



REPORT

GUNNS FOREST PRODUCTS PTY LTD

AFS SUMMARY AUDIT REPORT - NOVEMBER 2007

REPORT No ZAAAU980DAWES080123-2 v2
REVISION No 2

DET NORSKE VERITAS



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Summary:		

Report No: ZAAAU980DAWES080123 -2 v2	Subject Group:	Date of this revision: 25/02/08	Revision No: 2	Number of pages: 5
Report title: AFS Summary Audit Report - November 2007				
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1 INTRODUCTION

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

2 THE AUDIT

2.1 Audit Scope

Gunns Forest Products Australian Forestry Standard management system and forestry activities.

2.2 Audit Objective

Conduct a periodic audit of Gunns Forest Products against the requirements of AS 4708 - 2007 in the North West Region.

2.3 Audit Protocol

The audit was conducted in accordance with JAS-ANZ Procedure 26 Revision 2, DNV Certification audit protocols and with the requirements of AS 4708 - 2007.

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.

2.4 Audit Process

The audit was conducted from the 19th – 22nd November 2007 at Ridgely Regional office, Somerset Nursery and various regional field locations, including the Surrey Hills Estate. The audit included an opening meeting, review of operational documentation, interviews with senior and operational management, review of records associated with management and control of the forest management system, and field audits of forestry activities.

2.5 Background of Client

Gunns Forest Products is an integrated forestry organisation operating across northern and eastern Tasmania. 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 ISO14001 and AS4708.

Gunns forestry operations are divided into three business units – North East, North West and South East. This audit was conducted in the North West.



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3 AUDIT RESULTS

3.1 Performance against Criteria and Requirements

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

In response to the 2007 version of the Australian Forestry Standard Gunns have reviewed and revised their Permanent Native Forest Estate Policy. The Policy now includes the commitment: “*Gunns will not undertake broad-scale conversion of native vegetation to plantation within its Defined Forest Area*”

During the audit it was noted that Gunns have not identified all applicable legal and other requirements relevant to forest management performance requirements of the AFS. For example, *Native Title Act 1992*, the “Good Neighbour Charter for Commercial Tree Farming Tasmania” to which Gunns are a signatory and various guidelines and technical notes associated with the Code of Forest Practices. These are well identified and included through Forest Practice Plans, however they have not been identified in the Gunns’ Legal and Other Requirements Register, and are thus not checked for their currency or compliance.

North West Region has completed their annual comprehensive assessment of compliance with legal and other requirements.

Gunns continue to make considerable and impressive progress towards determining “significance” of aspects and impacts of activities relevant to the full range of forest management performance requirements of the AFS.

In the North West all Forest Practice Plans (FPPs) reviewed (5) were found to have been prepared and maintained according to procedure and the *Forest Practices Act 1985*.

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

Gunns have established and maintain an “External Stakeholder Consultation Group” comprising of a range of government, industry and public interest groups. This group is provided with the annual Sustainable Forest Management Report for their comments. However, the Group could be better represented by “green” groups that have environmental, economic and social interests in the management of the defined forest area.

Gunns actively foster good neighbour relationships including written and personal visits to notify neighbours of their land management intentions and planned operations.

3.1.3 Criterion 2 – Forest management shall protect and maintain the biological diversity of forests, including their successional stages, across the regional landscape

Gunns retain a dedicated “Conservation Planner” to identify and assess significance of biodiversity values, including structural elements of the forest (e.g. hollow-bearing and roosting trees) for input to Forest Practice Plans.



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All the FPPs reviewed during this audit show diligence and attention to the understanding and protection of biodiversity.

Gunns have prepared detailed internal procedures to address new AFS requirements relating to conversion of natives forest to plantation forest cover.

All logging sites are assessed for forest cover requirements for biodiversity and generally these are addressed by reservation of forest areas/clumps/corridors within the logging coupe.

When necessary Gunns follow Tasmanian DPIW Washdown Guidelines, and engage in collaborative efforts to control weeds and diseases.

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

The State of the Forests Report (30th June 2007) details forest classifications, uses and resources.

Maintenance of the productive capacity of forest is determined on coupe-by-coupe basis through development of FPPs considering forester experience and assessed local conditions. Regeneration surveys are routinely undertaken to ensure stocking to the company standard is achieved. In the North West one regeneration coupe was not surveyed in the specified timeframe but has since been surveyed. While a large increase in the areas surveyed that was stocked to the company standards was achieved in 2006/2007, the result is still short of the set target (e.g. achieved 85%, target is 95%).

In the North West targets set for damage surveys and the per centage of coupes that have met pre-determined damaged levels have been met.

Gunns maintain an advanced fire suppression capability.

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

Damage agents including wildfire, insects and native vertebrates are well identified and managed.

Use of fire and disturbance to maintain forest health and vitality is used for both specific silvicultural and ecological reasons (e.g. grassland burns and post harvesting burns).

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

Soil and water values are addressed in the preparation of all FPPs through the Natural and Cultural Values Evaluation Sheet. Assessments include soil erodibility and erosion hazard, landslide hazard, slopes, town and domestic water supply catchments and streamside reserves.

Diligent attention to the identification and protection of vegetation along streams and drainage lines is given during the planning and undertaking of forest harvesting operations. Standard procedures are specified in FPPs for soil quality protection based on site inspection before and during all harvesting and regeneration operations.

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

Gunns estimation of plantation biomass continues to increase (approx 60,000 tonnes for 2005/2006 to approx 84,000 tonnes in 2006/2007). Increases are attributed to recent plantation expansion activities.



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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

Gunns recognise indigenous peoples rights and responsibilities through their commitment to compliance with legal requirements in their Forest Management Statement and staff are trained to recognise indigenous, cultural and heritage values.

To ensure the protection of indigenous, cultural and heritage values Gunns retain access to databases showing social, heritage, religious, spiritual and cultural values and specific sites. In the North West in 2006/2007 100% of cultural surveys were requested as required by FPPs.

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

Gunns employed 1,444 personnel in 2006-2007 and a further 1,111 contractors and their employees were engaged during that period. Gunns estimate of their contribution to the Tasmanian economy for 2006-2007 is \$556,100,000.

Dollars spent on forest research, development and training in 2006-2007 was considerable less than in previous years.

In order to comply with the *Tasmanian Workplace Health & Safety Act 1995* and its regulations, Gunns rigorously operate according to the Forest Safety Code (Tasmania) 2002.

Safety incidents in a number of categories are routinely reported. Zero Lost Time Injuries (LTI) were recorded for the North West for 2006-2007 for Gunns forest operations employees.

3.2 SFM Indicators

“*Gunns Limited Sustainable Forest Management Report 2006-2007*” summarises results of indicators that have been developed to measure performance against all criteria of the AFS. Indicators include those with targets that measure compliance with Gunns’ policies, procedures and external standards and non-target indicators that provide insight into the scale of operations. Results show high levels of compliance and marked improvements in the results of target indicators since the implementation of the indicators in 2003-2004 and further expected improvements. The report will be available to the public early 2008.

3.3 Themes

3.3.1 Theme 1 Notable or Good Practice

A significant noteworthy effort has been the manner and thoroughness that Gunns have demonstrated in implementing their revised Permanent Native Forest Estate Policy (i.e. *Gunns will not undertake broad scale conversion of native vegetation to plantation*) made as a result of changes formally adopted in the 2007 issue of the AFS.

“*Gunns Limited Sustainable Forest Management Report 2006-2007*” is a very comprehensive and effectively demonstrates Gunns’ management processes and performance achievements towards sustainable forest management.

The area of Permanent Forest Estate contained within reserves continues to increase.



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In the North West seed sourced from “on-coupe” or “in zone” for reforested areas to promote the maintenance of the generic integrity was 100% for 2007/2007. The previous year it was 97%.

Ecological burning is well established in the North West Tasmania for the conservation of the Ptunarra Brown Butterfly.

Gunns conversion of pine plantations to native grassland in the Surrey Hills estate is most noteworthy.

Commitments to reduce the reliance on chemicals are regularly reviewed, and in the North West 1080 for vertebrate pest control is rarely used.

3.3.2 Theme 2 Opportunities for Improvement

The current review and revision of The Forest Management Statement (October 2005) offers considerable opportunities to make forest planning and operational management more transparent to both internal and external stakeholders.

3.3.3 Theme 3 Areas of Non-Conformance

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

4 AUDIT CONCLUSIONS

It is recommended that the certification of Gunns Forest Products to AFS AS 4708 - 2007 be continued with no additional audit requirements.

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