



COMMERCIAL IN CONFIDENCE

**AFS Public Summary Report
Re-assessment Audit
for
FORESTRY TASMANIA**

On: 15-26TH June 2009

Standards:
AS4708:2007, AS/NZS 14001:2004
AS/NZS 4801:2001

This report is prepared by representatives of NCS International in relation to the above-named client's conformance to the nominated standard(s), and is relevant only to the scope of business sites and activities defined in the 'Scope of Certification'. Audits are undertaken using a sampling process, and the report and its recommendations are reflective only of activities and records sighted during this audit process. NCS International shall not be liable for loss or damage caused to, or actions taken by, third parties as a consequence of reliance on the information contained within this report or its accompanying documentation.

Audit Summary

1.0 Purpose and Scope of the Audit:

This is a Reassessment Audit of Forestry Tasmania's obligations as determined in its Forest Management System to:

- ensure that the organisation continues to comply with its internal procedures;
- ensure the ongoing compliance of the organisation's Forest Management System with the relevant Standard;
- assess the effectiveness of the Forest Management System in providing improved management, statutory compliance and performance;
- identify additional areas of risk improvement opportunities; and
- provide the organisation with feedback to facilitate ongoing development and implementation of their management systems

2.0 Recommendation:

- The management system complies with the requirements of the nominated Standard.

3.0 Executive Summary:

This report presents the results of the NCS International audit of Forestry Tasmania's Forest Management System to AS 4708:2007, The Australian Forestry Standard criteria. Our objectives were to assess the controls in place to implement management against FT's Forest Management System, and ensure compliance with relevant legislative forest standard.

Forestry Tasmania has developed a fully integrated forestry, environmental and safety management system (collectively the Forest Management System) that covers all of the requirements of the relevant standards.

The organisation has developed new systems for risk identification and risk management that are currently being rolled out along with safety culture training; evidence from staff having attended this program spoke favourably of its outcomes.

The organisation's approach to its documentation management and document control is inconsistent. Importantly, a number of documents were observed at the audit that were developed 'locally', however they were not recognised Forestry Tasmania documents. It will be important for the organisation to develop a method to encourage staff to submit 'locally' prepared documents for review and where considered appropriate, to include them in its documentation. Forestry Tasmania's documentation also needs to reflect the new integrated Forest Management System.

Planning of Forestry Tasmania's forest operations is comprehensive, inclusive and extensively documented, and demonstrates a dedicated commitment by Forestry Tasmania staff to comply with the organisation's policy and objectives for sustainable forest management. Operational and file management of Forest Practices Plans including the number of folders used to store and manage information, methods of recording information, sign-off completion and peer review process, is however, not consistent, and sometimes the information is incomplete.

Contract operations play an important part in Forestry Tasmania's business, in particular in road construction, harvesting and transport functions. The audit identified some uncertainty associated with contract and contractor management that resulted in departures from FPP's and the Forest Practices Code (Code). It will be important for Forestry Tasmania to clearly describe how it will ensure that contractor suppliers complete works as required, and the role Forestry Tasmania staff will play. This could include Forestry Tasmania's contractor management practices becoming more immediate.

Resources within the company whilst functional appeared to be stretched in some areas. Several staff were noted to be working increasingly long hours, which could lead to issues associated with fatigue and increased stress.

No major non conformances were noted during the audit, and minor non-conformances were found for:

- Control of Documents:
- Competence Training and Awareness:
- Operational Controls:
 - Use of appropriate safety equipment;
 - Safety helmet use by date;
 - Oil spill procedure;
 - Road construction;
 - Harvesting operation (Soil damage);
 - Incomplete documentation of operations and responsibilities.

As with all NCS International reports, a significant number of 'Observations' have been included within the body of the report; these do not require an action plan to be submitted to NCSI, however you are encouraged to assess them for risk management and continuous improvement opportunities. The observations are designed to assist the organisation in the maturation of the system and expanding the return to the operation from the Forest Management System.

The assessors consider that the Forest Management System operated by Forestry Tasmania continues to comply with the requirements of the standard, subject to the necessary corrective actions.

4.0 Next Audit:

- ◆ Estimated date: May 2010.

5.0 Capability statement:

Head Office

79 Melville Street
Hobart, Tasmania 7000

Scope under the Australian Forestry Standard (AS4708)

The concept of the Defined Forest Area (DFA) for the purposes of certification against the Australian Forestry Standard (AS4708) rests on the area that Forestry Tasmania has under its management control. Management control is that area where Forestry Tasmania is the forest manager and ensures that its Forest Management System procedures are complied with through the preparation of legally binding Forest Practices Plans.

Forestry Tasmania's DFA is clearly outlined in the documented titled "AFS Defined Forest Area"

[FMS: Resources information].

Certificate expiry date:

The Australian Forestry Standard 30th January 2010

Audit Findings

MANAGEMENT PARTICIPATION:

<i>Code</i>	<i>Findings</i>
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Management Commitment

A	Management commitment to the FMS is high. Attention to performance of the system via EHS Board Sub-committee meetings. The EHS committee looks at both lead and lag indicators of systems performance.
O	An opportunity for improvement could be to review positive performance indicators to the same level of detail as negative performance indicators. There is a perception in the workforce that more emphasis is placed on negative performance indicators than positive performance indicators.

Structure, Responsibility, Authority & Accountability

A	FT conforms to the requirements of the above standards. The responsibilities of each individual and unit within the organisation are defined, documented and communicated with respect to operation of the FMS. Specific representatives of management are assigned responsibility for ensuring the FMS conforms to the standard. Those managers report on the performance of the system monthly to the ESH Board Sub-committee.
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Forest / Environment / Safety Policies

A	The company has a Sustainable Forest Management Policy that meets the requirements of AS4708 Australian Forestry Standard (AFS), ISO 14001 Environmental Management Systems and AS/NZS 4801 Occupational Health and Safety. The Policy document is signed the Managing Director (MD).
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Forest / Environmental Objectives, Targets & Programme(s)

A	<p>FT describes its forest and environmental expectations in its document, 'Sustainable Forest Management Objectives, Targets & Indicators' that is widely referred to as 'The Yellow Book'.</p> <p>The '2008/09 Yellow Book' included Sustainable Forest Management Objectives, Targets & Indicators for a variety of Forest Management Plan Aims that included:</p> <ol style="list-style-type: none"> 1. Protect and maintain environmental values in State Forest; 2. Maintain and enhance productive capacity in State Forest; 3. Maintain ecosystem health and vitality in State Forest;
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	<p>4. Maintain and enhancement of long term socio-economic benefits; and</p> <p>5. Maintain system capacity.</p> <p>Each aim included a number of sub-aim Objectives & Targets, for example, 1.1 Reserve System, 1.2 Biodiversity, 1.3 Threatened species, communities and habitats.</p>
O	<p>With regard to lead objectives and targets (% workshop/depot audits, % of employees attending toolbox talks, close out of CAR's) it may be beneficial to express the KPI per employee, or possibly by unit of production to account for any non FMS changes in the organisation.</p>

Identification & Documentation of Scope

A	<p>FT's scope for its Forest Management System was documented at the most recent Steering Group meeting, and is included at the front of this report under '5.0 Capability statement'.</p> <p>The scope is also described in Section 3 of the Forest Management System Manual (March 2009).</p>
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SYSTEM PLANNING & IMPLEMENTATION:

<i>Code</i>	<i>Findings</i>
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Forest and Environmental Aspects

A	<p>The IRR model covers identification of aspects based on the experience of the divisions and past JRA's. The IRR identifies where legal and other requirements are associated with the aspect and if they occur under normal or adverse conditions. The IRR also identify the management representative responsible and the operational controls associated with the aspect identified.</p>
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Legal & Other Requirements

A	<p>Legal and Other Requirements (Forest Practices and Safety Codes etc.) are identified on the IRR and Register of Legal and Other Requirements. All are appropriately defined for ease of use.</p>
A	<p>Specific legal requirements are cited on Standard Operating Procedures (SOP) with associated hyperlinks taking the reviewer directly to the specific legal requirement.</p>

System Documentation

A	<p>FT's system documentation is comprehensive and detailed and includes a number of significant planning documents:</p> <ul style="list-style-type: none"> • 'Sustainability Charter' / 'Forest Management Plan'; • 'Sustainable Forest Management Report'; • Forest Management System Manual. <p>These documents are supported by subordinate documents that include:</p> <ul style="list-style-type: none"> • 'Yellow Book, Sustainable Forest Management Objectives, Targets and Indicators'; • 'Sustainable High Quality Eucalypt Sawlog Supply', supported in turn by; • Registers, Standard Operation Procedures and forms or templates that
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	describe and govern how the organisation conducts its business, and small and large scale mapping System documentation is regularly reviewed and updated and is available on the intranet and in hard copy.
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Control of Documents

M	The organisation’s approach to its documentation management and document control is inconsistent, with varying methods used to: <ul style="list-style-type: none"> • Access documents: some ‘bottom drawer’ versions and superseded versions of documents were observed in use at the audit; • Describe document control: some documents showed document control information, while others had none; • Manage their review: some document review dates were not described and some had passed, and • Describe updates of documents and how these updates will be made known to staff.
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Control of Records

A	Records documenting FT’s performance were readily available at the audit.
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CONTINUAL IMPROVEMENT:

Code	Findings
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Management Review

A	FT reports annually on its activities and performance through its Annual Report that is available on its website.
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Internal Audit

A	FT conduct detailed FMS audits, most reviewed were conducted by a team, with an identified lead auditor. All internal auditors identified have undertaken a suitable training course, or be under the control of a lead auditor who has relevant competencies. Non conformances identified during the audits have been raised as a CAR and closed out appropriately.
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Nonconformity, Corrective & Preventive Action

O	The CAR system is well utilised and reviewed at all levels within the company. Healthy levels of utilisation are apparent. The company could consider differentiating preventative actions from corrective actions, as preventative action identification is a positive performance indicator and corrective actions are a post incident negative performance indicator process.
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Close out of previous non-conformities (SAI Global report/JAS-ANZ):

A	Non-conformances from the previous audit conducted by SAI Global have been closed out.
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RESOURCE MANAGEMENT:

Code	Audit findings
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Provision of Resources

A	FT management determines and provides, in a timely manner, the resources needed to implement and improve the processes of the FMS and to address stakeholder satisfaction.
A	FT identifies the competency needs for personnel performing activities affecting FPP development and management; train personnel to satisfy these needs; and evaluate the effectiveness of the training provided. FT has developed detailed job descriptions to ensure personnel are aware of how they contribute to meeting FMS objectives.

Competence, Training and Awareness

A	Every FT employee and manager interviewed was aware of the FMS policy, the significant environmental aspects (SEA's) of their work activities as identified in the IRR, key FMS roles and responsibilities, procedures that apply to their work, and the importance of conformance with FMS requirements. Staff also understands the potential consequences of not following FMS requirements (such as spills, releases, and fines or other penalties).
O	<p>All personnel have defined training plans and received appropriate training and support to be competent at their work.</p> <p>Training is individually tailored to the different needs of various levels or functions in FT. However, training is just one element of establishing competence, which is typically based on a combination of education, training, and experience. For certain jobs (particularly tasks that can cause significant environmental harm), criteria have been established to measure the competence of individuals performing those tasks, such as low intensity and high intensity fire management.</p>
M	<p>It was noted that OHS training has not been done for some time (Derwent) and a staff member who has been in the company for 18 months has not received it.</p> <p>FT003R which is a level 1 core competency for all employees states that the assessment criteria is completion of the Occupational Health and Safety workshop and passing of the assessment, staff interviewed were not aware of this requirement or the workshop.</p>

SYSTEM IMPLEMENTATION & OPERATIONAL CONTROL:

Code	Audit findings
Operational Controls	
O	Aboriginal cultural heritage management and eagle nest management procedures call for the data associated with their locations to be restricted due to their sensitive nature. This is identified in the Aboriginal Site Management SOP and FPP templates. However the data in files is variable, some districts identify the specific locations and others just identify non specific locations. The risk is that FPP/Coupe files have this data and it may go unmanaged.
A	Operational controls within the company were closely managed where identified. Risk assessment has been undertaken as per the requirements of AS 4708, AS/NZS 4801 and ISO 14001. Risks/aspects and their associated operational controls are reviewed by the S&E Group Committee.

M	Two FT chainsaw operators were observed cutting timber with chainsaws and not using any eye protection (no safety glasses and helmet screens 'up').
M	<p>Safety helmets have a "use by date" or a "working life". Section 3 of Australian Standard AS/NZ 1800:1998 code details the "Care and Maintenance of Occupational Protective Helmets", and Section 3.4 covers the "Working Life".</p> <p>A 3 year replacement date has been adopted as an Australian Standard for the outer shell.</p> <p>Currently many of the issued helmets are not marked with date of issue, and many of the helmets identified were well outside the 3 year shell and 2 year harness time frames.</p>
O	Most coupes and roads that were covered during the audit were identified by signage where active works were under way. The signage in all instances indicated a UHF radio frequency that could be used to contact operators within the coupes.
M	<p>The company's oil/chemical spill procedure is currently that all spills over 20ltr have to be reported and all spills have to be cleaned up. Evidence was shown during the audit that this process is virtually infeasible; as often the oil saturated soil is unrecoverable. Consideration could be given to:</p> <ol style="list-style-type: none"> 1. Review the procedure to come more practical and come into line with industry best practice. 2. Determining based on risk, where and when it is imperative that containment and cleanup be conducted (i.e. near watercourses). 3. Developing a procedure to bio-remediate small spills in the field.

Emergency Preparedness & Response

A	Emergency response planning is well developed and based on risk. Appropriate trials are undertaken regularly and reviewed both internally and externally.
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Monitoring and Measurement

A	Monitoring of riparian streams is undertaken during fertiliser and pesticide application programs. No evidence of contamination has evidenced.
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Communication

A	Effective communication was evidenced with regard to implementation of FT policies, objectives, targets and programs and for receiving feedback on issues of concern. Similarly effective communication with external interested parties on our environmental performance and issues of concern was observed both at management and staff levels.
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 Communication & Correspondence with appropriate regulatory body(ies)

A	Communication and correspondence with regulatory bodies including the Forest Practices Authority were sighted at the audit.
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Australian Forestry Standard AS4708:2007

Code	Audit findings
CRITERION 1. Forest management shall be undertaken in a systematic manner that addresses the range of forest values.	
4.1.2 Planning	
A	<p>Forest Management Plan</p> <p>FT's Sustainability Charter describes the framework for the sustainable management of Tasmania's State forests for the coming 10 years 2008-2017, and is the State's '2008 Forest Management Plan'. The Sustainability Charter was released in October 2008 and replaces plans previously prepared on a District by District basis. It describes five sustainability objectives:</p> <ul style="list-style-type: none"> • Sustaining biodiversity and habitat; • Sustaining jobs for current and future generations; • Sustaining carbon stores, clean air, water and healthy forests; • Sustaining community access and heritage; and • Sustaining science-based stewardship.
A	<p>Preparation of the Sustainability Charter involved three public consultation phases with stakeholders in July – August 2007, recording and analysis of the submissions received and a ranking / distillation of these to arrive at submission comments considered to be usable / not usable to be incorporated into the Sustainability Charter. The Sustainability Charter was signed by the Minister and is widely available via the web, and in hard copy upon request.</p>
A	<p>The 2008 Sustainable Forest Management Report dated November 2008 documents FT's forest management performance with its stakeholders in an open and transparent forum. This report highlights areas of the business where improvement can be demonstrated and areas of the business where more attention may be required.</p> <p>This document includes the organisation's Sustainable Forest Management Policy statement, signed by the Managing Director and dated November 2007.</p>
A	<p>Description of the forest estate</p> <p>FT's DFA is described in the controlled document, 'AFS Defined Forest Area Procedure', issued on the 26th November 2008, revision 2.5. The procedure describes lands that are included in the DFA and those that are excluded: these include mining lease areas where the relevant mining legislation has priority. Lands are described spatially in the organisation's 1:25,000 GIS layer, Plantation Area Systems GIS and property Rights Database.</p> <p>The DFA is calculated and published annually on the 30th June and is described as 1,436,673 hectares for the year ended 30th June 2008 and is included in the 2008 Annual Report, page 97.</p>
A	<p>Rationale for annual harvesting rates</p> <p>As required under the Forestry Act 1920, and confirmed in the Tasmanian Regional Forest Agreement, FT manages State Forest to produce a sustainable supply of 300,000 cubic metres of high quality sawlog and associated roundwood products from the sawlog harvest.</p>

	<p>The organisation's comprehensive inventory system, yield tables, estate growth modelling (Woodstock) and linear programming optimising systems that is confirmed by external audit, combined with environmental constraints, underpins the 300,000 figure, that is being derived from both native and plantation forest. Reviews of the sustainable yield are undertaken every 5 years; the most recent review was in 2007.</p> <p>Annual supply of sawlog products that underpin annual harvesting rates are described pictorially in the Sustainability Charter, Figure 5.</p>
A	<p>FT's current 3 Year Wood Production Plan 2008/09-2010/11 describes projected woodflows for each year with year 1 being relatively firm, year 2 less so, and year 3 'likely to change'; the 3 year approach provides flexibility for the organisation to plan for and manage its woodflows according to market and seasonal conditions.</p> <p>The current 3 Year Wood Production Plan 2008/09-2010/11 is available on the FT website.</p>
A	<p>Description and rationale for silvicultural systems</p> <p>Research and development and utilisation in Tasmania's native forests have been documented for more than 90 years and include information in the Technical Bulletin series of reports; these underpin the silvicultural systems used in native forest operations. This research continues with the organisation's move away from clear falling approach to the Warra Silviculture System Trial (Aggregated Retention System) of partial harvesting that retains 'clumps' of trees for habitat purposes, soil stability purposes, and as a seed source for the following tree crop.</p> <p>This research is documented in 'A new silviculture for Tasmania's public forests: a review of the Variable Retention Program', May 2009.</p>
A	<p>While the silviculture for FT's plantation estate (hardwood and softwood) has been determined over a shorter period, it is nonetheless, based on a comprehensive inventory system, combined with an intimate understanding of the State's soils and their capability to grow tree crops on a sustainable basis.</p>
A	<p>FT's field operations are planned and documented in accordance with the Forest Practices Authority's Code document that provides a practical set of guidelines and standards for the protection of environmental values during forest operations. FPP's are prepared for site preparation, harvesting, roads, burning and afforestation / reforestation activities.</p> <p>The Forest Practices Authority is reviewing its Code and the revised version is expected to be published in 2010. The principal driver for the review is the protection of biodiversity, soil and water values. FT is represented in the review process on the Biodiversity Committee.</p>
O	<p>The organisation's approach to preparing FPP's is not consistent across the State, and FPP productivity output levels for staff vary considerably. Consideration could be given to:</p> <ol style="list-style-type: none"> 1. reviewing the organisation's procedure that is used to prepare FPP's to identify where variations occur, why there are variations, evaluate and document systems where efficiencies are identified, and how these may be implemented across the State; 2. reviewing FPP staff production levels across the State (ie number of plans

	<p>prepared per person per year) to identify 'hot spots';</p> <p>3. review the level of succession planning in FT's planning function, in particular, the provision of appropriate resources.</p> <p>Importantly, this observation is not intended to remove the flexibility in applying and using improved systems and documentation across the State. The focus is to review the FPP planning process to ensure a consistent approach, to identify improvements that could include documentation, and that staff have the resources they require to complete the planning tasks.</p>
<p>4.1.3 Implementation</p>	
<p>A</p>	<p>FT implements its forest management system through the preparation of FPP's that include the evaluation of 'Natural and Cultural Values', that are commonly referred to as 'Special' Values', and monitors and evaluates its Forest Management System through peer review processes and site assessment procedures.</p>
<p>O</p>	<p>Operational Control</p> <p>Derwent Forest District</p> <p>Tyenna TN065E on the Styx Road was previously a predominantly tall <i>Eucalyptus obliqua</i> native forest that had been harvested; site preparation included a high intensity burn and subsequently seeded back to native forest. The project included construction of 1.4kms of all weather, Class 3 gravel road that included a 30 metre clearing, 4.0 metre pavement, with shoulders about 0.5 metres wide on both sides, with culverts installed according to soil and slope criteria.</p> <p>While the planning information appeared to be adequate for the operation to proceed, a number of tasks had not been completed including:</p> <ul style="list-style-type: none"> • the legend on the map was incomplete; • a variation to the FPP had not been signed; and • Forest Practices Authority requirements had not been confirmed.
<p>A</p>	<p>Derwent Forest District</p> <p>Tyenna TN012B FPP DRB0087 was previously native forest that has been converted to <i>Eucalyptus nitens</i> plantation (operation commenced prior to 30th December 2006). Planning information appeared to be adequate for the operation to proceed, and included:</p> <ul style="list-style-type: none"> • heritage values: Gourlay's Tramway MEZ (including photographic record); • Class 1,2 and 4 streams; • site preparation prescription of spot cultivation for slopes over 15 degrees; • 1.1km of new road and 0.7kms of road upgrade; • apiary activity – reference to Leatherwood trees (not protected in the coupe but protected in the adjacent informal reserves). <p>Documentation had been completed as required.</p>
<p>O</p>	<p>Derwent Forest District</p> <p>Tyenna TN020E FPP JBW0388 was previously native forest that has been converted to <i>Eucalyptus nitens</i> plantation (operation commenced prior to 30th December 2006).</p>

	<p>The FPP planning information appeared to be adequate for the operations, however:</p> <ul style="list-style-type: none"> Operational Filing System page was not filled in; the planning process identified 1xClass 4 stream when there were actually 7 observed over the course of the operation; the area had previously been identified to be planted to <i>Pinus radiata</i> and the species was changed to <i>Eucalyptus nitens</i>. However the map colouring was not changed to reflect the species change; and the Peer Review process for the variations included a description of the variation and a sign off, without any documented description of the steps taken to implement the variation, no 'trail of breadcrumbs'.
O	<p>Huon Forest District</p> <p>Arve 041A FPP GAR0189 was a roading operation, and the:</p> <ul style="list-style-type: none"> the Operational Filing System page was not filled in; and the FPP had not been initialled by the parties to the plan.
M	<p>Bass Forest District</p> <p>Rose's Tier RS131D was a Shelterwood / Aggregated Retention / Sawlog Retention harvesting operation that included the recent construction of a road into the harvesting area.</p> <p>The audit identified a number of snig tracks throughout the coupe where the depth and length of the rutting approached or exceeded the Code maximum of 200mm depth over a distance of 20 metres. Importantly, the spirit of the Code was not implemented by the contractor and/or operator when the operators became aware of the possible breach (ie stop operating, move to an adjacent area, place matting to prevent further impact, stop operations for a time to allow the soil to drain).</p> <p>Also, the contractor fuel dump site was located in a rainforest reserve and the wheel rutting to and from this site exceeded the Code rutting specification.</p>
M	<p>Completion of the required information for FPP documentation was inconsistent across the State and indicated generally a lack of attention to detail to complete all required information. Examples of 'incomplete documentation and information included:</p> <ul style="list-style-type: none"> Changes made to map legends were not entered onto the relevant map (and vice versa); Changes made to FPP's were not documented or fully documented; Variation information was not fully documented in the relevant folder; Sign-off responsibility and dates for sign-offs were not completed; Coupe Briefing Form was signed but the boxes were not recorded; Operational Filing System page was not filled in Incorrect area figures were observed following a Peer Review process; Forest Practices Authority page, 'Acknowledgement of persons or organisations with primary responsibility for management of forest practices' was either not completed or not completed fully (various staff identified that completing the page was not always required and that the requirements were included in the Peer review process); Peer Review documentation often did not identify and describe the steps taken to conduct the Peer Review;

<p>M</p>	<p>Road construction standards varied across the State and did not meet the Code in a number of cases, for one or more criteria including shoulder width, location/height of culvert pipes in relation to the pavement level, and water outfall did not include rock or similar to break the fall/speed of the water.</p> <p>These observations were made for roads constructed by FT and by Gunns Limited.</p> <p>It will be important for FT to ensure that all roads have been constructed in accordance with the Code, in its own operations, also in operations where Gunns Limited is the road construction contractor, particularly when the organisation passes responsibility for the construction of roads to Gunns Limited.</p>
<p>M</p>	<p>Harvesting operation standards vary cross the State and did not meet the Code in a number of cases, for one or more criteria, refer findings above.</p> <p>These observations were made for operations conducted by FT and by Gunns Limited.</p> <p>It will be important for FT to ensure that all harvesting operations have been conducted in accordance with the Code, in its own operations, also in operations where Gunns Limited is the harvesting contractor, particularly where the organisation has passed/will pass responsibility for the harvesting operation to Gunns Limited and where FT has a, 'arms length' contractual monitoring role. There is an unacceptable level of uncertainty by FT field staff in the management of the FT – Gunns Limited interface.</p>
<p>4.1.4 Monitoring</p>	
<p>A</p>	<p>Day to day field assessment of operations according to the FPP's and the requirements described in these, also independent audits through the Quality Standards process, are the principal methods FT uses to monitor its operations.</p>
<p>4.1.5 Review</p>	
<p>O</p>	<p>The organisation has included the items in AS/NZS ISO 14001, Element 4.6 Management Review, in its agenda for its annual review of its management systems.</p> <p>Consideration could be given to reviewing the list and including elements of AS 4708:2007 that are not included in the current agenda.</p>
<p>O</p>	<p>FT's business units/divisions periodically review their performance and report on this to the Executive.</p> <p>FT's Division of Forest Research and Development, Plantations Branch, conducted its 'Annual Review 2008' of its 2007/08 performance on the 17th June 2008 at Rydges Hotel, Hobart. The review document that documented the review and its outcomes included:</p> <ul style="list-style-type: none"> • a theme: 'Stand Management, second rotation and sustainability'; • a description of its key message: to supply industry with more than 150,000m³ of high quality sawlog by the year 2020, and • its management drivers: plantation productivity, quality and sustainability (environmental and economic). <p>The review document included a summary of achievements for the 2007/08 period and 2008/09 New Initiatives.</p>

CRITERION 2. Forest management shall provide for public participation and foster

on-going relationships to be a good neighbour

4.2.1 Identify stakeholders

A	<p>Field operation planning of FT's forest management activities included formal and routine contact with neighbours, regional councils and organisations prior to operations commencing, to seek their input.</p> <p>Consultation with stakeholders for the field sites visited was reviewed and documented responses were considered adequate. In a number of cases, the documented process of identifying, contacting and working with stakeholders in relation to FT's operations was observed to wide ranging and exhaustive.</p>
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4.2.2 Public Input

A	<p>Procedure for Communication and Consultation (September 2007) describes in detail how the organisation will systematically identify and communicate with external stakeholders, and the processes that are used to facilitate the two way communication of relevant environmental and safety issues.</p>
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A	<p>FT has developed a draft 'Special Timbers Strategy' (Version 1.4) under the Tasmanian Community Forest Agreement that has as its objective to 'Ensure an on-going, long-term supply of special timbers'. The draft document is due to be released for Public Comment shortly.</p>
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O	<p>Huon Forest District</p> <p>The Community Liaison Officer 'consultation model' used to seek, document and review comments from the wider community in relation to the proposed Tyler Hill harvesting operation and Judd's Creek log transport operation, has provided an effective outcome for FT and the community. Important components of this model included:</p> <ol style="list-style-type: none"> 1. a comprehensive and flexible stakeholder database; 2. key datasets for smaller and target group stakeholders; 3. a quick and thoughtful, targeted response (immediacy); 4. a key link between planning - field staff with the Community Liaison Officer to notify stakeholders of operational activities, particularly where changes are planned and made.
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4.2.3 Good Neighbour

A	<p>The Tasmanian Forest Industry's 'Good Neighbour Charter' originally developed by FT and the Forest Industry Association of Tasmania and was reviewed and signed in 2008 by representatives from FT, Gunns Ltd, Norske Skog Boyer Mills, Timberlands Pacific, Forest Enterprises Australia and Great Southern Plantations. The Charter describes how the Industry will communicate with the community and focuses on keeping Tasmanians (and others) informed of their activities, that focus mostly on roading, harvesting, site preparation and regeneration operations.</p>
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A	<p>FT has developed the 'Going Bush' series of television programs in association with Southern Cross Television. The second DVD 'Going Bush 2' has just been released, and was observed playing at the Tahune AirWalk.</p>
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CRITERION 3. Forest management shall protect and maintain the biological diversity of forests, including their successional stages, across the regional landscape.

4.3.1 Identify biological diversity

A	FT owns and manages a wide range of mapping and datasets to describe the type and extent of natural and planted forest areas in Tasmania under its management control. The mapping and datasets include descriptions of flora and fauna communities that include threatened communities.
O	FPP's prepared for a range of forest operations visited during the audit clearly map and describe the range of biological diversity for flora and fauna communities that could be affected by FT's operations. These included consideration and planning for Wedge Tailed Eagle, Giant Crayfish, <i>Eucalyptus brookeriana</i> communities and Giant Trees.
A	FT's Sustainable Forest Management Plan 2008 Report describes the organisation's Case Study and outcomes from the Warra Silvicultural Systems Trial (SST) that found that alternative silvicultural systems were favourable for many mature forest biodiversity elements.

4.3.2 Permanent forest estate

A	<p>FT's policy document, 'Permanent Native Forest Estate Guidelines' dated the 2nd January 2008 have been prepared to support the organisation's decision to end broadscale conversion of native forest to plantations. This document includes Attachment 1: Standard Form for Approval of Small-scale Clearing and offsets.</p> <p>FT's policy document above, and its Sustainable Forest Management Plan 2008 Report that describes the organisation's position on this element of the standard under the section Permanent Forest Estate as:</p> <p><i>On June 1 2007 FT announced the end to the practice of converting native forests to plantations. This statement was in the context of:</i></p> <ul style="list-style-type: none"> • <i>Native forest production areas that were commenced (as described in the standard) before the 31st December 2006 being completed and planted over the next two years; and</i> • <i>Native forest production areas that had commenced after the 1st January 2007 being returned to native forest.</i>
O	Mining tenement areas or similar are not included in the DFA.

4.3.3 Protection and Maintenance of Significant Biological Diversity Values.

A	<p>Huon Forest District</p> <p>Arve 019 involved the construction of a spur road to provide access for a native forest harvesting and regeneration operation. During the course of the tree clearing operation the machine operator identified a (yet to be mapped, potential) Big Tree that had not been identified during the road GIS process, and re-routed the spur road away from the potential Big Tree.</p> <p>This is an excellent outcome and demonstrated that contractor staff have been effectively briefed on FPP requirements, that contractor staff do 'self regulate' and understand the nature of the Big Tree Policy, and how to respond accordingly.</p>
A	Roses Tier RS131D was a Shelterwood / Aggregated Retention / Sawlog Retention harvesting operation that included the recent constructing a road into the harvesting area. The FPP identified a Wedge Tailed Eagle adjacent to the

harvesting area, and included Recommendations 3 and 4 be implemented as required. Planning and implementation of FPP's where threatened fauna and flora species were identified was rigorous and FT staff were enthusiastic and conscientious in ensuring that all relevant information in relation to these 'Special Values' issues were documented appropriately and managed appropriately.

4.3.4 Spatial Configuration

A FT's mapping and datasets that describe the type and extent of natural and planted forest areas in Tasmania are routinely used in the preparation of FPP's and non-FPP's. Planning of forest operations includes the identification, confirmation and exclusion of areas of natural forest important to the protection of natural biodiversity for flora and fauna communities that include threatened communities.

4.3.5 Regeneration with endemic species and provenances

A In regenerating native forest areas following harvesting, FT's objective is to improve the potential performance of the next tree crop, and at the same time achieve this with 'local seed'. 'Local seed' may not be available for a variety of reasons and the organisation's target is to use 10% local seed and 90% from regional locations that are similar to the site being established.

Seed collection and management is carried out at the Perth Nursery site.

4.3.6 Introduced species and genetically modified organisms

A FT is represented on the Tasmanian Wood Science Committee that monitors forest health that includes the spread of pine wildings into adjacent native forest.

4.3.7 Natural Disturbance

A FT routinely uses fire through low intensity burns (LIB) and high intensity burns (HIB) associated with regenerating natural forests following harvesting, to protect its natural and planted forest assets, and community assets generally.

The organisation's form/template 'Forest Operational Plan for prescribed burning of natural fuels' (January 2009) was observed at the audit to adequately document and record prescribed burning activities, including reviewing performance.

O The audit identified that from time to time, a LIB or HIB may 'escape' the planned LIB/HIB fire boundary. While not all of these 'escapes' have resulted in significant damage to adjacent forest areas (and their biodiversity values), they have not been documented as incidents.

Consideration could be given to reviewing the organisation's burns procedures to confirm when an 'escape' constitutes an incident, and should be documented as a CAR.

CRITERION 4. Forest management shall maintain the productive capacity of forests.

4.4.1 Identify Productive Uses

A FT's business of growing tree crops to provide log and chip raw materials for regional and international markets, is consistent with existing productive uses of the DFA, and supports the long term productive capacity of the DFA. Tasmania's climate and suitable soils, together with the organisation's

	management systems and skilled staff combine to provide the basis for a sustainable native and plantation forest industry for the DFA.
O	FT has summarised its revised yield predictions in its 'Sustainable High Quality Eucalypt Sawlog Supply from Tasmanian State Forest' August 2007, Review No.3) document. Figure 10 describes a 30 year view of the volume of high quality sawlog available from State Forest.
4.4.2 Plan Operations	
A	<p>FT's long term yield projections are described in the document 'Sustainable High Quality Eucalypt Sawlog Supply from Tasmanian State Forest, August 2007', Figure 9: for sawlog and figure 13 for pulpwood, for 90 years, 2006-2091.</p> <p>The projections have been made based on:</p> <ul style="list-style-type: none"> • current forest mensurational data from a number of industry accepted methods used to determine future woodflows that include forest inventory, historical tree growth and proportions of sawlog and other roundwood; and • long-term, linear programming of estate wood flows (in this case using Woodstock software) from FT's estate, from plantation hardwood and native forest regrowth.
4.4.3 Silviculture	
A	<p>FT's silvicultural systems have developed over time for the range of forest types under its management control.</p> <p>SOP's for the Forest Management System have been developed based on information in FT's Technical Bulletin series, forest research and experience of 'what works; across the range of climates and environments under FT's management control. SOP's for the FT Forest Management System describe what is actually done by forest managers to grow forests.</p> <p>Recent silvicultural initiatives have been the development of thinning regimes for regrowth hardwood forests and the partial harvesting of mature Eucalypt forest.</p>
A	<p>FT is developing a 'Special Timbers Strategy' (Draft form, Version 1.4) that has as its objective to 'Ensure an on-going, long-term supply of special timbers' that include Blackwood, Myrtle, Celery-top Pine, Sassafras, Huon Pine and Silver wattle, also a number of lesser known species such as Cheesewood, Musk, Horizontal and Leatherwood.</p>
4.4.4 Establishment and regeneration	
A	<p>FT uses FPP's to manage the regeneration and establishment process of native and plantation forests in a timely manner. On some occasions regeneration and establishment tasks are linked to the harvesting operation to reduce the time between harvesting and regeneration.</p>
O	<p>Tyenna TN020Z</p> <p>TN020Z FPPDRB0141 was a low volume harvest <i>Eucalyptus regnans</i> plantation that was established in the 1990's, then replanted to <i>Eucalyptus nitens</i>.</p> <p>While the planning information appeared to be adequate for the operation to proceed, a number of tasks had not been completed including:</p> <ul style="list-style-type: none"> • the coupe map showed a Class 4 stream, however this was changed to a

	<p>Class 3 stream however the change had not been documented (the original FPP had been prepared by a contractor);</p> <ul style="list-style-type: none"> the map legend did not compare with items and colour codes on the map; documentation provided to the contractor did not include specific mapping requirements; not all documents were signed and dated.
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4.4.5 Damage to Growing Stock

A	<p>FPP’s describe how various forest harvesting operations are planned and conducted. Routine field assessments of these operations check operator/contractor performance and record this.</p> <p>Quality Standards and Performance Monitoring checks are routinely conducted to determine how ‘FT is going with its operations’; this assessment includes damage to growing stock.</p>
O	<p>Where an area of forest (natural or planted) is damaged by fire, the area is ‘re-typed’ and the future woodflows ‘re-modelled’ according to a revised yield table (that reflects the post-burn status of the area of forest).</p> <p>FT includes 90 forest classes and 21 inventory areas in its assessment process.</p>

4.4.6 Unplanned Fire

	<p>Huon Forest District</p> <p>FT staff prepared a non-FPP to conduct a LIB at / near the Button Grass Plains area. The LIB ‘escaped’ and burned an adjacent area of native vegetation. A CAR was however not completed and the incident evaluated for root cause and in turn appropriate preventive and corrective actions determined.</p> <p>Consideration could be given to reviewing the current evaluation of:</p> <ol style="list-style-type: none"> what constitutes an ‘escape’; clearly documenting this; providing appropriate training in the agreed outcome, including when a CAR would be completed. <p>Bass Forest District</p> <p>A similar sentiment was observed at Bass Forest District in relation to ‘when is an escape not an escape?’, and the uncertainty associated with this in relation to a CAR being entered onto the system.</p>
O	

CRITERION 5. Forest management shall maintain forest ecosystem health and vitality

4.5.1 Identify Damage Agents

A	<p>FT has identified the most common health problems for its <i>Eucalyptus nitens</i> and <i>Eucalyptus globulus</i> plantations detected through forest health surveillance programs, and graphed these in Figure 4 Proportion of affected plantations that are <i>Eucalyptus nitens</i> (relative to the proportion of area planted to <i>Eucalyptus nitens</i> (Species-Choice Analysis, FT, 2009).</p>
A	<p>FT has an extensive Forest Health Surveillance program in place that monitors potential damage agents (pests and diseases) in a sequential way and includes aerial inspection, areas of interest are identified and mapped, ‘drive by’ assessments of these areas, detailed ground assessment, and annual review.</p>

In December 2008 the organisation reviewed its Forest Health Surveillance program, and published its findings in Technical Report 14/2008 (Confidential), titled, 'Health Surveillance of Eucalypt Plantations on State Forest for 2007-8'.

4.5.2 Maintain Health – Control of Damage Agents

A FT has recently identified the potential impact from 'damage agents' that include MLD, *Gonipterus*, *Phytophthora*, copper deficiency and drought, for its Eucalypt plantation estate, according to a combination of rainfall and minimum temperature of the coolest month (of the year). The impacts from individual damage agents have been graphed, and indicate potential best sites for *Eucalyptus nitens* and *Eucalyptus globulus* plantations (Species-Choice Analysis, FT, 2009).

4.5.3 Fire and Disturbance Regimes

A FT routinely uses fire through LIB and HIB associated with regenerating natural forests following harvesting, to protect its natural and planted forest assets, and community assets generally.

4.5.4 Rehabilitate Degraded Forest

A FT has undertaken a pilot project in Derwent Forest District to more adequately describe its plantation estate. FT staff are reviewing the district's plantation estate and defining:

1. plantations that are 'OK' ie meeting expectations;
2. plantations that may require some 'support'; and
3. plantations that require rehabilitation (for a variety of reasons).

The outcome from this review is expected to identify 'gaps' in FT's information database (for example a lack of appropriate soils information, potential shortfalls in future woodflows), and an economic picture that could include (a revised) volume harvested and distance to market(s).

Bass Forest District

A FT and the Federal Government provided funds through the Tasmanian Forest Tourism Grants in March 2009 to upgrade 27 kilometres of walking and bike tracks in the Blue Tiers.

4.5.5 Chemical Use

A FT does not use 1080 poison.

A FT's Bass Forest District is trialing a product registered for organic use (Spinosal) in its program to manage insect pests. The strategy includes 'catching the bugs at the right time' and applying Spinosal accordingly.

CRITERION 6. Forest management shall protect soil and water

4.6.1 Identify Soil and Water Values

A Tasmania's Code describes the State's (minimum) requirements for operations within forest areas in Tasmania. The requirements of the Code are incorporated into FT's FPP's documentation.

FPP's include consideration of the Forest Practices Authority's (FPA) 'Natural and Cultural Values' (commonly known as 'Special Values') evaluation sheets assessment, and are prepared in accordance with FT's SOP for preparing

	<p>FPP's.</p> <p>Soil and water values are clearly described in the FPA's Natural and Cultural Values Evaluation Sheets and in FT's FPP's through:</p> <ul style="list-style-type: none"> • land slope classes; • geology type; • a planning map (that includes coupe location and description of various land types, stream reserves, informal reserves, exclusion zones); and • soil and water (that includes identification of soil erodibility, landslip hazard, town water supply, domestic water supply).
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4.6.2 Water Quality

A	Refer comments above under 4.6.1 in relation to the Code and FPA's Natural and Cultural Values evaluation.
O	FT has commenced a project titled, 'Plantation Water Use Hydrology Project', funded within the Tasmanian Community Forest Agreement with support from the Tasmanian and Federal Governments. The project will evaluate water use hydrology and water quality issues and is referred to in the organisation's draft Division of Forest Research and Development program for 2009/10

4.6.3 Water Flows

A	Refer comments above under 4.6.1 in relation to the Code and FPA's Natural and Cultural Values evaluation.
O	One FPA Special Value requires FT staff assess the proximity of an operation to a town water supply, also a domestic water supply. While the ability to determine a town water supply is relatively simple as these have been registered and are on the public record, the same cannot be said for domestic water supply, as these have not generally been registered.

4.6.4 Soil Properties

A	Refer comments above under 4.6.1 in relation to the Code and FPA's Natural and Cultural Values evaluation.
	Refer minor non-conformance finding under Operational Control. Bass Forest District: Rose's Tier RS131D

CRITERION 7. Forest management shall maintain forests contribution to carbon cycles.

4.7.1 Greenhouse Gas Emissions

A	FT commissioned mbac Consulting Group to prepare a Carbon Sequestration Position paper dated December 2007 for the organisation; the document describes a simple carbon model that can be used to report on the company's carbon balance.
A	FT has reviewed its vehicle purchasing policy to focus (where appropriate to do so) on vehicles that can demonstrate lower carbon emissions. Vehicle type data described a reduction in the number of 6 and 8 cylinder vehicles in favour of (generally smaller) vehicles powered by 4 cylinder motors.
A	FT provides practical and individual opportunities for staff to help reduce its carbon footprint. These include:

- bike access and secure lockup facilities for staff who choose to use this form of transport to and from work;
- printing on both sides of the paper; and
- sending email prompts to staff to ‘turn off the lights’.

CRITERION 8. Forest Management shall protect and maintain, for Indigenous and non-Indigenous people, their natural, cultural, social, religious, and spiritual heritage values.

4.8.1 Indigenous People’s Rights

A	FT’s approach to this element of the standard is described in ‘Aboriginal Cultural Heritage Management and Protection, and Broader Sector Relations’ (August 2006), and in ‘SOP for Aboriginal Site Management’ (May 2009) that refers to the previous document.
O	<p>FT’s SOP for Aboriginal Site Management describes under Procedure Step 1.2 Protect Sites, the requirement for confidentiality: ‘communicate instructions to all relevant workers (FT & contractors) including need for confidentiality’.</p> <p>While the organisation’s senior staff appreciate the requirement for confidentiality and manage Aboriginal site enquiries in an effective way with and through the FPA, not all FT staff clearly understand:</p> <ol style="list-style-type: none"> 1. what is required to be kept confidential; and 2. how confidentiality is assured.

4.8.2 Heritage Values

A	<p>FPP’s include consideration of the Forest Practices Authority’s (FPA) ‘Natural and Cultural Values’ (commonly known as ‘Special Values’) evaluation sheets assessment, and are prepared in accordance with FT’s SOP for preparing FPP’s.</p> <p>Heritage values are clearly described in the FPA’s Natural and Cultural Values Evaluation Sheets and in FT’s FPP’s, and in the case of Aboriginal heritage values, these are identified on mapping as a red star, and in the case of for example, tramways, are identified and named on mapping and referred to in the FPP.</p>
A	FT’s emphasis for the planning and management of its forest operations is to identify cultural heritage sites based on a risk assessment process that is linked to Archaeological Potential Zoning.
O	FPP’s including the assessment of Forest operations FPA’s Natural and Cultural Values for a number of sites visited, demonstrate that FT manages the identification, evaluation and management of heritage values in an effective and consistent way.

4.8.3 Traditional Uses

A	FT provides for traditional uses in forests under its management control.
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CRITERION 9. Forest Management shall maintain and enhance long term social and economic benefits

4.9.1 Regional Development

A	FT’s draft Specialty Timbers Strategy (Version 1.4) describes that the processing of Tasmania’s specialty timbers in high vale end products that include fine furniture, flooring, doors and joinery and craft items generates about
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	\$A70 million annually, and provides employment for more than 2000 people.
A	The 'Maydena Adventure Hub' project will likely 'kick-start' opportunities for new 'spin off industries' and business development associated with rural eco-tourism; these ventures will provide quite different employment opportunities in the Maydena area compared with traditional employment markets.
4.9.2 Optimal Use	
A	FT staff use Logging Residue Assessments to evaluate (one part of a) contractors' performance based on the volume of 'in specification' wood left on the ground after a harvesting operation has been completed.
A	<p>Mersey Forest District</p> <p>The District Integrated Reporting Proforma document described under Point 2.2 'Sustainable Yield', and 'Logging Residue Assessments' for a number of contractors and the mean logging residue was measured at less than 1 cubic metre per hectare; this outcome is considered 'normal'. This is an excellent result and consideration could now be given to:</p> <ol style="list-style-type: none"> 1. reviewing the need for and frequency of Logging Residue Assessments; and 2. reviewing the potential for an alternate method that could be conducted during the day to day supervision of harvesting operations, and provide a more 'on-going' assessment of contractor performance, rather than a method that is often a long period of time after the harvesting operation has ceased.
A	<p>FT's Big Tree Policy and Big Tree Register is currently under review, and the organisation is considering expanding the current criteria to include:</p> <ol style="list-style-type: none"> 1. Potential Big Trees; and 2. Other species trees of significance.
4.9.4 Operational Health and Safety	
A	FT is certified to the Australian Standard AS4801:2001; this demonstrates the organisation has in place a systematic system that identifies and describes risk, and how risk will be managed.
4.9.5 Workers Rights	
A	FT respects the rights of employees and other workers, including the right to join a union or collectively bargain. The organisation is currently negotiating its 9 th Enterprise Bargaining Agreement with staff.
Summary of audit findings made available to the public	
A	The SAI Global Summary Report from the previous surveillance audit was available on the FT website.

APPENDIX A – Understanding the Coding Used in the Report:

Code	Definition	Client Action required to address findings
A	Compliance: Indicates conformance of the element against the requirements of the nominated standard(s).	<i>No further response to NCSI is required.</i>
O	Observation: May relate to a component of the system that is conforming, but where an opportunity for improvement is evident. Alternatively, it may refer to incidental or isolated system discrepancies, or allow praise or comments relevant to the next audit.	<i>Observations should be reviewed or actioned where practicable as they are often provided as areas of opportunity for improvement. Isolated or incidental deficiencies identified in observations may indicate that specific aspects of the system need to be reviewed to prevent problems occurring in the future. No specific action plan response is required however.</i>
M	Minor non-conformity: A system deficiency that does not compromise the ability of the management system to achieve defined objectives, or to assure controlled processes, products or outcomes.	<i>Proposed corrective actions to address each minor non-conformity must be agreed with the NCSI Audit Team Leader either during the audit or by submitting an action plan within 30 days of the audit.</i> <i>Certification will not be granted or continued until such time as corrective action has been agreed and accepted. Unless otherwise stated, implementation & maintenance of the proposed corrective action will be verified at the next NCSI audit.</i> <i>Existing clients risk suspension or withdrawal of certification if a timely response is not received.</i>
C	Condition for certification: A system deficiency that adversely impacts on the ability of the management system to achieve defined objectives or assure controlled processes, product or outcomes.	<i>Time frames granted for the closure or downgrade of major non-conformities may vary depending on the severity & impact of the issue identified. This will be at the discretion of the Audit Team Leader. Issues may be closed out either through evidence sighted or a follow-up assessment. It is generally expected however that non-conformities will be closed out or downgraded to a minor non-conformity no later than one month after the conduct of the on-site audit. Certification cannot be granted or continued until a satisfactory resolution has been achieved.</i> <i>Where a satisfactory resolution is not achieved within the agreed time frame, the organisations certification may be withdrawn.</i>