



REPORT

GUNNS FOREST PRODUCTS
PTY LTD

AFS SUMMARY AUDIT REPORT
OCTOBER 2013

DET NORSKE VERITAS

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3. AUDIT SUMMARY

3.1 Performance against assessed criteria and requirements

- 3.1.1 Criterion 1 - Forest management shall be undertaken in a systematic manner that addresses the range of forest values.
- 3.1.2 Criterion 2 – Forest management shall provide for public participation and foster on-going relationships to be a good neighbour.
- 3.1.3 Criterion 3 – Forest management shall protect and maintain the biological diversity of forests, including their successional stages, across the regional landscape.
- 3.1.4 Criterion 4 – Forest management shall maintain the productive capacity of forests.
- 3.1.5 Criterion 5 – Forest management shall maintain forest ecosystem health and vitality.
- 3.1.6 Criterion 6 – Forest management shall protect soil and water resources.
- 3.1.7 Criterion 7 – Forest management shall maintain forests' contribution to carbon cycles.
- 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.
- 3.1.9 Criterion 9 – Forest management shall maintain and enhance long-term social and economic benefits

4. AUDIT CONCLUSIONS



1. INTRODUCTION

This audit was a Periodic Review of Gunns' (Receivers and Managers Appointed) (In Liquidation) 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) and the Australian Chain of Custody Standard (AS 4707:2006).

In addition the audit considered Gunns SHE Management System and forest management performance with regard to the new Australian Forest Management Standard (AS4708-2013) according to transitional requirements to the adoption of the new standard.

The audit encompassed examination of forest management records held in the Launceston Head Office and inspection of a range of forest management operations within areas of native vegetation, softwood and hardwood plantations over which Gunns has control in Tasmania.

Site inspections of forest operations included softwood and hardwood plantation tending and harvesting operations (incl. in field chipping operations), protection of forest values, forest management challenges (e.g. occurrence of "sinkholes"), roading, wildfire preparation and response (incl. hazard reduction burns), biodiversity conservation and reserve management, stakeholder engagement, neighbour relations, management of pests, weed control, protection of soil and water resources, and health and safety management for employees and contractors.

2. THE AUDIT

2.1 Audit Scope

Gunns Forest Products Division, plantation management activities and native forest non-productive conservation maintenance in Northern Tasmania.

2.2 Audit Objectives

Conduct a Periodic Review of the Forest Management System (Safety, Health & Environmental (SHE) Management System) operated by Gunns Forest Products against the requirements of the Australian Forestry Standard (AS 4708 – 2007), including site assessments of operations in Tasmanian forests.

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 auditors assessed by DNV as meeting the competency requirements for qualification as AFS auditors. The audit comprised eight audit mandays in total.

2.4 Audit Process

The audit was conducted on site from 28th – 31st October 2013. The audit included an opening and closing meeting, review of operational documentation, interviews with senior and operational management and stakeholders and interested parties, review of records associated with management and control of the forest management system, and field audits of forest management activities. An interview with the appointed Receivers and Managers – KordaMentha was also undertaken.



2.5 Background of Client

Gunns Forest Products ((Receivers and Managers Appointed) (In Liquidation) is an integrated forestry organisation operating across Australia. 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 AS4708:2007, AS/NZS ISO 14001:2004 and AS 4707:2006.

3. AUDIT RESULTS

3.1 Performance against assessed Criteria & Requirements

Findings of this audit showed management performance commensurate with the requirements of the Australian Forestry Standard. Evidence was collected to show that the Gunns' Safety Health & Environmental (SHE) Management System has been implemented, maintained and improved across forest management activities in Tasmania. Evidence included system documentation, records of system application and interviews with Gunns' management, stakeholders and interested parties.

The key findings of this audit including minor non-conformances, observations, opportunities for improvement and note worthy efforts are as follows:

- Consistent with previous Tasmanian AFS and EMS audit findings, Gunns compliance to the requirements of the Tasmanian Code of Forest Practices was found to be extremely rigorous and while Forest Practices Plans (FPPs) are onerous to complete, the application of Gunns SHE Management System to prepare and audit (i.e. conduct Peer Reviews) these Plans, including the use of extensive databases and skilled planners has largely avoided/reduced risks of adverse impacts damaging to Gunns and the forest industry in general. In short Gunns have been able to demonstrate very comprehensive identification, understanding, and application forest management controls for the protection and conservation of natural and cultural forest values for now and in the future, whilst also effectively managing forests for wood production. **(Note Worthy Effort)**
- Sighted *Forest Management Plan – Gunns Forest Products Tasmanian Forest Management Unit* (approved June 2013). The Plan is a detailed account of Gunns' forest management in Tasmania, including objectives and commitments for management performance conforming to the requirements of AS 4708-2007. In addition, Gunns have prepared *Safety Health & Environmental Objectives and Targets 2013-2014*. These focus on significant forest management aspects that have been determined by Gunns. **(Note Worthy Effort)**
- Maintenance of a Forest Management System has been complex due to downsizing and fragmentation resulting from Gunns being in liquidation. However audit findings confirmed that past rigorous implementation of a management system in accord AS 4708-2007 has been most valuable, as forest management knowledge and best practice forest management processes have been effectively captured. **(Note Worthy Effort)**
- The list of legal and other requirements contained within the Forest Operations Aspects and Impacts Register requires up-dating (e.g. *Work Health & Safety Act 2012* is not identified). **(Observation)**



- At RO130B (Goliath South Road) the contractor is Orana. There were some areas where normal WHS processes are not being followed:
 1. Fire extinguisher tags either missing or out of date;
 2. A hired machine, currently used only for truck loading had its seat belts inaccessible for use if needed;**(Minor Nonconformance)**
- The objective to “Increase Awareness of GFP SHE Management System” by implementing awareness training for operational staff has been well addressed during the past couple of years, however recent “uncertainties” associated with liquidation proceedings have resulted in awareness training sessions not being undertaken as frequently or as rigorously as initially planned. **(Observation)**
- The Forest Operations Aspects and Impacts Register (Safety & Environment) and the Certification Land Management Aspects and Impacts Register (Environmental, Social & Economic) very effectively identify and assess the significance of “forest management aspects” for Plantation establishment & tending, harvesting and reforestation and the Somerset Nursery. **(Note Worthy Effort)**
- Gunns continue to actively communicate with, and involve, stakeholders, interested parties and neighbours in the management of the DFA. For example, David Kirkham, President of the N/W Fly Fishing Club expressed strong gratification for Gunns support and provision of fly fishing opportunities for the members. Also Gunns have approved use of their Basil Airstrip by the Wynyard Aero Club. **(Note Worthy Effort)**
- GFP’s process for identifying Special Values (HCV) during planning an operation indicated that two sites of European heritage existed at RO104C (Dawson’s Sidling 4). A site inspection revealed they were incorrectly mapped. By making a big effort to investigate a large area of mature plantation the sites were located. This will allow appropriate prescriptions for their preservation to be planned and implemented. **(Note Worthy Effort)**
- Post appointment of the Receivers, Gunns has taken on the responsibility of reforestation within harvested plantations as per the obligations of the Forrest Practices system. Budgets have been prepared to meet these obligations, including plantings at the Nursery. **(Observation)**
- In R0104C GFP personnel, having followed good planning process and physically inspected the site have identified a drainage line that is undergoing apparent rapid erosion near its lowest point. The prescriptions for this situation are still being investigated. In the auditor’s opinion, this gully erosion will lengthen up the slope with each rainfall event. It would be consistent with Criterion 6 of the AFS to intervene as soon as possible to reduce the water velocity in this gully, even if the measures adopted might appear contrary to some aspects of the FPC regarding activities within streamside reserves. **(Observation)**
- The Forest Operations Safety Plan could include provision for consultation and understanding sign-off by all workers involved in the operation in accord with the new Tasmanian *Work Health & Safety Act 2012*. **(Opportunity for Improvement)**.
- Inspection of a low intensity Fuel Reduction/Ecological Burn done 2/5/13 on Jims Plain Coup in the NW and examination of the Forest Operational Burn Plan showed exhaustive planning, including risk assessment, application of controls and detailed monitoring and measurement of the activity. **(Note Worthy Effort)**



- The mapping and monitoring of sinkholes occurring in the DFA and Gunns increased understanding of their occurrence and behaviour is noted. **(Note Worthy Effort)**

4 AUDIT CONCLUSIONS

Despite management upheavals and uncertainties as a result of liquidation proceedings, Gunns have maintained performance in accordance with the requirements of AS 4708-2007. In addition the SHE Management System maintained by Gunns is well placed to demonstrate conformance to the requirements of AS 4708- 2013.

Discussions with Receivers (Antony Munro, KordaMentha) revealed firm commitment to the maintenance of Gunns' Safety Health & Environmental (SHE) Management System and management resources and skills necessary to maintain certification.

A handwritten signature in black ink, appearing to read 'Malcolm Macfarlane'.

Malcolm Macfarlane
Senior Environmental & Forest Auditor
November 2013

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