

Business review report - AFS: summary



Client Name / Business name	OneFortyOne Plantations Pty Ltd
Date(s) of review:	Monday 19 th to Thursday 22 nd September 2016 - audit on site. 27 th , 28 th September 13 th , 14 th and 18 th October - Stakeholder contact. 27 th , 28 th September 13 th and 19 th October - follow up.
Type of review	Re-certification
Site visited (include address)	Jubilee Highway, Mt Gambier South Australia 5290; and field sites Nangwarry Depot, Riddoch Highway, Nangwarry, 5277 SA
Certification standard	Australian Forestry Standard: AS4708 - 2013
Scope of activities within the scope of certification (short description)	Forest management activities and forest operations within the Defined Forest area that is predominantly plantations.
Scope of the audit / review	All requirements of the standard as applicable to the DFA and sites.
Names of review team members:	Jonathan Tibbits, Wayne Tibbits [audit team leader]
Name of Global-Mark Client Manager, and signatory to this report:	Wayne Tibbits [audit team leader]
Brief description of the FMU / DFA	Predominantly <i>Pinus radiata</i> plantations.
Guidance as to how to obtain further details of the DFA may be accessed	Maps are available online.
The area of the DFA as advised by AFSL (including updates)	93,564 hectares
Any applicable qualifications for the scale and intensity as referred to in AS4708	Nothing to comment on.
Exclusions to the standard/management system	Some requirements are not applicable to the forest types in the DFA.
Name of Management Representative	Mrs Anne Kerr

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.

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. The summary of it is publicly available through Global-Mark and the client organisation.
- Global-Mark reserves the right to make this report available to regulators, and/or funding providers if requested.

Attendance to opening and exit meeting (record below or refer to attendance sheet scanned and in report PDF)

Name (s)	Opening meeting	Closing meeting
O. Trumper	<input checked="" type="checkbox"/> Yes - by phone: <input type="checkbox"/> No	<input type="checkbox"/> Yes : <input checked="" type="checkbox"/> No
Anne Kerr, J. Rombouts, G. Saunder, J. Jager, A. Bowe, M. Theobald	<input checked="" type="checkbox"/> Yes : <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes : <input type="checkbox"/> No
J. Zuijnenburg	<input type="checkbox"/> Yes : <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes : <input type="checkbox"/> No
W. van Niekerk	<input checked="" type="checkbox"/> Yes : <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes - by phone: <input type="checkbox"/> No
Global-Mark audit team members: Jonathan Tibbits & Wayne Tibbits	<input checked="" type="checkbox"/> Yes : <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes : <input type="checkbox"/> No



1 Review team conclusions

Audit observations were made, documents inspected and discussions held at this re-certification review, to gather objective evidence for evaluating conformance or nonconformance with the requirements of the standard at the Mt Gambier offices, nursery, field depots and at various field sites across their Defined Forest Area. Audit duration was split about equally between office and field. Throughout this report OneFortyOne Plantations Pty Ltd may be referred to as OFO, the forest manager or the organisation.

We confirmed at the opening meeting with the Chief Operating Officer that the Executive Lead Team of OFO wants autonomous enablement of the Mt Gambier region. Hence, at this stage there is no need to include the Melbourne site of OFO in the scope of certification. The scope of certification is the Defined Forest Area [DFA] of OneFortyOne Plantations Pty Ltd as described within their Forest Management Scope and Defined Forest Area [document Code: FMS001]. The DFA is updated annually and depicted in their website map sheet linked to Arc-GIS.

The DFA comprises 93,564 hectares of which there are four Forest Management Units [FMU]:

1. Pine plantation FMU covers approximately 74,625 hectares.
2. Clear, fallow, buffers and non-productive FMU covers approximately 12,517 hectares.
3. Native forest reserves or protection FMU covers approximately 2,672 hectares.
4. Eucalypt plantation FMU covers approximately 405 hectares.

Field sites and office visited:

The forest manager supplied us prior to this review a list in which the pine plantation FMU had 103 active operations within the previous three months (from June 2016). We determined for these pine plantations that, when rounded up, then nine [9] was the minimum number of coupes to visit, with three [3] or some 25% selected at random [using random numbers generated in Excel]. In fact, the audit team visited 12 active sites. Visits included at least one inactive site in each FMU. The coupes visited are listed in Table 1 shown below [random in highlight]. Photographs were taken during these visits. Some may be included in the PDF report. The central office is in Mt Gambier.

Consultation with interested parties, including stakeholders:

At this review we intentionally selected and contacted seven stakeholders from the forest manager's list of stakeholders for Global-Mark's 'Stakeholder Satisfaction Survey' to see how the forest manager is proactive in stakeholder engagement. Not all of the questions in the Global-Mark survey were used, as interviews were adjusted for the specific stakeholder depending upon their identified economic, environmental, cultural and/or social interests in the activities of OneFortyOne Plantations. The responses indicated that the forest manager does demonstrate proactive stakeholder engagement.

General points and recommendation:

Evidence is that the organisation provides resources appropriate to the nature, scale and impacts of the forest and forest activities. We confirm that we found the team employed by OFO to be well qualified and experienced to achieve the forest management objectives and targets. There have been major changes in staffing since the previous audit in April 2015. At that time the people conducting most forest management activities were employed by ForestrySA. Late in 2015 most of these transferred across to OFO.

Evidence from this business review audit indicates that the forest management system and its associated field operations have ability to meet the criteria and requirements of the AFS as required under AS4708:2013. The forest manager is compliant with all the requirements of the AFS, including systematic management, stakeholders, biodiversity, forest productive capacity, forest ecosystem health, soil and water resources, carbon, cultural values, and social and economic benefits. We closed all previous findings open at the end of the last review in 2015 [shown in the comments in main body of the report, section 3]. During this audit we raised seven new findings, five as observations. All of these new findings are shown as red colour font in the comments of the report's main table. Other comments for the forest manager to note are in yellow highlight. The forest manager appears compliant with the many and varied regulatory requirements under which they operate. Two findings were rated as minor nonconformance, related to systems for ensuring operations by contractors are effectively managed to protect special features oils/ water resources and procedures for carbon accounting. At the closing meeting the forest manager was informed that we had closed the one on carbon and in order to issue an updated certificate to AS4708:2013 they need to provide evidence to Global-Mark that they have identified root cause and implemented effective corrective action plans for the remaining matter.



This additional evidence was received during September and October 2016 from the Forest Management Systems Manager and Manager - People & Risk, in emailed documents to address the outstanding minor non-conformance. We assessed all the provided information and confirmed that there had been sufficient corrective action, including identification of root cause. The finding was closed. Details are contained elsewhere in this report.

We believe that the organization listed above at the site(s) listed above has the capability to systematically meet the requirements of the Australian Forestry Standard and for the activities/products and sites listed on the Global-Mark scope of certification. We have audited over only two years of the last three-years certification cycle yet consider system performance to be satisfactory. In this we have considered previous surveillance audit reports.

2 Review teams findings (major, minor non-conformities) or observations

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

Number of findings:

Finding Details	# Major non-conformities	# Minor non-conformities	# Observations	Total
Findings from previous audit(s) at start [Finding № 9-17]	0	1	8	9
Findings from above closed during this audit [Finding № 9-17]	0	1	8	9
New findings opened during this audit [Finding № 18-23]	0	2	5	7
New findings closed during this audit [Finding № 20]	0	1	0	1
Findings closed at follow-up [Finding № 22]	0	1	0	1
Findings open at the end of this audit and follow up [Finding № 18-19, 21, 23, 24]	0	0	5	5

Mandatory reporting:

Effectiveness of the management system (including internal audits and corrective action tool) - Comment based on audit observations and previous audit findings / history.	The forest manager implements internal audits and corrective action across the suite of AFS requirements in its DFA.
Description of the DFA register used that has details of all separately described blocks or forest management units.	Document code FMS001 identifies that DFA is land subject to Plantation Lease Agreement [SA] and Plantation Lease Agreement [VIC]. DFA is: <ul style="list-style-type: none"> DFA = 93,564 hectares. Loss of 18 hectares of native vegetation from 2015 to 2016 was not clearing but reclassification of areas to firebreak as confirmed by looking at GIS layers and polygons associated with changes.
Description of the system that can track additions and/or deletions to the DFA between audits and that can provide areas and maps of any changes	The DFA is recorded and areas classified in GIS layers and polygons associated with classes.
Have there been any significant changes to the DFA and if so when did they advise Global-Mark?	Changes to this have been small. For example: <ul style="list-style-type: none"> Loss of 18 hectares of native vegetation from 2015 to 2016 was not clearing but reclassification of areas to firebreak as confirmed by looking at GIS layers and polygons associated with changes. Addition of some land takes place. One such example was: Jones' property that was planted in 2015. These compartments were not in the DFA for June 2015 because the previous crop of trees was not owned by OFO. This year, the DFA includes them because trees were harvested, sites prepared and they were replanted in 2015 season.
How does and when did the client provide AFSL with	Whilst document code FMS001 identifies that DFA scope



an annual statement confirming the current DFA?	and extent, it does not indicate by what means OFO will provide AFSL with an annual statement confirming the current DFA. See finding № 19. The Forest Management Systems Manager indicated that they had planned to rely on a similar approach to 2015 where Global-Mark supplied the AFS Ltd Notification Form, they completed it, returned it to Global-Mark and Global-mark forwarded it to AFS Ltd. However, they will explore their own means of directly contacting AFS Ltd. <u>Logo use:</u> Generally on external focused communications. The AFS logo is used on the organisation's Policy, Forestry Management Plan, website, Conservation Features Training presentation/brochure, Sustainable Forest Management Policy, neighbour notification letters, MS word letterhead template, log standard specifications document. We did find one instance of incorrect use of AFS logo - see Finding № 18 [observation]. Sighted June 2016 email correspondences between OFO Forest Management Systems Manager and Administration Officer at AFS Ltd on use of logos for new Forest Management Plan.
Has there been any breach of regulatory requirements within the scope of certification to AS 4708, and when and how did the client advise Global-Mark?	No breaches have been reported.

Below is a summary of the most important observations, positive, negative and including considerations of compliance risks arising from activities of relevant stakeholders.

Several positive noble practices were observed, including:

- Planning Foresters are providing laminated maps for operational plans to all machine operators so that this pictorial information is readily available and less likely to be damaged or compromised.
- An ongoing programme of control of pine wildlings into adjacent inliers is underway.
- Silvicultural operations at Longs were detailed enough to treat a small part and partition this area about 19 hectares close to water body and exclude use of a chemical that could more readily move into water.
- The 'OneSafeGroup' that is comprised of the heads of organisations, and safety managers of OFO contractors is a great example on industry leadership. The safety benchmarking work that has also been done is another example of proactive forest management, where being an industry leader is an asset to your organisation.
- It is commendable that in chapter 9 on 'Health' of the 'Plantation Forestry Manual' [PFM0009, issued 1/10/15] that non-biotic damage agents are detailed, such as lightning, wind, hail, sun scorch and salt.
- Interactive DFA maps on the OFO website enable interested parties to zoom in on portions of the DFA, providing more detail than is usually made available.
- Glencoe nursery: A 'Safe Pour' apparatus was used to assist with decanting chemicals from 20 L containers.

During this audit the audit team identified a critical control point [CCP] that could pose a compliance risk. This pertains to field identification of special features and/or protected values with clear identification in the field so that operational activities keep away as prescribed. The practice at OFO is to largely unmark these features and any associated buffers. In one instance this led to a situation where machines had entered an exclusion zone. This is detailed in our report as Finding № 20. We issued a minor nonconformance for this and after the forest manager had implemented corrective and preventative action we closed this matter.

The audit team has experience in multiple audits for a total of 11 forest managers across NSW, Queensland, South Australia, Tasmania and Victoria over the past 10 years. Therefore it has opportunity to consider what may be best practices. With respect to identification and protection in the field of special features and/or protected values, the best practice appears to be clear and obvious marking of all these with flagging/surveyor tape by the forest manager coupled with field operators being thoroughly inducted and made aware of where features/values are located.



Table 1 - List of sites visited during the audit.

Date & auditors	Compartment [cpt.]/ site ID	FMU & Features	Operations active or past
19 th JT & WT	Glencoe Nursery	Chemical store. Nursery infrastructure.	Planting stools for cutting hedges.
20 th JT & WT	Locality Gran Gran T4; Event Number 800470; Source 51110; [Randomly selected]	Pine: Thinning = T3/4. Cpt. 123 had wildlings in native veg.	Tabeel TTV contractors had completed operation.
	Locality 3 Gates. Cpt. 122-125; Event № 800579; Source 84718.	Pine: No significant features in 79.07 hectares.	Clearfall harvesting operation in progress with contractor Fennell Forestry. Gildera Forest services crew doing 10% log sample.
	Locality 3 Gates, Overland Track. Cpt. 122-125; Event № 800573; Source 94020.	Pine: Established 1981, 22.5 hectares.	Pole harvest in operation by contractor Moorland Holdings.
	Mount Burr depot.	Chemical store.	Nil.
	Locality Mt Burr, Cpt., 100.	Native vegetation: Whennans Dianella orchid or <i>Dianella callicarpa</i> (Swamp flax-lily).	Recent transplant into native vegetation inliers.
	Locality McRosties in Mt Burr forest, Cpt. 100-105; Event № 200245 chopper roll, 200246 clear, 200279 burn, 210112 spot, 230138 plant.	Pine: 60.7 hectares. Issue with high stumps from harvest impacting site preparation. Inlier.	Contractor completed planting 15/09/16.
	Locality Glencoe Hill in Mt Burr forest. Event Number 220529.	Pine: 32.19 hectares.	Helifarm Pty Ltd aerial herbicide application 17/08/16.
	Locality Longs in Mt Burr forest. Event № 220551. [Randomly selected]	Pine: 63.12 hectares.	Helifarm Pty Ltd aerial herbicide application 08/07/16.
21 st JT	Mount Gambier depot.	Equipment.	Nil.
21 st WT	Locality Lands in Penola forest, cpt. 12; Event ID № 230142 [Randomly selected]	Pine: 236.5 hectares. Native vegetation: Conservation feature of inlier with wildlings and NRM funding sought to manage.	Contractor A&M finished planting 13/08/16. Met with 141's supervisor Terry. Inactive native vegetation site.
	Locality Lands in Penola forest.	Eucalypt: Small patch of <i>E. globulus</i> . Plot 23 III 2 located.	Inactive site.
	Locality Lands in Penola forest, cpt. 12; Event ID № 200442 chopper roll & 200443 clear/heap.	Pine: 112.4 hectares	Contractor Nomad Pty Ltd active clearing and heaping. Interviewed operator, Brett.
	Locality Yeats in Penola forest, cpt. 173 & 177; Event ID № 800496; Source № 93734.	Pine: 19.2 hectares. Swamp between cpt. 173 & 177 excluded from machine & vehicle movements.	T2 harvesting operation in progress with contractor Kettle Logging. Gildera Forest services crew tree marking.
	Locality Island Swamp in Penola forest, cpt. 173 & 177; Event ID № 800496; Source № 93734.	Pine: 554 hectares. Several small swamps in area. Pale Flax Lily threatened species in cpt. 141.	Tabeel T3 contractors were in operation.
	Locality Myora in Penola forest, cpt. 173 & 177; Event ID № 800525; Source № 99620.	Pine: 120.67 hectares. Several small swamps in area. Observation well cpt. 125. Old Myora HQ site.	K.C. 7 M.R. Boulton contractors were in this T1 operation. 3 x 608 Timberjack harvesters & 2 forwarders.
	Locality Myora in Penola forest, cpt. 130.	Pine: Pruned firebreak Myora Rd. Established 1999.	Inactive site.
	Locality Dicksons in Penola forest, cpt. 129-130; Event ID № 800613; Source № 23684.	Pine: 15.9 & 16.6 hectares established 1986. No haulage 2200-0700 hours for neighbour.	Clearfall harvesting operation in progress with contractor Fennell S Forestry.

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End of report