

SUMMARY REPORT

Certification Audit
Triennial Audit
Surveillance Audit
Pre-assessment

Client Name: DERM Forest Products

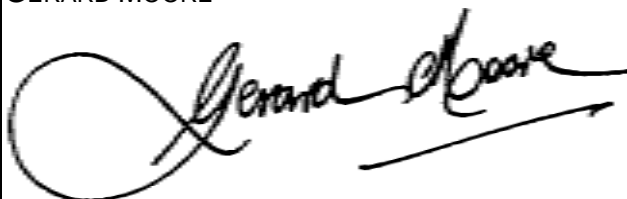
Certification Standard(s):
 ISO 9001 : 2008 Quality
 AS/NZS 4801 : 2001 Safety
 ISO 14001 : 2004 Environment
 AS4708 : 2007 Forestry

Site Audited	Audit Date	Audit Team
Head Office, Brisbane	9 & 13 November 2009	Gerard Moore
Western FMA, Mundubbera	10 November 2009	Gerard Moore
Western FMA, Monto	11 November 2009	Gerard Moore
Northern FMA, Atherton	12 November 2009	Gerard Moore

Recommendation:
 The management system complies with the requirements of the nominated Standards.
 The management system complies with the requirements of the nominated Standards subject to a plan to address minor non-conformances raised in this report.
 The management system does not comply with the requirements of the nominated Standards.

GERARD MOORE

DAVID WARD




ASSESSOR/TEAM LEADER

AUTHORISED REPRESENTATIVE

Date: 13th November 2009

Date: 13th November 2009

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PURPOSE AND SCOPE OF AUDIT

This audit represents a Surveillance audit of DERM Forest Products Forest Management System against the requirements of the Australian Forestry Standard (AS4708:2007), and accompanying guidance notes, to:

- ensure that the organisation complies with its internal procedures;
- ensure the ongoing compliance of the organisation's Forest Management System with the 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

This audit is the first Surveillance Audit conducted by NCS International of DERM Forest Products Forest Management System following the transfer from DNV.

The specific areas/functions audited are described in the final version of the audit program dated the 18th October 2009, and included.

- Opening Meeting and a review of the organisation's Forest Management System documentation at its Head Office, Level 12, 400 George Street, Brisbane; and
- Visits to DERM Forest Products Forest Management Area (FMA) operations at:
 - Western FMA, Mundubbera Office, and the harvest operation at Cheltenham;
 - Western FMA, Monto Office; and
 - North FMA, Atherton Office and the harvest operation at Baldy Mountain.
- Follow up exit meeting with DERM Forest Products executive team in Brisbane.

The audit was conducted from the 9th – 13th November 2009 in the company of DERM Forest Products staff.

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EXECUTIVE SUMMARY

DERM Forest Products Forest Management System has continued to evolve and was demonstrated to be effective in meeting the requirements of the Australian Forestry Standard.

The organisation is to be commended for completing the review of its Aspects and Impacts Risk Register that describes wide-ranging corporate and regional 'operational' aspects and their impacts.

Throughout the audit the organisation displayed a strong operational management focus in its forestry activities. DERM Forest Products also demonstrated the effective implementation of a number of system element requirements of the Australian Forestry Standard in its management of principally harvesting operations that sought to manage its activities to meet environmental, social, economic, cultural and wood production objectives.

DERM Forest Products was also observed to be proactive in engaging and working with stakeholders with an interest in its forest activities, and transparent and inclusive with stakeholders to develop and maintain mutually beneficial relationships, with an emphasis on improving the understanding by the wider community of its native forest business.

While the organisation demonstrated a number of improvements to its Forest Management System, the audit identified a number of shortcomings that limit the effectiveness of its Forest Management System. The main shortcomings and recommended focus for improvement in 2010 are described here.

Integration of Standard system elements to DERM Forest Products forest activities

DERM Forest Products has not fully integrated all the Standard's system requirements into all of its forest operations activities.

DERM Forest Products implementation of its Forest Management System has not effectively linked all the organisation's Significant 'Forest Environment' Aspects to how it determines and implements management strategies to meet the requirements of the Australian Forestry Standard, including the demonstration of forest management performance and continual improvement.

By not clearly linking DERM Forest Products Significant Forest Environment Aspects or 'Significant Forest Management Aspects' to the other elements of the Australian Forestry Standard, the organisation may not be effective in managing the parts of its business that have the potential to cause significant environmental harm.

For example, it will be important for DERM Forest Products to clearly describe Objectives & Targets for its business, at the Corporate level and at Forest Management Area level, with clear links to its Significant Forest Environment Aspects or Significant Forest Management Aspects.

Similarly, the organisation's approach to its Competence Awareness and Training function needs to link to its Significant Forest Environmental Aspects.

The 'disconnect' between DERM Forest Products operational activities and the elements of the Australian Forestry Standard is reflected in the generally low level of understanding of the Standard by staff.

Documentation and Document Control

The organisation's documentation does not clearly describe how the organisation will manage all its activities for each element of the Australian Forestry Standard.

Document control management is often inconsistent and could result in inappropriate or out of date documentation being used; for example, in the planning process for its activities.

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Minor non-conformances identified in this audit for the company to act upon are:

- Defined Forest Area: appropriate mapping and availability to the public;
- Aspects and Impacts Risk Register: link to other elements of the Standard;
- Aspects and Impacts Risk Register: disconnect between the central register and FMA registers;
- Competence Awareness and Training: link to Significant Environmental Aspects;
- Emergency procedure, testing;
- Documentation and Control of Documentation;
- Internal Audit; and
- Operational Control, Hang-up – Stump height – Water movement.