



# REPORT

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GUNNS FOREST PRODUCTS  
PTY LTD

AFS SUMMARY AUDIT REPORT  
MARCH/APRIL 2010

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## 1. INTRODUCTION

This audit was a periodic assessment (PA1) of Gunns' Safety, Health & Environmental (SHE) Management System according to the requirements of the Australian Forestry Standard (AS 4708-2007). At the same time in an integrated fashion, the SHE System was audited against the requirements of the international Environmental Management System Standard (ISO AS/NZS 14001:2004).

The audit encompassed assessment of the North West Management Region (Tasmania) and the Green Triangle/South East Management Region (SA & Vic), including forest management records held in the Ridgely and Mt Gambier offices, Somerset Nursery, and the Tarpeena Forest Depot. Site inspections of forest operations in the Regions included native forest harvesting and regeneration, hardwood and softwood plantation establishment, tending and harvesting, wildfire preparation and response, biodiversity conservation and reserve management, quarry management, nursery operations, neighbor relations, management of pests, protection of soil and water resources, heritage management and health and safety management for employees and contractors.

## 2. THE AUDIT

### 2.1 Audit Scope

Gunns Forest Products Division, native forest and plantation management activities in Tasmania, Victoria and South Australia.

### 2.2 Audit Objectives

Conduct a periodic assessment (PA1) of the Safety, Health & Environmental (SHE) Management System operated by Gunns Forest Products against the requirements of the Australian Forestry Standard (AS 4708 – 2007) and ISO14001, including site assessment of operations in the North West Management Region (Tasmania) and the Green Triangle/South East Management Region (SA & Vic).

### 2.3 Audit Protocols

The audit was conducted in accordance with JAS-ANZ Procedure 26 Revision 3, DNV Certification audit protocols, and with the requirements of AS 4708 - 2007. The audit was conducted by two auditors assessed by DNV as meeting the competency requirements for qualification as AFS and EMS auditors. The audit comprised of twelve auditor days in total, not including report preparation.

### 2.4 Audit Process

The audit was conducted from the 16<sup>th</sup> – 19<sup>th</sup> March 2010 and 20<sup>th</sup> – 23<sup>rd</sup> April 2010. The audit included opening and closing meetings in each Region. Assessment activities included review of operational documentation, interviews with senior Regional staff and operational management, review of records associated with management and control of the forest management system, and field audits of forestry and forest management activities. Discussions with a variety of stakeholders and interested parties were also undertaken.



## 2.5 Background of Client

Gunns Forest Products is an integrated forestry organisation operating across northern and eastern Tasmania and South East Australia (Green Triangle). Gunns achieved certification of its forestry operations to ISO 14001 in 1998. It achieved certification of its forestry operations to the Australian Forestry Standard in August 2003. It is presently maintaining certification to both AS/NZS ISO 14001:2004 and AS 4708:2007.

Gunns forestry operations are divided into four business units – North East, North West and South East Tasmania, and South East Australia (Green Triangle in Victoria and South Australia).

## 3. AUDIT RESULTS

### 3.1 Performance against assessed Criteria & Requirements

Findings of this audit demonstrated a high level of achievement of the requirements of the Australian Forestry Standard (AFS), including continual improvement of resulting forest management performance. Key finding relating to deficiencies, opportunities for improvement and note-worthy efforts are summarized as follows:

The audit showed Gunns' SHE Management System to be continually improving in its role of achieving the Gunns' Environmental and Sustainability Policy and establishing conformance with the requirements of the Forestry and Environmental Management Standards. It is understood that Gunns are intent on the establishment of an Integrated Management System (IMS) covering all of Gunns' operations. It is recognised that this move is an opportunity to establish a management system that further implements Gunns management policies, and meets the requirements of the relevant standards in a practical and flexible manner. The IMS promises to avoid duplication and contradiction caused by the development of past systems in different locations, by different personnel and at different times; especially with regard to the current "change management activities" prevalent in the organisation at this time due to the purchase of the Auspine company, and Great Southern timber assets.

Gunns Forest Management Aspects and Impacts Registers continue to evolve and improve, however care needs to be taken to ensure that analysis for significance is initially focused on "impacts" associated with "aspects" or "activities". It is suggested that Gunns continue to pay attention to the development of "descriptors" for the analysis of impacts to determine "significance". Also, Gunns could include "change management" as an aspect/activity in their Registers. The Forest Management Aspects Registers for the Green Triangle Region have not yet effectively identified "significant forest management aspects" consistent with ratings determined in other Regions

The Green Triangle Region has made considerable progress implementing a forest management system in accordance with the requirements of AS 4708, however considerable development is still required, especially in relation to system



documentation being consistent with Gunns' corporate policies and procedures. For example, Gunns recognise indigenous peoples rights and responsibilities through their commitment in the Forest Management Statement, including recognition of relevant State and Federal laws. However, whilst Forest Operations Plans (FOPs) in the Green Triangle Region make reference to cultural heritage sites they do not address the possibility of activities affecting indigenous peoples rights.

The current separate IT systems applying to Tasmanian and mainland operations are a considerable hindrance to the full incorporation of Gunns' management systems to operations in the Green Triangle Region.

Forest Practices Plans (FPPs) and Forest Operations Safety Plans (FOSPs) (Tasmania) and Forest Operations Plans (FOPs) (Vic/SA) and were found to be very well prepared and executed.

In the Green Triangle Region, Gunns cannot demonstrate adequate communication/consultation to contractors of required procedures and controls (e.g. operating criteria) for identified forest management aspects and impacts.

Inspection of harvesting operations in the Surrey Hills Estate (FPP # GFP 420) showed poor contractor performance (e.g. inadequate safety signage, evidence of oil spills not cleaned-up and no Forest Operations Safety Plan (FOSP) on site).

The Green Triangle Emergency Response Register identifies the requirements for emergency testing, however no tests have been undertaken or planned, and there is no procedure committing to, and dealing with, how emergency testing will be undertaken.

Whilst Green Triangle operations have developed an annual compliance audit tool for Forest Operations Plans, evaluation of compliance with all legal and other requirements has not been effectively achieved.

Gunns' contribution to nature and Aboriginal and European cultural heritage conservation within their Defined Forest Area is exemplary. Examples in the Surrey Hills Estate (e.g. the establishment of conservation covenants, nature conservation plans and vegetation management agreements resulting in restoration of the heritage listed huts, collaborative efforts with Government and volunteer community groups to monitor threatened orchids, monitoring of pest wasps, and monitoring and habitat improvement works for native grasslands, rainforests, eucalypt forests, butterflies and other specific important values) demonstrate efforts and achievements beyond expectations and requirements for best practice forest management according to international standards.

Gunns continue to improve silvicultural techniques resulting in improved production, safety and environmental performance (e.g. use of chopper roller resulting in less burning and loss of nutrients and consequently reduced fertiliser application). Also improved hygiene at the Somerset Nursery have resulted in reduce chemical use (e.g. no application of pesticides).

The Green Triangle Region can demonstrate diligent attention to OH&S, however OH&S management has not yet been effectively integrated with environmental and social aspects in a systematic manner. For example, FOPs do not cover the health and



safety of workers in plantations and there is no OH&S risk assessment for individual forest operations, and thus no identification of the need for additional controls that may be required.

#### **4 AUDIT CONCLUSIONS**

Six minor non-conformances were raised as a result of the AFS audit. The non-conformances generally reflect planning and operational management in the Green Triangle Region that is immature relative to management in Tasmania. Previous management systems in the Green Triangle Region were not designed to be compliant with the requirements of the Australian Forestry Standard, and the requirements of Gunns' Safety, Health & Environmental (SHE) Management System have not yet been fully applied. Nevertheless, general performance measured against the requirements of the AFS in the Green Triangle Region is sound and the progressive adoption of the Gunns SHE System promises continual improvement to both management and management system performance.

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