



REPORT

NRW-FOREST PRODUCTS

AFS SUMMARY AUDIT REPORT - SEPTEMBER 2007

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1 INTRODUCTION

This audit was conducted as a normal periodic audit of the NRW-Forest Products Forest Management System, which has been certified to the Australian Forestry Standard. The audit encompassed assessment of Head Office and Regional offices and field activities.

2 THE AUDIT

2.1 Audit Scope

NRW-Forest Products, native forest harvesting and regeneration activities in Queensland.

2.2 Audit Objectives

Conduct a periodic audit of NRW-Forest Products against the requirements of AS4708(int):2003 including office and field based activities.

2.3 Audit Protocols

The audit was conducted in accordance with JAS-ANZ Procedure 26 Revision 2, DNV Certification audit protocols and with the requirements of AS4708(int): 2003.

The audit was conducted by an auditor assessed by DNV Certification as meeting the competency requirements for qualification as an AFS auditor. The audit comprised four audit days in total; one day in Head office and three days in the field and regional offices. The next audit of the Forest Management System operated by NRW-FP will be according to the requirements of the newly issued AS 4708-2007.

2.4 Audit Process

The audit was conducted from the 4th-7th September 2007 at Forestry House-Brisbane, Watagalan State Forest, and Bundaberg and Monto Regional offices. The audit included an opening meeting, review of operational documentation, interviews with operational management and senior Management, review of records associated with management and control of the forest management system, and field audits of forestry activities. Heavy rainfalls prevented some planned site visits.

2.5 Background of Client

NRW-Forest Products is a Business Unit of the Queensland Department of Natural Resources & Water, which conducts native forest harvesting and regeneration operations in accordance with State legislation on behalf of the State of Queensland.

DPI Forestry achieved certification of its environmental management system to ISO14001 in 1999 and to the AFS in 2005. Native forest and plantation operations were separated in April 2006. This is the third audit of NRW - Forest Products covering harvesting and regeneration of native forest in Queensland. The operations of NRW-FP are divided across a Head Office, North, Western, Southeast and Cypress Forest Management Areas (FMAs).



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3 AUDIT RESULTS

3.1 Performance against Criteria & Requirements

3.1.1 Criterion 1 – Forest management shall be undertaken in a systematic manner that addresses the range of forest values

The core AFS document is the “*NRW Forest Products Forest Management System (FMS) for Commercial Forestry Activities in Native Forests on State Land*” Version 1.4 (August 2007). This document has been rigorously reviewed and describes NRW-FP’s systematic approach to native forest management.

The IT Steering Committee Report “Overview of Key Information Technology Systems and Processes (Version 5, 2007)” describes a promising work in progress. When complete it will describe not just how information is collected and used, but what type of information is required to effectively capture intellectual capital and organisational memory. When successfully implemented and maintained it will underpin forest management in accord with the requirements of the AFS.

NRW-FP has undertaken an assessment of identified forest management aspects and impacts to determine those that have or may have a significant impact. This has been done using risk attributes for “likelihood”, “environmental consequences” and “business and social consequences” to determine a risk score calculated by the formulae - $Risk = L \times (E+B/S)$. However, while the calculations to determine a numerical score have been done, NRW-FP has not determined what score constitutes a “significant forest management aspect”. Further, forest management aspects and impacts associated with pest plant control and honeybee apiary management have not been identified and assessed for significance.

The Forest Management System Manual includes a commitment to set objectives and targets for identified significant forest management aspects relevant to the full range of forest management performance requirements of the AFS. At a corporate level these are established in the NRW Forest Products Business Plan. The draft 2007/2008 Business Plan shows very relevant strategies, performance indicators, targets and additional actions towards achievement of business goals. The Business Plan however, appears to drive the NRW-FP risk/value approach (i.e. determination of significant forest management aspects) rather than the risk/value assessment approach driving the establishment of forest management objectives and targets to be detailed in the Business Plan, as required by the AFS.

NRW-FP imposes performance criteria on staff related to the number of CARs raised at EPA audits. However it is apparent that EPA auditing is focused on evidence showing exception, rather than evidence showing conformance, meaning that CARs may well be generated by “system” faults rather than by staff application faults. Therefore the EPA audit and resulting CARs may not be a valid measure of staff performance.

Continual Improvement Audits (CIAs) are effectively audits against the requirements of the AFS, incorporating social, environmental and financial issues. The NRW-FP Extended Management Group Meetings show detailed management review of business issues. However, while these Meetings do review Forest Management System maintenance requirements, they could better address the FMS and its procedures to ensure its continuing suitability, adequacy and effectiveness towards continual improvement in management performance and achievement of set forest management outcomes.



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3.1.2 Criterion 2 – Forest management shall provide for public participation and foster on-going relationships to be a good neighbour

The Forest Management System Manual comprehensively identifies key stakeholders and interest parties at both State and regional levels. Operations from the Monto office showed active processes to facilitate meaningful participation of stakeholders, particularly lessees and indigenous peoples. Evidence of good neighbour communication was sighted in the Bundaberg Office with Stock Grazing Permittees (SGP) regarding practical fencing to protect sensitive drainage lines.

3.1.3 Criterion 3 – Forest management shall protect and maintain the biological diversity of forests, including their successional stages, across the regional landscape

NRW-FP investigates potential for biodiversity occurrence in sale areas before commencement of operations, including the collection of information showing potential for the occurrence of endangered, vulnerable and rare species. All Operational Harvesting Plans (OHPs) include identification and assessment of biodiversity values.

Habitat trees and recruitment habitat trees are identified and specifically protected for ongoing and future habitat according to Code of Practice requirements. These include at least 50% forest canopy cover. Corridors and streamside reserves are also established and/or retained where appropriate for biodiversity values.

3.1.4 Criterion 4 – Forest management shall maintain the productive capacity of forests

NRW-FP is allocated forests resources (sale areas) on a once only basis by the custodians of the forest (i.e. EPA); consequently the identification of productive uses of the forests and to then ensure that these are not compromised by wood production is not a principal responsibility. Once harvesting and regeneration is completed NRW-FP hand back control of the forests to QNPW whose priorities are nature conservation rather than the development of high volume timber stands.

3.1.5 Criterion 5 – Forest management shall maintain forest ecosystem health and vitality

Examination of Operational Harvesting Plans showed identification of the potential spread of pest plants (e.g. declared rats tail and mothers of millions), and planning for spray operations to prevent spread. A very low level of chemical use was observed in native forest harvesting and regeneration operations. The application of insecticide for borer in spotted gum logs on landings is considered to be critical for successful forest management outcomes. Detailed planning was observed for pest plant management, including risk assessment, a risk register, MSDS register, chemical storage and use and process for establishing calibration of mixtures.

3.1.6 Criterion 6 – Forest management shall protect soil and water resources

NRW-FP have identified and assessed actual and potential impacts of their activities on soil and water values in considerable detail in their FMS Plan. In addition, operational harvesting plans pay particular attention to soil and water values at the local planning (sale area) level and these are rigorously checked through SPIs and EPA audits.

Operations at small and scattered sale areas mean NRW-FP has little influence at either the planning or operational levels on hydrological flows.



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The “*Code of Practice for Native Forest Timber Production 2002*” addresses soil protection in considerable detail and NRW-FP were able to demonstrate a high level of conformance with the Code at all harvesting sites visited. This performance is confirmed by EPA audit results.

3.1.7 Criterion 7 – Forest management shall maintain forests’ contribution to carbon cycles

NRW-FP acknowledges the capacity of native forests to act as a net carbon sink and the need to minimise greenhouse gas emissions and carbon is a value identified and risk assessed in the FMS Plan. Management practices maintain current levels of carbon capture and the Queensland Government’s policy of no permanent native forest clearing and active wildfire preventive activities significantly contribute to carbon retention in native forests.

NRW-FP operate waste management initiatives focused on reducing electricity usage.

3.1.8 Criterion 8 – Forest management shall protect and maintain, for Indigenous and non-Indigenous people, their natural, cultural, social, religious and spiritual heritage values

Indigenous peoples rights and responsibilities are built into NRW-FP planning processes, including procedures addressing legislative requirements for determination, consultation and recognition of native title claims and cultural heritage values.

NRW-FP’s contribution out of Monto to the Woorabinda Project is acknowledged for its commitment and positive outlook.

NRW-FP acknowledges existing legal and traditional uses for native forests (e.g. recreation, grazing, beekeeping, fossicking and horse riding). OHPs include identification of potential impacts to other forest users (e.g., grazing lessees, apiary site permit holders).

3.1.9 Criterion 9 – Forest management shall maintain and enhance long-term social and economic benefits

NRW-FP is committed to, and can demonstrate, support and benefits to local and regional communities by contributing to many facets of the forest industry and related industries and support businesses. Direct and indirect employment is significant, including sales to small-scale local enterprises. NRW-FP is active in education and with the provision of forest and forest management information, particularly for survey information, boundaries and maps.

In the Monto Region, local people are hired through “Forest Grower Traineeships”.

NRW-FP maintains a “Workplace Health & Safety Standard” and an “Injury Management Standard”. Requirements of the “*Workplace Health & Safety Act 1995*” and the “*Forest Harvesting Code of Practice 2007*” are firmly embedded in the planning and conduct of all native forest harvesting operations and safety takes precedence over other activities. All harvesting plans examined included health and safety risk assessments and controls.

3.2 SFM Indicators

The IT Steering Committee Report “*Overview of Key Information Technology Systems and Processes (Version 5, 2007)*” proposes a suite of IT driven systems and processes that will both further establish SFM Indicators and provide for a modern approach to tracking progress of actions designed to achieve sustainable management, and for evaluating outcomes that demonstrate sustainability.



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3.3 Themes

3.3.1 Theme 1 Notable or Good Practice

Soil and water protection was a focus area for this audit and fortuitous because of heavy rain events. Evidence was collected to show excellent understanding, effort and performance.

In addition to the “Overview of Legal requirements”, NRW-FP have developed a “Register of Contracts and Agreements” which is both detailed and comprehensive. These constitute very relevant “other requirements” to which NRW-FP subscribe.

Operational Harvest Plans were available for the relevant operations that were visited. These were all detailed and effectively covered site attributes and aspects and impacts of activities from an environmental, economic, cultural, and social perspective.

NRW-FP’s involvement to facilitate access to timber for indigenous industry development at Woorabinda is notable.

Evaluation of forest management outcomes is best demonstrated by the completion of System Performance Indicators (SPIs). These are split into categories or sections addressing silviculture, environment and safety. The completed SPIs effectively demonstrate application of “statistical power” for monitoring activities.

3.3.2 Theme 2 Opportunities for Improvement

Opportunities for improvement are apparent with regard to the identification of all applicable legal and other requirements and their alignment with identified forest management aspects, the definition and process for the identification of “significant forest management aspects”, and the establishment of forest management objectives and targets based on analysis of forest management aspects and impacts, particularly those identified to be “significant”.

Some areas of uncertainty were identified which were tenure related (e.g. responsibilities for roads and drains adjacent to sale areas during the OHP timeframe). Increased communication with stakeholders, especially EPA and QNPW will be required to ensure understanding of responsibilities and objectives towards quality forest management over time.

3.3.3 Theme 3 Areas of Non-Conformance

An identified non-conformance can be classified as either a major non-conformance or a minor nonconformance. A major non-conformance is assessed when a critical failure is identified or a complete part of the AFS is not implemented, which calls into question the validity of the certification. A minor non-conformance is assessed when a failure is identified which increases the potential of a critical failure.

No non-conformances related to AS 4708 were identified during this audit.

4 4 AUDIT CONCLUSIONS

It is recommended that the certification of NRW-FP to AFS AS4708:2003(int) be continued with no additional audit requirements.

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