

# Business review report - AFS



Client Name:	SFM Environmental Solution Pty Ltd Trading as, SFM Forest Products
Date(s) of review:	8 <sup>th</sup> 9 <sup>th</sup> and 10 <sup>th</sup> June 2010
Type of review	Certification stage 2
Site visited (include address)	70 Hampton Road, Battery Point, Tasmania and coupes SFM134, SP004 and SFM142A (three field sites in its Defined Forest Area)
Certification standard	The Australian Forestry Standard, AS4708-2007 Forest management-Economic, social, environmental and cultural criteria and requirements for wood production.
Scope of activities within the scope of certification (short description)	All forest management activities within the Defined Forest Area (DFA), including planning, roading, selective harvesting, silviculture, fire control and regeneration. The DFA is listed in the "DFA Register".
Names of review team members:	Wayne Tibbits
Name of Client Manager, and signatory to this report:	Wayne Tibbits
Exclusions to the standard/management system	Areas of management and operations outside of the DFA.

## Review team declaration:

We confirm that for the purpose of this review:

- We did not have any conflict of interest with and is fully independent from the company listed above
- We had the review team has sufficient resources, and competences to complete its review and reach its conclusions,
- We had the appropriate credentials to perform this review in accordance with Global-Mark and applicable accreditation requirements (as applicable)

## Comment and disclaimer on this report:

- This report does not and should not be seen as advice. Please consult a qualified advisor or consultant for advice.
- Due to the sampling nature of third party business reviews, the time available and samples size, some issues, non-compliances or improvements might not have been identified in the present report. This does not imply that these issues do not exist, or are in compliance. Employees, management and other stakeholders of the organization need to and are responsible for, continuously identifying and taking necessary controls to ensure continued compliance with the standard(s), and improvement.
- Readers of this report should make judgement taking the above into account.
- The report is confidential, and is owned by the organization listed above, Global-Mark Pty Ltd and the review team members who participated in its preparation
- Global-Mark reserves the right to make this report available to regulators, and/or funding providers if requested.



Photo - The Operations Co-ordinator marked this fine regrowth tree with red tape on coupe SFM142A to guide the contractor in following prescriptions to retain such trees (left).



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## 1 Review team conclusions

Audit observations were made, documents inspected and discussions held at this certification Stage 2 audit to gather objective evidence for evaluating conformance or nonconformance with the requirements of The Australian Forestry Standard (AFS) at the SFM Forest Products' office in the Battery Point and at various field sites across their Defined Forest Area. There were nine (9) coupes that had active operations within the previous three months. Hence, we specified a minimum of three (3) to visit with one selected at random (using random numbers). During the audit we walked extensively over the coupes, covering about 7.5 kilometres. The coupes visited are listed in Table 1 shown below. Photographs were taken during these visits and some are included in this report.

The scope of certification is the Defined Forest Area of SFM Forest Products as described within their AFS system and listed in a spreadsheet file named "DFA Register for Global Mark 10.06.10" that is filed by Global-Mark separately to this report. The total area is 4,662 hectares, comprising 4,415 hectares native forest for harvest and regeneration and 247 hectares of reserves. This total is spread across some 44 identified coupes.

The forest management system implemented by SFM Forest Products is developing well under effective leadership from the two company Directors, their small team and a dedicated and competent Senior Forest Planner, responsible for AFS co-ordination. Findings from this Stage 2 certification business review audit indicate that the management system and its associated forest operations have improved compared with the Stage 1 audit pre-certification business review audit, as we closed all 14 of the findings made at pre-certification Stage 1. They are compliant with the regulatory requirements of the Tasmanian Forest Practices Code (2000) and the requirements of the AFS, including systematic management & planning, provision for public participation & good neighbour relationships, practices to maintain biodiversity, managing productive capacity, forest ecosystem health, soil & water values, contribution to carbon cycles, Indigenous & non-Indigenous heritage values, and long-term social and economic benefits.

Our review found that three requirements were assessed as "not applicable" due to the scope of the forest manager's Defined Forest Area. These were, "Plantations shall constrain the spread of introduced species, provenances or populations used in plantations" (4.3.6), "Management of damage agents to facilitate their rehabilitation of degraded forest" (4.5.4) and "Reduce reliance on chemicals" (4.5.5).

At this Stage 2 audit it was helpful that the full complement of six people within SFM Forest Products were available and all were present at the closing meeting. We found the team employed by SFM Forest Products to be well qualified and experienced.

Internal organisational procedures appear adequate to give confidence in the adequacy of the forest management system. The internal audit, review and corrective action processes of SFM Forest Products appears adequate, with key staff demonstrating understanding of these. However, we did note one observation in the matter of reviews.

This audit reviewed forest harvesting plans and confirmed that there is only selective logging with no instances of conversion of native vegetation to plantation or non-forest cover.

It is noteworthy that these parts of the AFS system function particularly well.

- The forest manager, SFM Forest Products, have been providing opportunities for stakeholders to make their views known on the "SFM Forest Management Strategy 2010" and also explaining how stakeholders' views were considered in making decisions. A clear process was followed through sending out version 1 of the strategy, receiving, collating, working through the stakeholders' views received and determining how to consider these views in making decisions on version 2.
- Links have been developed amongst aspects/impacts, legal requirements, operational controls (including monitoring) and objectives & targets, showing how they interact to achieve sustainable forest management outcomes.
- Selective harvest silviculture is being implemented in a very focused effort to achieve the clear set of performance requirements that address the sustainability focus within the AFS. These appear to be well lead by SFM staff and have been embraced by harvesting contractors.
- SFM has been able to carry out prompt action through its CPAR (corrective and preventative action response) system to address 100% of pre-certification Stage 1 findings that we made. There is a very clear intention to improve the performance of the system. In particular, expansion of the aspects and impacts register was well done, with attention to specific instances where different tasks may have similar aspects and impacts but the significance has been rated for each separately, e.g. impact of smoke on human health from low-intensity and high-intensity burns respectively. The focus on the "forests' contribution to carbon cycles" (4.7.1) is considerable for such a forest manager of such a relatively small scale.



The forest manager will make the summaries of this report, the previous Stage 1 audit pre-certification business review audit report (sections 1 and 2) and any subsequent surveillance reports publicly available to relevant stakeholders.

In addition to the information presented to the forest manager at the closing meeting, we include in this report information pertaining to feedback from stakeholders. We had consultation with a sample from the range of stakeholders identified by the SFM Forest Products on their management of the Defined Forest Area.

- o Seven stakeholders were selected for completing Global-Mark's 'Stakeholder Satisfaction Survey' and included (1) three local Councils, (2) Tourism Industry Council, (3) another forestry organisation, and (4) two landowners whose forest SFM Forest Products manages.
- o Stakeholder responses indicated that the level of consultation from the forest manager towards these stakeholders at least "meets (the stakeholder's) expectations" and in one case "more than meets" their expectations. Hence, on balance the forest manager "meets expectations" of stakeholders.
- o All stakeholders have been involved with or were aware of the opportunity to be involved with development of forest management plans "most of the time" (Local Councils) or "everytime" (landowners).
- o All respondents considered staff of the forest manager to be professional "every time".
- o Only one had any reason to make a complaint to the forest manager and the details of this were not elaborated.
- o One stakeholder, a local Council, in the response invited SFM Forest Products to further foster appropriate relationships in order to be a good neighbour, through contact to discuss natural resource management (e.g. weed management), collaboration opportunities, involvement in the implementation of the NRM Strategy (natural resource management) and to facilitate the exchange of information and work with relevant partner agencies to implement priority actions.
- o Overall, the average rating (from four responses) of the performance of the forest manager was 9.25 out of a maximum of 10 (with 10 being excellent).

During this audit we raised five (5) new findings as observations or improvement requests (minor non-conformances) across a number of requirements of the AFS. The forest manager during the audit and particularly at the closing meeting identified the root cause of these matters and indicated a plan to address these matters in order to achieve these AFS requirements within an agreed time frame. In addition, we raised one further observation as a result of the feedback from stakeholders. This relates to reviewing the response by SFM Forest Products to an invitation from a local Council on further collaboration that could further foster appropriate relationships in order to be a good neighbour.

We believe that the organization listed above at the site(s) listed above on the basis of this Stage 2 certification business review audit does have the ability systematically meet all the requirements of the standard (listed above), and for the activities/products listed on the Global-Mark scope of certification. The scope of the audit is listed above.

Therefore, certification is recommended.



Photos - Retained vegetation as wildlife clump on coupe SFM142A (left) and Senior Forest Planner near grip on track to help protect soil and water values by controlling runoff and erosion on coupe SFM134 (right).



Table 1 - List of coupes visited.

Date	Coupes visited	Forest Type/Features	Operations active
9 <sup>th</sup> April 2010	SFM134 (Forest Practices Plan # AVL0056) 87.9 hectares harvest area Walked 1.1 kilometers across coupe.	Uneven-aged <i>Eucalyptus</i> native forest. A number of special values for protection, including a threatened Blue Gum community for Swift Parrot habitat.	Operations ceased but in previous three months selective harvest of <i>Eucalyptus</i> native forest visited at stage 1 pre-certification.
9 <sup>th</sup> April 2010	SP004 (Forest Practices Plan # DFR0019) Agnews Marsh, Interlaken Road Spring Hill Pastoral 42.2 hectares harvest area Walked 2.7 kilometers across coupe.	Uneven-aged <i>Eucalyptus</i> native forest. There were no particular special values identified for protection, as no special flora communities present and no appropriate habitat for fauna species that was to be excluded from the harvest area.	Operations ceased but in previous week a regeneration survey assessment of <i>Eucalyptus</i> native forest selectively harvested three years previously. Regeneration survey using strip lines.
9 <sup>th</sup> April 2010	SFM142A (Randomly selected coupe) (Forest Practices Plan # AVL0057) 129.1 hectares harvest area Walked 3.7 kilometers across coupe.	Uneven-aged <i>Eucalyptus</i> native forest. Special values for protection included wildlife habitat strip, wildlife habitat clumps and a buffer strip on Lake Leake Road.	Selective harvest operation recently commenced. Chainsaw falling, processing and skidding extraction of logs. Segregation of products for transport and sale.



Photos - Regeneration of *Eucalyptus delegatensis* (R.T. Baker) from within burnt out stump of old growth tree on coupe SP004 (left) and Operations Co-ordinator with Senior Forest Planner in an area selectively harvested within past few days on coupe SFM142A (right).

## 2 Review teams findings

At the conclusion of this review the following presents the status of new and existing findings:

Number of findings:

- Open Total: 6
- Closed Total: 14
- Remaining open: Total: 0 (this is the first audit)



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End of summary report