d) all identified parties shall be provided with access to sufficient information</p> <p>e) Forest Management Enterprise shall maintain records to demonstrate the completeness of their consultation process</p> <p><i>Note: the Forest Management Enterprise shall consider guidance that may be provided by FSC International, FSC regional offices, or by FSC accredited national initiatives in relation to interpreting the requirements of FSC-STD-30-010 in a particular national or sub-national context</i></p> <p>f) The Forest Management Enterprise shall be responsive to stakeholder questions or concerns.</p>		<p>For this indicator, see Minor CAR 2019.2.</p>
<p><i>Supplying FSC Controlled Wood</i></p>		
<p>1.4. The Forest Management Enterprise shall include the following information on all invoices issued for sales of FSC Controlled Wood products:</p> <p>a) the name and address of the buyer;</p> <p>b) the date on which the invoice was issued;</p> <p>c) description of the product;</p> <p>d) the quantity of the products sold;</p> <p>e) reference to the product’s batch and/or to related shipping documentation,</p> <p>f) sufficient to link the invoice to the goods received by the customer;</p> <p>g) the certification code issued by an FSC accredited Certification Body.</p>	<p>NC</p>	<p>See Appendix 5, SCS FSC Chain of Custody Indicators for Forest Management Enterprises and Minor 2019.10.</p>
<p>1.5. Invoices and shipping documents for sale of controlled wood shall always include the claim “FSC Controlled Wood”. Where sale or transport documents cover a consignment of both controlled and uncontrolled wood it shall specify which products are sold or transported as “FSC Controlled Wood”.</p>	<p>NC</p>	<p>As above, the wording “FSC Controlled Wood” will need to be included in invoices and shipping documents. See Minor 2019.10</p>
<p>1.6. The Forest Management Enterprise shall ensure that claims in relation to FSC Controlled Wood meet the requirements specified in appendix 3 of this standard.</p>	<p>NC</p>	<p>As this is a first evaluation, claims need to be defined by VicForests and included in the sales invoices, and approved by SCS, concurrent with award of certification. See Minor 2019.10</p>
<p>Subject Area 2: Specification of scope of evaluation</p>		
<p>2.1. The Forest Management Enterprise shall specify the Forest Management Units (FMUs) under its management.</p>	<p>C</p>	<p>VF duly informed SCS of the FMUs (land areas) under its management.</p>

<p>2.2. The Forest Management Enterprise shall specify the FMUs to be included in the scope of evaluation for compliance with this standard.</p>	<p>C</p>	<p>In advance of the audit, VicForests clearly informed SCS which of its management units were to be in the scope of the audit—Central Highlands and East Gippsland.</p>
<p>2.3. Any FMU under the control of the Forest Management Enterprise is not included in the scope of evaluation for compliance with this standard, then the Forest Management Enterprise shall implement a tracking system to ensure wood from FMUs included in the scope of the standard to be reliably identified as such.</p>	<p>C</p>	<p>The auditor requested and received database extracts clearly showing the volumes of logs harvested and delivered from the log landings to the customer, and also received spreadsheets of pulp logs delivered to the Storage site.</p> <p>The only logs placed in a Storage Site are either pulp logs or (E grade) sawlogs which are used for pallet making.</p> <p>Higher grade (D to A grade) sawlogs are delivered directly to the customer from the log landing (D-grade and above) are measured on the log landing by the contractor and also have an electronic barcode ticket attached to the butt end of the log. The information included in the barcode is scanned and automatically uploaded to Vic forests CENGEA database.</p> <p>In summary, the audit team concludes that VF has a wood tracking system in place that is capable of demonstrating conformance to this Indicator when/if CW (30-010) certification is achieved and wood products are sold as FSC Controlled.</p>
<p>Subject Area 3: Illegally Harvested Wood</p>		
<p>3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1.</p>	<p>C (OBS)</p>	<p>No violations have been issued by DELWP in the last 2 years, the audit team found areas of potential improvement. This relates to regulatory compliance with respect to management activities undertaken by VF, <i>relative to the scope of requirements delineated in Table 1 of this Standard</i>. VF is in conformance with all requirements. However, see Observations for a) Evidence of legal authority to harvest, and b) Evidence of compliance with applicable management planning requirements. See Observation 2019.3</p>
<p>3.2. All species, qualities and quantities shall be classified and measured according to legally prescribed or acceptable standards. <i>Intent: The Forest Management Enterprise shall provide evidence that legal procedures have been followed to gain permits and licenses.</i></p>	<p>C</p>	<p>The manner by VF classifies and measures harvested species, including their quality and quantity, conform with professional/industrial standards as well as legal requirements.</p>
<p>Table 1</p>		
<p>Requirements</p>	<p>Potential means of Verification</p>	

a) Evidence of legal authority to harvest	Concession license and/or harvesting permit (approved by the appropriate authority)	C (OBS)	There are questions around the accuracy and clarity of the Allocation Order, which identifies and authorizes VicForests to manage lands, including timber harvests. Within the last two years there were documented issues with VicForests harvesting outside the Allocation Orders. VicForests, at the time of the audit, were operating under the most recent Allocation Order 2019 as Amended. VicForests appears to have reconciled issues regarding the Allocation Orders, however there is still a lack of transparency and clarity relative to how these changes are being communicated to interested and affected stakeholders. See Obs 2019.3.
b) Evidence of compliance with applicable management planning requirements	Approved management plan or equivalent documentation, as required by local authorities Note: Implementation of the forest management plan is verified by the certification body in the field Note: The means of verification may vary depending on the size of forest management unit concerned.	C (OBS)	Although there have been no new violations issued within the last 2 years, there are current and open investigations, some of which are over 2 years old, that are not resolved by DELWP. Even though there are a limited number of such open investigations relative to the total number of harvesting operations undertaken by VF, the audit team concludes that there is nonetheless a sufficient number of unresolved investigations. See Obs 2019.3.
c) Specification of applicable harvesting restrictions	Documentation specifying legal restrictions on harvesting (e.g. diameter limits, species restrictions, volume restrictions).	C	VicForests follows specifications of applicable harvesting restrictions such as species and volume restrictions.
d) Evidence that timber is harvested from authorized areas (e.g. not from protected areas where harvest is not allowed)	Maps and/or records showing the area in which harvesting has taken place	C	VicForests has been sanctioned on several occasions by DELWP for unauthorized encroachment into environmentally sensitive areas adjacent to delineated harvest units. There were no violations reported as confirmed with DELWP.
e) Evidence of timber sales	Sales contracts, invoices	C	<p>All timber sales are covered by contracts and related administrative/legal documents.</p> <p>The audit team was also able to review a sample of sales invoices along with the applicable log spreadsheet detailing each log, grade, delivery date,</p>

			docket number and contract number. No irregularities were revealed in the samples reviewed.
f) Evidence of payment of royalties or other fees (i.e. fees on harvesting rights)	Official records confirming payments	C	Timber revenues from sales on state forestland are handled in compliance with established procedures and applicable regulations.
g) Evidence of compliance with applicable provisions and requirements of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).	An up to date list of tree species in the FMU that are listed in Appendices I to III of the (CITES) National permits for harvest or trade of any CITES-listed species, if applicable	C	No evidence of possible CITES violations arose during the audit. Additionally, the audit team considers such violations to be quite unlikely since Australia has promulgated species and trade legislation which is stricter than required under the CITES convention.
h) Evidence of compliance with requirements in relation to transportation of timber	Copies of transport or sales permits with specification of species and volumes as applicable	C	This requirement is irrelevant to VFs operations where they are unambiguously authorized to harvest/sell timber products from the state forestlands that they are duly responsible for managing.
Subject Area 4: Wood harvested in violation of traditional and civil rights			
4.1. There is evidence of no violation of the International Labor Office (ILO) Fundamental Principles and Rights at Work in the FMU. The ILO Declaration on Fundamental Principles and Rights at Work is an expression of commitment by governments, employers' and workers' organizations to uphold basic human values -values that are vital to our social and economic lives. The Declaration on Fundamental Principles and Rights at Work covers four areas: <ul style="list-style-type: none"> • Freedom of association and the right to collective bargaining; • The elimination of forced and compulsory labour; • The abolition of child labour, and; • The elimination of discrimination in the workplace. 	C	As a state-owned corporation, VicForests has systems (e.g., HR and legal departments), policies and practices in place designed to assure compliance with applicable labor laws. Australia has ratified 7 of 8 ILO fundamental conventions. No evidence arose during the course of the audit suggesting the possibility of violations of the ILO Declaration on Fundamental Principles and Rights at Work. That is, there was no evidence that: <ul style="list-style-type: none"> • The freedom of association and right to collective bargaining is in any manner violated • There is forced or compulsory labor taking place on the FMU • Child labor is taking place • There is racial or cultural discrimination being faced by members of the workforce. 	
4.2. No conflicts relating to land tenure or land use rights of traditional or indigenous peoples groups exist in the FMUs under control of the Forest Management Enterprise for which a resolution process has not been agreed by the main parties to the dispute		C	As a state owned corporation, VicForests places a high priority on assuring compliance with applicable laws and regulations pertaining to land tenure and land use rights of traditional or indigenous peoples, where such rights exist on the forest estate it manages.

<p>(see section 4.4 below).</p>		<p>Interviews with staff responsible for communicating with Aboriginal groups and interrogations of the organization’s stakeholder registry, confirmed consultations have taken place with RAP and non-RAP groups including: list Description of the process No evidence arose during the audit indicating possible non-conformities regarding land tenure or land use rights of traditional or indigenous peoples for which a resolution process has not been agreed by the main parties.</p>
<p>4.3. There is evidence of no violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the FMUs under control of the Forest Management Enterprise.</p>	<p>C</p>	<p>While Australia has not ratified ILO Convention 169, the audit team concludes that Australian laws—with which VicForests complies—are consistent with the spirit and intent of ILO 169.</p> <p>In interactions with stakeholders, no issues related to ILO Convention 169 were raised. No evidence arose during the audit indicating possible violations of ILO Convention 169.</p>
<p>4.4. The Forest Management Enterprise shall implement a consultation process to identify potential conflicts relating to land tenure or land use rights of traditional or indigenous peoples groups in the areas affected by the Forest Management Enterprise operations.</p>	<p>C</p>	<p>During conversations with VF Senior Management, the audit team was informed that the Timber Release Plans are linked up with a Registry of Aboriginal Parties, designed to alert for the presence of any registered cultural sites or artifacts etc. Agreements about use rights exist and any payments for use flow through Treasury. No VF staff or stakeholders that with whom the audit team interacted during the audit mentioned any potential conflicts.</p> <p>VF has written a very fresh (2017) ‘engagement plan’ – to become better at engaging with aboriginal communities.</p> <p>The auditors were informed that VicForests provides TRP information to Aboriginal Victoria to gain feedback during pre-harvest planning.</p> <p>VicForests has a Stakeholder Engagement Strategy with traditional groups (Gunai Kurnai, Wurundjeri and Taungurung).</p>
<p>4.5. In cases where a resolution process is in place (see section 4.2 above), the Forest Management Enterprise shall provide evidence of the process by which any disputes are being resolved, which demonstrates the broad support of the parties to the dispute, and which outlines an agreed interim process for addressing the</p>	<p>NA</p>	<p>As was confirmed through interviews with VF staff, VF is engaged in disputes with respect to traditional and/or civil rights but they are being properly followed through legal processes. Sovereignty issues related to boundary disputes are being litigated through proper legal channels. VicForests tracks and monitors these as indicated by evidence (documents and database) provided during the audit.</p>

<p>dispute and for the management of the forest area concerned.</p>		
<p>Subject Area 5: Wood harvested in forests in which high conservation values are threatened by management activities of management activities, and likelihood of the occurrence of the <i>High Conservation Values</i>*:</p> <p>HCV 1 –Species diversity. Concentrations of biological diversity including endemic species, and rare, threatened or endangered species, that are significant at global, regional or national levels.</p> <p>HCV 2 –Landscape-level ecosystems and mosaics. Intact forest landscapes and large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional or national levels, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.</p> <p>HCV 3 –Ecosystems and habitats. Rare, threatened, or endangered ecosystems, habitats or refugia.</p> <p>HCV 4 –Critical ecosystem services. Basic ecosystem services in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes.</p> <p>HCV 5 –Community needs. Sites and resources fundamental for satisfying the basic necessities of local communities or Indigenous Peoples (for livelihoods, health, nutrition, water, etc.), identified through engagement with these communities or Indigenous Peoples.</p> <p>HCV 6 –Cultural values. Sites, resources, habitats and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities or Indigenous Peoples, identified through engagement with these local communities or Indigenous Peoples.</p>		
<p>5.1. Forest management activities in the FMU shall not threaten high conservation values in accordance with section 5.2 below.</p>	<p>NC</p>	<p>See 5.2, below.</p>
<p>5.2. The Forest Management Enterprise shall keep records of evidence to demonstrate compliance with Section 5.1 above. Evidence shall include but is not restricted to:</p> <p>a) records of an assessment (e.g. ecological assessment, environmental impact assessment or wildlife census, social assessment) appropriate to the size of the FMU and intensity of management to identify the presence of high conservation values.</p> <p>b) evidence¹ of consultation with stakeholders in relation to the precautionary measures, including NGOs and parties that are involved with or have an interest in the forest area with respect to social or environmental aspects. Where relevant, the assessment shall include consultation with representatives and members of communities and indigenous</p>	<p>NC</p>	<p>The primary document reviewed for this section was the <i>VicForests Assessment and Management Systems for High Conservation Values</i>, dated November 2019. Stakeholder engagements were reviewed in the VicForests Repeatable stakeholder engagement registry database. See Major CARs 2019.4, 2019.5, 2019.6 and 2019.7.</p>

<p>peoples living in or adjacent to the FMU.</p> <p>c) a list of the high conservation values thus identified in the FMU, together with evidence indicating that high conservation values are not threatened in the FMUs.</p> <p><i>Intent box: The intent of the requirements for 'FSC Controlled Wood' is to ensure that critically endangered or threatened high conservation values are identified and conserved.</i></p>		
<p>Subject Area 6: Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses</p>		
<p>6.1. No conversion of natural and semi-natural forests and other wooded ecosystems such as woodlands and savannahs to plantations or non-forest uses take place, except as permitted by section 6.3 below.</p>	<p>C (OBS)</p>	<p>VF was established, using an enterprise model where the state-owned and run agencies operates similar to a corporate entity, for the long-term productive management of the state forestlands of Victoria. It is outside of its “corporate” mandate to engage in conversion of natural forests to “plantations” as defined by the FSC--tree dominated areas where, due to human intervention, most of the structure, function and characteristics of natural forests are absent--or to non-forest uses. The act of planting trees or sowing seed does not, in and of itself, constitute a “plantation” as defined by the FSC.</p> <p>The 2019 audit team found some examples of failed regeneration in coupes but those were being addressed by VicForests. However, an apparent gap exists around process and who is responsible for ensuring long-term regeneration of coupes, given some failures do occur after the lands had been released from TRP, see Observation 2019.8. It was the conclusion of the audit team that this did not constitute conversion activities. Overall, the Observation relates to reviewing timelines and clarifying roles and responsibilities for coupes released from TRPs.</p>
<p>6.2. The Forest Management Enterprise shall keep records to demonstrate compliance with section 6.1 above.</p>	<p>C (OBS)</p>	<p>All management actions undertaken by VF are properly documented, including records of all reforestation activities following final harvests. Areas where reforestation efforts have failed received follow-up effort to establish a new stand of commercial trees. see Observation 2019.8</p>
<p>6.3. Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion:</p> <p>a) entails a very limited portion of the FMU</p>	<p>C</p>	<p>See 6.1</p>

<p>b) does not occur on high conservation value forest areas, c) will enable clear, substantial, additional, secure long term environmental and social benefits across the FMU</p>		
<p>Subject Area 7: Wood from forest management units in which genetically modified trees are planted</p>		
<p>7.1. The Forest Management Enterprise shall ensure that no planted genetically modified (GM) trees are present in the FMU.</p>	<p>C</p>	<p>No seed stock employed by VF for establishing new stands of commercial trees is associated with transgenic (GMO) manipulation. Seeds are collected from sources within the VF forest estate.</p>
<p>7.2. The Forest Management Enterprise shall keep records of and make available on request evidence to demonstrate compliance with section 7.1 above.</p>	<p>C</p>	<p>The stand establishment program is well documented and, beyond any question, confirms that no GMO trees are being introduced into the VF forest estate.</p>

Appendix 5 – Chain of Custody

SCS FSC Chain of Custody Indicators for Forest Management Enterprises

REQUIREMENT	C/ NC	COMMENT/CAR
1. Quality Management		
<p>1.1 The FME shall appoint a management representative as having overall responsibility and authority for the organization’s compliance with all applicable requirements of this standard.</p>	<p>NC</p>	<p>After review of the <i>VicForests Managing Chain of Custody Instructions dated 30 September 2019</i> the auditor confirmed that the document does not specify a management representative as having overall responsibility for compliance with the standard. See Minor 2019.9. VicForests shall nominate a person as having overall responsibility for compliance with all applicable requirements of this standard</p>
<p>1.2 A system shall be implemented to track and trace all products that are sold with an FSC Claim. For group and multiple FMU certificates, this system shall also be documented.</p>	<p>C</p>	<p>Records of all loads of logs from the VicForests estate are maintained in the CENGEA database. The traceability system is adequate to trace all logs from the harvest source to point of sale</p>
<p>1.3 The FME shall maintain complete records of all FSC-related COC activities, including sales and training, for at least 5 years.</p>	<p>C</p>	<p>VicForests CoC Instruction section 6.3 states that VF maintain a copy of the CoC Instruction for 7 years, refer to records retention procedure Records are maintained either in hard copy or electronically, the main COC data will be maintained in the CENGEA database. Verified training records, sales records and harvest records during the FM CW audit process.</p>

<p>1.4 The FME shall define its forest gate(s) (check all that apply): <i>The forest gate is defined as the point where the change in ownership of the certified-forest product occurs.</i></p>	<p>C</p>	<p><input checked="" type="checkbox"/> Stump <i>Stumpage sale or sales of standing timber; transfer of ownership of certified-forest product occurs <u>upon</u> harvest.</i></p> <p><input type="checkbox"/> On-site concentration yard <i>Transfer of ownership of certified-product occurs at concentration yard under control of FME.</i></p> <p><input checked="" type="checkbox"/> Off-site Mill/ Log Yard/ Port <i>Transfer of ownership occurs when certified-product is unloaded or paid for at purchaser's facility or a facility under the purchaser's control.</i></p> <p><input type="checkbox"/> Auction house/ Brokerage <i>Transfer of ownership occurs at a government-run or private auction house/ brokerage.</i></p> <p><input type="checkbox"/> Lump-sum sale/ Per Unit/ Pre-Paid Agreement <i>A timber sale in which the buyer and seller agree on a total price for marked standing trees or for trees within a defined area before the wood is removed — the timber is usually paid for <u>before</u> harvesting begins. Similar to a per-unit sale.</i></p> <p><input checked="" type="checkbox"/> Log landing <i>Transfer of ownership of certified-product occurs at landing/yarding areas.</i></p> <p><input type="checkbox"/> Other (Please describe):</p>
<p>1.5 The FME shall have sufficient control over its forest gate(s) to ensure that there is no risk of mixing of FSC-certified forest products covered by the scope of the FM/COC certificate with forest products from outside of the scope prior to the transfer of ownership.</p>	<p>C</p>	<p>Truck docket (including DKT#371000091) were reviewed as part of the audit process, as well as other documents including the <i>Managing Chain of Custody Instruction V2-0</i>. VicForests staff were interviewed in relation to CoC procedures. VicForests maintain three managed Storage Sites, located in strategic locations to customers. Staff confirmed that the only inputs to these sites are logs sourced from VicForests harvesting operations, that are carted directly from harvest areas within the FMU. Logs remain in the Storage facility until sold to the customer. These logs can remain in the Storage Site for up to 12 months. Once they are sold to the customer these logs are trucked directly from the storage site to the customer and being weighed at the customer weighbridge (Point-of-sale) prior to entering the customers log stockpiles. Offsite “transit sites” can also be used when required for extra storage, (these are sites where logs can be carted from the harvest area, offloaded, stored for a short period of time,</p>

		reloaded and delivered to the customer) The difference between a Storage Site and a Transit Site is that logs arriving in the managed Storage Sites are owned by Vic forest and that the harvesting and haulage has been paid to the contractors. Logs arriving at transit sites remain the property of VicForests and there is no payment to contractors until such time as the logs are delivered to the customer. Logs in transit sites are generally there for very short periods of time (possibly even overnight).
<p>1.6 The FME and its contractors shall not process FSC-certified material prior to transfer of ownership at the forest gate without conforming to applicable chain of custody requirements.</p> <p><i>NOTE: This does not apply to log cutting or de-barking units, small portable sawmills or on-site processing of chips/biomass originating from the FMU under evaluation.</i></p>	C	The audit team saw no evidence of processing apart from cut to length either on the log landings or at the storage site.
<p>1.7 The FME has supported transaction verification conducted by SCS and Accreditation Services International (ASI) by providing samples of FSC transaction data as requested by SCS.</p> <p><i>NOTE: Pricing information is not within the scope of transaction verification data disclosure.</i></p>	N/A	
	N/A	N/A, no verification requested
2. Product Control, Sales and Delivery		
<p>2.1. Products from the certified forest area shall be identifiable as certified at the forest gate(s).</p>	C	<p>The only logs placed in Storage Sites are either pulp logs or (E1 grade) sawlogs which are used for pallet making. Higher grade (D to A grade) sawlogs are delivered directly to the customer from the log landing (D-grade and above). These are measured on the log landing by the contractor and also have an electronic barcode ticket attached to the butt end of each log. The information included in the barcode is scanned and automatically uploaded to Vic forests CENGEA database.</p>
<p>2.2 Information about all products sold shall be compiled and documented for all FMUs in the scope of certification, including:</p> <ol style="list-style-type: none"> 1) Common and scientific species name; 2) Product name or description; 3) Volume (or quantity) of product; 4) Information to trace the material to the source of origin harvest block; 5) Harvest date; 6) If basic processing activities take place in the forest, the date and volume/quantity produced; and 7) Whether or not the material was sold 	C	<p>The auditor reviewed the <i>Code of Procedure for Sawlog Buyers dated February 2017</i> that includes the species harvested - common and scientific names.</p> <p>Harvested volumes with detailed product descriptions and originating sources are stated in spreadsheets that also show Supply zone, sale contract, delivery point, contract number, log docket, delivery date, product code, product species, product group and quantity delivered were also verified.</p> <p>This information is also shown on Log Dockets generated by the contractor for each load of logs, and which accompanies the load of logs to the point of sale.</p>

<p>with an FSC Claim.</p>		<p>No processing was seen in the forest, this was also confirmed in interview with management.</p>
<p>2.3. The FME shall ensure that all sales documents issued for outputs sold with FSC claims include the following information:</p> <ul style="list-style-type: none"> a) name and contact details of the FME; b) information to identify the customer, such as their name and address; c) date when the document was issued; d) product name or description, including common and scientific species name(s); e) quantity of products sold; f) the FME's FSC Forest Management (FM/COC) or FSC Controlled Wood (CW/FM) code; g) clear indication of the FSC claim for each product item or the total products as follows: <ul style="list-style-type: none"> i. the claim "FSC 100%" for products from FSC 100% product groups; or ii. the claim "FSC Controlled Wood" for products from FSC Controlled Wood product groups. 	<p>NC</p>	<p>The auditor reviewed a random selection of Tax Invoices including _____ all of which included the requirements a), b), c), and e). The FSC CW/FM code needs to be included along with the applicable claim. The FSC CW/FM code needs to be included along with the applicable claim. See Observation Minor 2019.10. The auditor found that sales documents included the common names of species as required in d) but could not find any evidence of scientific species being included in sales documentation.</p>
<p>2.4 If the sales documentation issued by the FME is not included with the shipment of the product and this information is relevant for the customer to identify the product as being FSC certified, the related delivery documentation has included the same information as required in indicator 2.3 and a reference linking it to the sales documentation.</p> <p>Note: 2.3 and 2.4 above are based on FSC-STD-40-004 V3-0 Clauses 5.1 and 5.3</p>	<p>NA</p>	
<p>2.5 If the FME is unable to include the FSC claim and/or certificate code in sales or delivery documents, the required information has been provided to the customer through supplementary documentation (e.g. supplementary letters). In this case, the FME has obtained permission from SCS to implement supplementary documentation in accordance with the following criteria:</p> <ul style="list-style-type: none"> a. there shall exist clear information linking 	<p>N/A</p>	<p>All required information as specified in 2.3 and 2.4 is included in sales documentation.</p>

<p>the supplementary documentation to the sales or delivery documents;</p> <p>b. there is no risk that the customer will misinterpret which products are or are not FSC certified in the supplementary documentation; and</p> <p>c. where the sales documents contain multiple products with different FSC claims, each product shall be cross-referenced to the associated FSC claim provided in the supplementary documentation.</p>		
<p>2.6 The FME may identify products exclusively made of input materials from small or community producers by adding the following claim to sales documents: “From small or community forest producers.” This claim can be passed on along the supply chain by certificate holders.</p> <p><i>A forest management unit (FMU) or group of FMUs that meet(s) the small and low-intensity managed forest eligibility criteria (FSC-STD-1-003a) and addenda. A community FMU must comply with the tenure and management criteria defined in FSC-STD-40-004.</i></p>	N/A	N/A, not a small or community producer; or does not wish to pass along this claim.
	N/A	N/A, not a small or community producer; or does not wish to pass along this claim.
<p>3. Labeling and Promotion</p>	N/A	<p>N/A, FME does not use/ intend to use trademarks and no trademark uses were detected during the audit.</p>
	N/A	<p>N/A, CW/FM certificate holders are not allowed to use FSC trademarks and no trademark uses were detected during the audit (Note: it is a Major nonconformity to 3.1 if CW/FM certificates are found to be using trademarks).</p>
<p>3.1 The FME shall adhere to relevant trademark use requirements of FSC-STD-50-001 described in the <i>SCS Trademark Annex for FMEs</i>.</p>	N/A	Refer to evidence cited below.
<p>4. Outsourcing</p>	C	VicForests maintain three Log Storage Sites and outsource the management of these to two different contractors. The contractors on each site are responsible for receiving logs delivered from harvesting operations, entering the delivery data into CENGEA, putting the logs into storage, and then loading the logs at time of delivery to the customer.
	C	FME outsources low-risk activities such as transport and harvesting, as confirmed via interviews, sales documentation, and field observation.
<p>4.1 The FME shall provide the names and contact details of all outsourced service providers.</p>	C	At the time of the 2019 evaluation VicForests had two outsource contractors covering three log storage facilities. The names and contact details of both contractors were reviewed at the

		evaluation:
<p>4.2 The FME shall have a control system for the outsourced process and agreement which ensures that:</p> <ul style="list-style-type: none"> a) The material used for the production of FSC-certified material is traceable and not mixed with any other material prior to the point of transfer of legal ownership; b) The outsourcer keeps records of FSC-certified material covered under the outsourcing agreement; c) The FME issues the final invoice for the processed or produced FSC-certified material following outsourcing; d) The outsourcer only uses FSC trademarks on products covered by the scope of the outsourcing agreement and not for promotional use. e) The outsourcer does not further outsource the material. f) The outsourcer accepts the right of the certificate body to audit them. 	C	<p>Instructions to outsource contractors are contained within several documents relating to Chain of Custody. At the time of the evaluation VicForests had signed contracts with each outsource contractor, these were reviewed by the auditor, and while they are legally binding contracts, they do not include FSC requirements a) to f).</p>
<p>5. Training and/or Communication Strategies</p>		
<p>5.1 All relevant FME staff and outsourcers shall be trained in the FME’s COC control system commensurate with the scale and intensity of operations and shall demonstrate competence in implementing the FME’s COC control system.</p>	NC	<p>Section 5.8.1 of the CoC Procedures states training is provided to VicForests staff via the ELMO online learning system and training records for VF staff were reviewed, training records were provided for Managing Chain of Custody for 56 people with the organisation. The training record showed an 89% completion rate as at 22/11/19. The auditor was not however provided with training processes for the Outsource provider See Minor 2019.11 below</p>
<p>5.2 The FME shall maintain up-to-date records of its COC training and/or communications program, such as a list of trained employees, completed COC trainings or communications, the intended frequency of COC training (e.g., training plan), and</p>	NC	<p>See Minor 2019.11. Section 5.8.2 of the CoC Procedures states training is delivered to contractors under VicForests Procedure Chain of Custody External Training processes, however evidence of CoC training actually being delivered to contractors was not provided.</p>

related program materials (e.g., presentations, memos, contracts, employee handbooks, etc.).		
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