

FOREST MANAGEMENT CONTROLLED WOOD CERTIFICATION EVALUATION REPORT

VicForests

State Forests in the Central Highlands and East Gippsland

State of Victoria, Australia

SCS-CW/FM -XXXXXX

G.P.O. Box 191
Melbourne 3001

Nora Devoe, Manager, Environment and Planning

www.vicforests.com.au

CERTIFIED
Day Month Year

EXPIRATION
Day Month Year

DATE OF FIELD AUDIT

4-8 December 2017

DATE OF LAST REPORT UPDATE

21 May 2018

*4 October 2018: Report was modified
on this date to remove personal
identifications and to protect privacy
data.*

SCS Contact:

Brendan Grady | Director
Forest Management Certification
+1.510.452.8000

bgrady@scsglobalservices.com

SCSglobal
SERVICES

Setting the standard for sustainability™

2000 Powell Street, Ste. 600, Emeryville, CA 94608 USA
+1.510.452.8000 main | +1.510.452.8001 fax
www.SCSglobalServices.com

Foreword

SCS Global Services (SCS) is a certification body accredited by the Forest Stewardship Council to conduct forest management and chain of custody evaluations. Under the FSC/SCS certification system, forest management operations in compliance with *FSC-STD-30-010, FSC Controlled Wood Standard for Forest Management Enterprises* may make business-to-business claims that the wood originating from their forests is “controlled” – in other words, it does not fall under any of the following five categories:

- Illegally harvested wood;
- Wood harvested in violation of traditional and civil rights;
- Wood harvested in forests in which high conservation values are threatened by management activities;
- Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest areas;
- Wood from forest management units in which genetically modified trees are planted.

SCS deploys interdisciplinary teams of natural resource specialists and other experts in forested regions all over the world to conduct evaluations of forest management. SCS evaluation teams collect and analyze written materials, conduct interviews with FME staff and key stakeholders, and complete field and office audits of subject forest management units (FMUs) as part of certification evaluations. Upon completion of the fact-finding phase of all evaluations, SCS teams determine conformance to the FSC-STD-30-010, FSC Controlled Wood Standard for Forest Management Enterprises.

Organization of the Report

This report of the results of our evaluation is divided into two sections. Section A provides the public summary and background information that is required by the Forest Stewardship Council. This section is made available to the general public and is intended to provide an overview of the evaluation process, the management programs and policies applied to the forest, and the results of the evaluation. Section A will be posted on the FSC Certificate Database (<http://info.fsc.org/>) no less than 30 days after issue of the certificate. Section B contains more detailed results and information for the use of by the FME.

Table of Contents

SECTION A – PUBLIC SUMMARY	4
1. GENERAL INFORMATION	4
1.1 Certificate Registration Information.....	4
1.2 Areas Outside of the Scope of Certification (Partial Certification and Excision)	5
1.3 Standards Used	6
1.4 Conversion Table English Units to Metric Units	6
2. CERTIFICATION EVALUATION PROCESS	7
2.1 Evaluation Schedule and Team.....	7
2.2 Evaluation of Management System.....	9
2.3 Stakeholder Consultation Process.....	10
3. RESULTS OF THE EVALUATION	11
3.1 Process of Determining Conformance.....	11
4. CERTIFICATION DECISION	19
SECTION B – APPENDICES (CONFIDENTIAL).....	21
Appendix 1 – Selection of FMUs for Evaluation	21
Appendix 2 – List of Stakeholders Consulted	21
Appendix 3 – Additional Evaluation Techniques Employed	22
Appendix 4 – Certification Standard Conformance Table	22
Appendix 5 – SCS FSC Chain of Custody Indicators for Forest Management Enterprises.....	37

SECTION A – PUBLIC SUMMARY

1. General Information

1.1 Certificate Registration Information

1.1.1.a Name and Contact Information

Organization name	VicForests		
Contact person	[REDACTED] Manager, Environment & Planning		
Address	2/7-9 Symes Road, Woori Yallock VIC 3139	Telephone	[REDACTED]
		Fax	
		e-mail	[REDACTED]
		Website	www.vicforests.com.au

1.1.1.b FSC Sales Information

<input checked="" type="checkbox"/> FSC Sales contact information same as above.			
FSC salesperson			
Address		Telephone	
		Fax	
		e-mail	
		Website	

1.1.2 Scope of Certificate

Certificate Type	<input checked="" type="checkbox"/> Single FMU	<input type="checkbox"/> Multiple FMU
	<input type="checkbox"/> Group	
SLIMF (if applicable)	<input type="checkbox"/> Small SLIMF certificate	<input type="checkbox"/> Low intensity SLIMF certificate
	<input type="checkbox"/> Group SLIMF certificate	
# Group Members (if applicable)		
Number of FMU's in scope of certificate	1	
Geographic location of non-SLIMF FMU(s)	Latitude & Longitude:	
Forest zone	<input type="checkbox"/> Boreal	<input checked="" type="checkbox"/> Temperate
	<input type="checkbox"/> Subtropical	<input type="checkbox"/> Tropical
Total forest area in scope of certificate which is:		Units: <input checked="" type="checkbox"/> ha or <input type="checkbox"/> ac
privately managed	0	
state managed	1,198,000 ha	
community managed	0	
Number of FMUs in scope that are:		

less than 100 ha in area		100 - 1000 ha in area	
1000 - 10 000 ha in area		more than 10 000 ha in area	1
Total forest area in scope of certificate which is included in FMUs that:			Units: <input checked="" type="checkbox"/> ha or <input type="checkbox"/> ac
are less than 100 ha in area			
are between 100 ha and 1000 ha in area			
meet the eligibility criteria as <i>low intensity</i> SLIMF FMUs			
Total Area of Production Forest (i.e., forest from which timber may be harvested):			
494,000 ha suitable for production.			
Species in the Scope of the certificate: (<i>Scientific/Latin Name</i> – Common/Trade Name):			
See Appendix I of this report for a full list including scientific names. Alpine Ash, Mountain Ash, mixed species, Acacia species, Red Bloodwood, Blue gum species, Black Olive Berry, Brown Stringy bark,, Blackwood, Boxes species, Candle bark, Cut tail, Cherry Ballart, cat Mountain Grey gum, Mountain gum. Errinundra Shining Gum, Gippsland Grey box, Red Ironbark, Messmate, Peppermint, Red Box, Red Gum, River Peppermint, Red Stringybark, Sassafrass, Shining gum, Southern Mahogany, Silvertop, Silver Wattle, Manna Gum, White Stringybark, Yertchuk, Yellow Stringybark			

1.1.3 Proposed FSC Product Classification

Timber Products		
Product Level 1	Product Level 2	Species
W1	W1.1 Roundwood (logs)	Alpine Ash, Mountain Ash, mixed species
Non-Timber Forest Products		
As this is a report on an audit against FSC-STD-30-010, non-timber forest products are outside the scope of this audit. Were 30-010 certification to be achieved, VicForests would not be able to make any claims regarding non-timber forest products.		

1.2 Areas Outside of the Scope of Certification (Partial Certification and Excision)

<input type="checkbox"/> N/A – All forestland owned or managed by the applicant is included in the scope.	
<input checked="" type="checkbox"/> Applicant owns and/or manages other FMUs not under evaluation.	
<input type="checkbox"/> Applicant wishes to excise portions of the FMU(s) under evaluation from the scope of certification.	
Explanation for exclusion of FMUs and/or excision:	The Western or “Community Forests” Region, lands north and west of Melbourne, have a significantly different management history compared to the Central Highlands and East Gippsland Regions of the VF forest estate. Current management circumstances including forest composition and commercial activities are also substantially different in the Community Forest portion of the VicForests estate.
Control measures to prevent mixing of certified and non-certified product:	The overall risk of mixing certified with non-certified product is very low to nil. All logs originating from the VicForests estate are traceable via the use of log truck dockets which contain unique bar

	code numbers on each log sufficient to trace each log back to the harvest area. Information is contained in hand held devices used by contractors to measure each log and are electronically linked to the company CENGEA system where invoicing occurs after dockets are reconciled from the contractors information uploaded from the hand held device. Pulp logs have a barcode created for the whole load. In this case, a unique barcode covers the whole load and not individual logs.	
Description of FMUs excluded from or forested area excised from the scope of certification:		
Name of FMU or Stand	Location (city, state, country)	Size (<input checked="" type="checkbox"/> ha or <input type="checkbox"/> ac)
Western "Community Forests" Region	In the vicinity of Bendigo, Victoria	664,400

1.3 Standards Used

1.3.1 Applicable FSC-Accredited Standards

Title	Version	Date of Finalization
FSC-STD-30-010, FSC Controlled Wood Standard for Forest Management Enterprises	2.0	October 4, 2006
All standards employed are available on the websites of FSC International (www.fsc.org), the FSC-US (www.fscus.org) or the SCS Standards page (www.scsglobalservices.com/certification-standards-and-program-documents). Standards are also available, upon request, from SCS Global Services (www.SCSGlobalServices.com).		

1.4 Conversion Table English Units to Metric Units

Length Conversion Factors		
To convert from	To	multiply by
Mile (US Statute)	Kilometer (km)	1.609347
Foot (ft.)	Meter (m)	0.3048
Yard (yd.)	Meter (m)	0.9144
Area Conversion Factors		
To convert from	To	multiply by
Square foot (sq. ft.)	Square meter (m ²)	0.09290304
Acre (ac)	Hectare (ha)	0.4047
Volume Conversion Factors		
To convert from	To	multiply by
Cubic foot (cu. ft.)	Cubic meter (m ³)	0.02831685
Gallon (gal.)	Liter (l)	4.546
Quick reference		
1 acre	= 0.404686 ha	
1,000 acres	= 404.686 ha	
1 board foot	= 0.00348 cubic meters	
1,000 board feet	= 3.48 cubic meters	
1 cubic foot	= 0.028317 cubic meters	

2. Certification Evaluation Process

2.1 Evaluation Schedule and Team

2.1.1 Evaluation Itinerary and Activities

Monday, December 4	
FMU/Location/Sites visited	Activities/Notes
8:00-11:00 AM VicForests Office, Melbourne	Opening Meeting: Introductions, client update, review audit scope, audit plan, intro/update to FSC and SCS standards and protocols, review of open CARs/OBS, final site selection
11:00-5:00	Full audit team transits to the Central Highlands district; 2 site visits in the late afternoon
Tuesday, December 5	
FMU/Location/Sites visited	Activities/Notes
8:00 – 9:00	Opening meeting with VF Central; full audit team
9:00-11:30	Site visits with VF personnel; full audit team
12:00 – 4:00 PM	In-field stakeholder meeting; full audit team
Wednesday, December 6	
FMU/Location/Sites visited	Activities/Notes
8:00 AM to 5:00	Sub-team 2 continues to visit a selection of field sites in the Central Highlands, accompanied by VF personnel
8:00-9:30 AM	Sub-team 1: Office meeting with East Gippsland VF personnel
9:30-12:00	Sub-team 1: Site visits with East Gippsland VF personnel
12:00-4:00 PM	Sub-team 1: Site visits with East Gippsland stakeholders
Thursday, December 7	
FMU/Location/Sites visited	Activities/Notes
8:00-5:00	Sub-teams 1 and 2 spend the day visiting a selection of field sites in East Gippsland and Central Highlands, respectively.
Friday, December 8	
FMU/Location/Sites visited	Activities/Notes
6:30 AM – Sub-team 1 8:00 AM – Sub-team 2	Both sub-teams travel back to Melbourne
11:30 AM – 4:00 PM	Audit team deliberations and preparation for closing meeting (at VF's Melbourne offices)
4:00 PM – 5:00 PM	Closing meeting: presentation of preliminary audit findings
5:00 PM	Adjournment

2.1.2 Total Time Spent on Evaluation

A. Number of days spent on-site assessing the applicant:	5
B. Number of auditors participating in on-site evaluation:	4
C. Additional days spent on preparation, stakeholder consultation, and post-site follow-up:	5
D. Total number of person days used in evaluation:	25

2.1.3 Evaluation Team

Auditor Name:	Dr. Robert J. Hrubes	Auditor role:	Lead Auditor
Qualifications:	Dr. Hrubes is a California registered professional forester (#2228) and forest economist with over 40 years of professional experience in both private and public forest management issues. He is presently Executive Vice-President, Emeritus of SCS Global Services. In addition to his extensive experience as a lead auditor, Dr. Hrubes worked in collaboration with other SCS personnel to develop the programmatic protocol that guides all SCS Forest Conservation Program evaluations. Dr. Hrubes has previously led numerous audits under the SCS Forest Conservation Program of North American public forest, industrial forest ownerships and non-industrial forests, as well as operations in Scandinavia, Chile, Japan, Malaysia, Australia and New Zealand. Dr. Hrubes holds graduate degrees in forest economics (Ph.D.), economics (M.A.) and resource systems management (M.S.) from the University of California-Berkeley and the University of Michigan. His professional forestry degree (B.S.F. with double major in Outdoor Recreation) was awarded from Iowa State University. He was employed for 14 years, in a variety of positions ranging from research forester to operations research analyst to planning team leader, by the USDA Forest Service. Upon leaving federal service, he entered private consulting from 1988 to 2000. He has been an officer and member of the executive team at SCS since February, 2000.		
Auditor Name:	Graeme Lee	Auditor role:	Auditor and Sub-Team Leader
Qualifications:	Graeme is a Lead Auditor for FSC FM and a Senior Lead Auditor for CoC/CW and has 30+ years' experience in forestry in New Zealand and Australia. He is qualified as a Forest Service Woodsman and has been involved in many aspects of forestry, including establishment, silviculture, harvesting, sawmilling, processing, exporting and bio-security. Graeme gained a NZQA National certificate in Forest Product Inspection while working in New Zealand, and has been a qualified Quality Management auditor for approximately ten years. In addition Graeme has also undertaken ISO 14001 training. Graeme moved to Adelaide South Australia four years ago and since that time has taken part in Forest Management, Controlled Wood and Chain of Custody audits and assessments, but has also undertaken Controlled Wood auditing in Papua New Guinea, Vietnam, Cambodia and Thailand. Graeme has been part of more than twenty five teams for Forest Management audits in both exotic and indigenous forests and has also carried out in excess of 120 Chain of Custody audits.		
Auditor Name:	Beth Jacqmain	Auditor role:	Audit Team Member
Qualifications:	Beth Jacqmain is a Certification Forester with SCS Global Services. Jacqmain has MS Forest Biology from Auburn University and a BS Forest Management from Michigan State University. Jacqmain is Society of American Foresters (SAF) Certified Forester (#1467) with 20+ years' experience in the forestry field including private corporate, private consulting, and public land management. Jacqmain is a qualified ANSI RAB accredited ISO 14001 EMS Lead Auditor and is a qualified FSC Lead Auditor for Forest Management/Chain of Custody. Jacqmain has audited and led FSC certification and precertification evaluations, harvest and logging operations evaluations, and has participated in joint SFI and American Tree Farm certifications. Jacqmain is a 9-year member of the Forest Guild and 20 years adjunct-faculty with Itasca Community College, Natural Resources Department.		

	Jacqmain's experience is in forest management and ecology; the use of silviculture towards meeting strategic and tactical goals; forest timber quality improvement, tree regeneration, thinning operations, pine restoration, and fire ecology in conifer dominated systems.		
Auditor Name:	Dr. Jim Shields	Auditor role:	Audit Team Member
Qualifications:	Dr. Shields is a credentialed and experienced FSC FM auditor. He has a Ph.D. in Wildlife Management from University of Washington, and a Graduate Diploma in Forestry from the Australian National University. Dr. Shields has 30+ years of experience with forestry management, silviculture, forest ecology, research, and policy development from ForestCorp NSW, including 9+ years as the senior manager responsible for policy, strategy and operational management of wildlife resources. Dr. Shields' background includes academic research and he held a teaching position in wildlife management at Macquarie University for 10+ years. Dr. Shields has pioneered the use of dogs for wildlife surveys in Australia, he trained the first working conservation dog, and has been involved in establishing the Australian Conservation Dog Network. Dr. Shields is the President of the Board of Directors of the Australian Ecosystem Foundation, Inc.		
Auditor Name:	Elisabeth Larsen	Auditor role:	Observer/Trainee
Qualifications:	Elisabeth Larsen has a MEnvMgt from Macquarie University and a BSocS from Bergen University, Norway. Larsen's experience is in ecology, natural resource management, and tertiary education. She has 10+ years of experience as an environmental consultant based on the South Coast of NSW. Larsen's work includes ecological assessments, environmental impact assessments and environmental planning for public, private and commercial clients. Previously, Larsen held a position as a Postgraduate Program Developer at the Department of Biology, Macquarie University. In Norway, Larsen worked as a science management coordinator for the Norwegian Polar Research Institute, and was stationed on the High Arctic islands of Svalbard for 3 years. She has also worked with information management for the Norwegian oil and gas industry. In Australia, Larsen has pioneered the use of goats for weed and fire hazard control, and successfully established Australia's first vegetation management service using goats.		

2.2 Evaluation of Management System

2.2.1 Methodology and Strategies Employed

SCS deploys interdisciplinary teams with expertise in forestry, ecology, wildlife management, natural resource economics, and other relevant fields to assess an FME's conformance to the FSC Controlled Wood standard and policies. Evaluation methods include document and record review, implementing sampling strategies to visit a broad number of forest cover and harvest prescription types, observation of implementation of management plans and policies in the field, and stakeholder analysis. When there is more than one team member, team members may review parts of the standards based on their background and expertise. On the final day of an evaluation, team members convene to deliberate the findings of the assessment in an interdisciplinary manner. This involves an analysis of all relevant field observations, stakeholder comments, interviews with FME personnel and reviewed documents and records. Where consensus between team members cannot be achieved due to lack of evidence,

conflicting evidence or differences of interpretation of the standards, the team is instructed to report these in the certification decision section and/or in observations.

2.3 Stakeholder Consultation Process

☐ Public stakeholder consultation was NOT required for FME to pursue CW/FM certification (FME consists only of SLIMF operations). Any stakeholder interviews that occurred as part of the evaluation are documented as evidence in Section B of the report.

In accordance with SCS protocols, consultation with key stakeholders is an integral component of the Forest Management Controlled Wood evaluation process. Stakeholder consultation takes place prior to, concurrent with, and following field evaluations. A public notice was sent to stakeholders at least one month prior to the CW/FM evaluation notifying them of the audit and soliciting comments. Distinct purposes of such consultation include:

1. To solicit input from affected parties as to the strengths and weaknesses of the FME's management, relative to the Controlled Wood standard, and the nature of the interaction between the company and the surrounding communities.
2. To solicit input on whether the forest management operation has consulted with stakeholders regarding identifying any high conservation value forests (HCVFs).

The names and contact information of stakeholders offering comment are considered confidential. Records of persons contacted and comments received are kept on file in the SCS headquarters office.

<input type="checkbox"/> FME has not received any stakeholder comments from interested parties as a result of stakeholder outreach activities during this evaluation.		
CW category	Stakeholder comment	SCS team response
1. Illegally harvested wood.	Some stakeholders assert that VicForests has received citations from DELWP and, thus by definition, is illegally harvesting wood.	Generally, it is the conclusion of the audit team that VicForests operates in overall compliance with a large and complex set of legal requirements. But there have been numerous instances of harvest operations that have inadvertently extended into adjacent sensitive areas such as rainforest and endangered species habitat or that suffered from inaccurate delineations of sensitive resources in the planning phase prior to operations. These situations have led to citations (breaches) being issued by DELWP. As such, SCS has raised a Major Corrective Action

		Request addressing this subject matter.
2. Wood harvested in violation of traditional and civil rights.	No stakeholder comments received relative to this topic.	
3. Wood harvested in forests in which high conservation values are threatened by management activities.	Extensive stakeholder comments were received in which the commenters assert that VicForests' harvesting operations have resulted in adverse impacts to high conservation values.	While VF has developed a documented HCV identification and protection strategy/plan/protocol that, as designed and memorialized, is comprehensive and responsive to FSC requirements, the audit team observed numerous instances where the HCV protocols (as well as the core HCV concept) are not being effectively understood, followed or fully implemented and, as such, are not yielding intended results. Accordingly, Major Corrective Action Requests and an Observation have been raised.
4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses.	No stakeholder comments received relative to this topic.	EEG supplied 8 pages of evidence!
5. Wood from FMUs in which genetically modified trees are planted	No stakeholder comments received relative to this topic.	
6. Other FSC standards and policies or SCS requirements	No stakeholder comments received relative to this topic.	

3. Results of the Evaluation

3.1 Process of Determining Conformance

3.1.1 Structure of Standard and Degrees of Non-Conformance

Consistent with SCS Forest Conservation Program evaluation protocols, the team collectively determines whether or not the subject forest management operation is in conformance with all applicable Indicators found in the Controlled Wood Standard. Each non-conformance must be evaluated to determine whether it constitutes a major or minor non-conformance at the level of the associated indicator.

Corrective Action Requests (CARs) are issued for every instance of a non-conformance. Major non-conformances trigger Major CARs and minor non-conformances trigger Minor CARs.

3.1.2 Interpretations of Major CARs, Minor CARs and Observations

Major CARs: Corrective action requests associated with major non-conformances that, either alone or in combination with non-conformances of all other applicable Indicators, result (or are likely to result) in a *fundamental failure* to achieve the objectives of the relevant Controlled Wood requirement. Major CARs must be resolved (closed out) on the basis of evidence of corrective actions taken before a certificate can be awarded. If Major CARs arise after an operation is certified, FSC protocols require immediate suspension or withdrawal of a CW/FM certificate. Certification is contingent on the certified FME's response to the CAR.

Minor CARs: Corrective action requests associated with minor non-conformances, which are typically limited in scale or can be characterized as an unusual lapse in the system. Corrective actions must be closed out within a specified time period after award of the certificate.

Observations: Observations may be raised in association with subject areas where the audit team concludes that while there is presently conformance, the prospects of a future non-conformance may be reduced or eliminated without proactive steps being taken by the FME. Action on Observations is optional and does not affect the award or maintenance of a certificate. However, Observations can become CARs if performance with respect to the Indicator(s) triggering the Observation falls into non-conformance.

3.1.3 Major Non-Conformities

<input type="checkbox"/>	No major CARs were issued to the FME during the evaluation. Any minor CARs from previous surveillance audits have been reviewed and closed prior to the issuance of a certificate.
<input type="checkbox"/>	Major CARs were issued to the FME during the evaluation, which have all been closed to the satisfaction of the audit team and meet the requirements of the standards. Any minor CARs from previous surveillance audits have been reviewed and closed prior to the issuance of a certificate.
<input checked="" type="checkbox"/>	Major CARs were issued to the FME during the evaluation and the FME has not yet satisfactorily closed all major CARs.

3.1.4 Corrective Action Requests and Observations

Finding Number: 2017.1	
Select one: <input checked="" type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input type="checkbox"/> Pre-condition to achieve or maintain CW/FM certification (sections 3-7) <input checked="" type="checkbox"/> Pre-condition to achieve or maintain CW/FM certification (sections 1-2) <input type="checkbox"/> 12 months or next audit (surveillance or re-evaluation, sections 1-2 only) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
FSC-STD-30-010 Indicator:	1.3
Non-Conformity (or Background/ Justification in the case of Observations): VicForests' means and methods of consulting with stakeholders are insufficient with respect to: <ul style="list-style-type: none"> • The means by which stakeholders are contacted such as public noticing of pending timber harvest activities; • Completeness of the list(s) of stakeholders that VF presently reaches out to; • Amount, timeliness, clarity and accuracy of content/information being provided to stakeholders; • Responses to stakeholders regarding their input; and • Effectively engaging stakeholders with critical views of VF's forestry operations. 	
Corrective Action Request (or Observation): VicForests must revise its stakeholder consultation strategies and methodologies in order to more effectively engage a wide cross section of stakeholders including those individuals and organizations that hold adverse views regarding VicForests' compliance with the Code of Practice and other applicable regulations.	
FME response (including any evidence submitted)	
SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 2017.2	
Select one: <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input type="checkbox"/> Pre-condition to achieve or maintain CW/FM certification (sections 3-7) <input type="checkbox"/> Pre-condition to achieve or maintain CW/FM certification (sections 1-2) <input type="checkbox"/> 12 months or next audit (surveillance or re-evaluation, sections 1-2 only) <input type="checkbox"/> Observation – response is optional <input checked="" type="checkbox"/> Other deadline (specify): prior to first sale of FSC Controlled Wood
FSC-STD-30-010 Indicator:	1.4

Non-Conformity (or Background/ Justification in the case of Observations):	
As this is an initial evaluation (i.e., prior to possible award of a CW certificate), VicForests has not yet had the opportunity to properly affix a FSC-issued certification code on invoices for the sale of FSC controlled wood. As such, the FSC CW/FM code will need to be included along with the applicable claim, per (g) of this Indicator. To assure that this demonstration occurs prior to the first CW sale, a Minor CAR is raised that can be closed concurrent with VF's first CW sale, in the event that CW certification is attained.	
Corrective Action Request (or Observation):	
If awarded CW certification and prior to completing a first transaction (sale of CW material), VicForests must convey the initial CW invoice to SCS for review and confirmation that all 7 content requirements found in Indicator 1.4 are satisfactorily covered.	
FME response (including any evidence submitted)	
SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 2017.3	
Select one: <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input type="checkbox"/> Pre-condition to achieve or maintain CW/FM certification (sections 3-7) <input type="checkbox"/> Pre-condition to achieve or maintain CW/FM certification (sections 1-2) <input type="checkbox"/> 12 months or next audit (surveillance or re-evaluation, sections 1-2 only) <input type="checkbox"/> Observation – response is optional <input checked="" type="checkbox"/> Other deadline (specify): prior to first sale of FSC Controlled Wood
FSC-STD-30-010 Indicator:	1.5
Non-Conformity (or Background/ Justification in the case of Observations):	
VicForests has not yet provided evidence that its invoicing procedures (invoices and shipping documents) comply with this Indicator.	
Corrective Action Request (or Observation):	
Prior to completing a first transaction (sale of product carrying a CW claim), VicForests must convey the initial CW invoice and associated shipping documents to SCS for review and confirmation that the "FSC Controlled Wood" product claim is properly included.	
FME response (including any evidence submitted)	
SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 2017.4	
Select one: <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input type="checkbox"/> Pre-condition to achieve or maintain CW/FM certification (sections 3-7) <input type="checkbox"/> Pre-condition to achieve or maintain CW/FM certification (sections 1-2) <input type="checkbox"/> 12 months or next audit (surveillance or re-evaluation, sections 1-2 only) <input type="checkbox"/> Observation – response is optional <input checked="" type="checkbox"/> Other deadline (specify): prior to first sale of FSC Controlled Wood
FSC-STD-30-010 Indicator:	1.6
Non-Conformity (or Background/ Justification in the case of Observations): VicForests has not yet provided evidence that its invoicing procedures comply with this Indicator.	
Corrective Action Request (or Observation): Prior to completing a first transaction (sale of CW material), VicForests must convey the initial CW invoice to SCS for review and confirmation that the FSC claim is properly worded on the invoice.	
FME response (including any evidence submitted)	
SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 2017.5	
Select one: <input checked="" type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input checked="" type="checkbox"/> Pre-condition to achieve or maintain CW/FM certification (sections 3-7) <input type="checkbox"/> Pre-condition to achieve or maintain CW/FM certification (sections 1-2) <input type="checkbox"/> 12 months or next audit (surveillance or re-evaluation, sections 1-2 only) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
FSC-STD-30-010 Indicator:	3.1

Non-Conformity (or Background/ Justification in the case of Observations):

The audit team concludes that there is presently a Major Non-Conformity with this Indicator. It is graded as a Major NC despite the fact that there is a limited frequency and subject matter of violations raised by DELWP with respect to management activities undertaken by VF, *relative to the scope of requirements delineated in Table 1 of this Standard*. Per FSC requirements on grading of non-conformities detected in 30-010 audits, non-conformities issued against this indicator must be graded as Major. Of the 8 subject areas addressed in Table 1, VF is in solid conformance with all but one—part (d). The issue with respect to part (d) is that DELWP has raised violations against VF for encroaching beyond the delineated boundaries of a harvest unit, into sensitive areas such as rainforest, stream protection zones or habitat of key/listed vertebrate and invertebrate species. But even though there are a limited number of such violations relative to the total number of harvesting operations undertaken by VF, the audit team concludes that there is nonetheless a sufficient number of incidents of site disturbing encroachments into sensitive and protected areas within or (more frequently) adjacent to delineated harvest units to constitute non-conformance to this Indicator.

Corrective Action Request (or Observation):

VicForests must review and revise its timber harvest planning and operations procedures for the purpose of achieving more effective avoidance of regulatory violations—detected and non-detected—related to adverse impacts on sensitive and/or protected areas/resources.

FME response
(including any
evidence submitted)

SCS review

Status of CAR:

- ☐ Closed
☐ Upgraded to Major
☐ Other decision (refer to description above)

Finding Number: 2017.6

Select one: ☒ Major CAR ☐ Minor CAR ☐ Observation

FMU CAR/OBS issued to (when more than one FMU):

Deadline

- ☒ Pre-condition to achieve or maintain CW/FM certification (sections 3-7)
☐ Pre-condition to achieve or maintain CW/FM certification (sections 1-2)
☐ 12 months or next audit (surveillance or re-evaluation, sections 1-2 only)
☐ Observation – response is optional
☐ Other deadline (specify):

**FSC-STD-30-010
Indicator:**

5.1

Non-Conformity (or Background/ Justification in the case of Observations):

Key elements of VF's harvesting practices such as clear felling and burning in old growth stands or stands containing old growth elements and/or high conservation values (e.g., rainforest, Greater Glider habitat) do not comply with the requirement of this Indicator, that high conservation values are not threatened by forest management operations. This is related to Major CAR 2017.5.

Corrective Action Request (or Observation):

VicForests must review and revise its timber harvest planning and operations procedures for the purpose of more effectively avoiding threats to high conservation values.

FME response (including any evidence submitted)	
SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 2017.7	
Select one: <input checked="" type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input checked="" type="checkbox"/> Pre-condition to achieve or maintain CW/FM certification (sections 3-7) <input type="checkbox"/> Pre-condition to achieve or maintain CW/FM certification (sections 1-2) <input type="checkbox"/> 12 months or next audit (surveillance or re-evaluation, sections 1-2 only) <input type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
FSC-STD-30-010 Indicator:	5.2

Non-Conformity (or Background/ Justification in the case of Observations):

If VF's efforts to comply with FSC's requirements regarding high conservation values are judged solely on the basis of their *Management of High Conservation Values* document, the likely conclusion would be that of conformity to Indicator 5.2 of 30-010. But, on the basis of stakeholder consultations during the field audit, review of written materials submitted by stakeholders as well as interviews with VF field personnel, the audit team has concluded that **there remains a considerable gap between design/intent and implementation of VF's HCV strategy**. Factors contributing to this conclusion include:

- **None of the stakeholders** that the audit team interacted with prior to and during the field audit indicated that they **had been contacted by VF in the context of the company's HCV strategy**; this conflicts with the written commitment that VF has consulted with stakeholders as part of their HCV strategy;
- Stakeholders who made contact with the audit team were strongly of the opinion that VF's forestry operations--particularly **clear felling of mature stands of ash followed by site preparation burn--are adversely impacting high conservation values** such as old growth and habitat for protected species;
- The HCV assessment relied primarily and sometimes exclusively on **Modelled Old Growth** whereas stakeholders submitted evidence and the audit team observed numerous locations where old growth values are present in areas that are not delineated as Modelled Old Growth
- **VicForests did not demonstrate to the audit team that the Old Growth models had been tested with field data or verified sufficiently by other means** such that the Old Growth Model could be used as a surrogate for assessment on site;
- Stakeholders were of the opinion, and provided evidence supporting their opinion, that the **identification and delineation of plant communities is inadequate and that rainforest communities**, in particular, are **not adequately recognized in the field and in planning documents**. Consequently, the **data layers used in harvest coupe planning do not adequately reflect reality**. **Operations personnel in the two Regions forming the scope of the audit revealed essentially no awareness of the company's HCV strategy nor their roles in the strategy**;
- The **audit team's own conclusion that the even-aged management prescriptions (clear fell and burning) employed by VF are in fact adversely impacting high conservation values** such as old growth and habitat for species such as the Leadbeater's Possum and the Greater Glider; and
- The encroachment of harvesting operations outside the delineated harvest boundaries coupled with circumstances where **VF personnel have not accurately delineated areas near planned harvests that possess special values** are creating instances where high conservation values are being adversely impacted (threatened).

So, while the content of the **HCV Strategy document, completed just a few weeks prior to the audit, suggests that VF—at least in design—is intending to hew a course that could well be in compliance with FSC's HCV requirements**, there is a substantial gap between stated intent and what has thus far been accomplished/implemented. More work and further modifications in key practices such as clear felling and burning as well as delineation of special values, including but not limited to old growth, is required for VF to be able to demonstrate conformance with this Indicator.

Corrective Action Request (or Observation):

VicForests must build upon the November 2017 *Management of High Conservation Values* document in order to demonstrate that: a) areas and resources that meet the FSC definition of High Conservation Values are being effectively and competently detected and delineated; and, b) the company's forest management operations are, in fact, avoiding adverse impacts (threats) to high conservation values present on its forest estate.

FME response (including any evidence submitted)	
SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

Finding Number: 2017.8	
Select one: <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation	
FMU CAR/OBS issued to (when more than one FMU):	
Deadline	<input type="checkbox"/> Pre-condition to achieve or maintain CW/FM certification (sections 3-7) <input type="checkbox"/> Pre-condition to achieve or maintain CW/FM certification (sections 1-2) <input type="checkbox"/> 12 months or next audit (surveillance or re-evaluation, sections 1-2 only) <input checked="" type="checkbox"/> Observation – response is optional <input type="checkbox"/> Other deadline (specify):
FSC-STD-30-010 Indicator:	5.2
Background: A factor possibly contributing to inadequate implementation of a HCVF strategy is uncertainty on the part of VF staff as to which of two cooperating entities (i.e., VicForests & DELWP) is the actual 'land manager' and thus carries the responsibility of identifying, delineating and protecting high conservation values present on the forest estate.	
Observation: The audit team observed that there was very limited knowledge of and familiarity with the HCV term and HCV protocols among field staff (who were, in all other respects, found to be top quality staff and highly motivated people). Additional training with respect to the FSC concept of high conservation values would be beneficial.	
FME response (including any evidence submitted)	
SCS review	
Status of CAR:	<input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above)

4. Certification Decision

Certification Recommendation	
FME be awarded FSC Controlled Wood certification subject to the minor corrective action requests stated in Section 3.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

The SCS evaluation team makes the above recommendation regarding certification based on the full and proper execution of the SCS Forest Conservation Program evaluation protocols. If certification is recommended, the FME has satisfactorily demonstrated the following without exception:	
FME has addressed any Major CAR(s) assigned during the evaluation.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
FME has demonstrated that their system of management is capable of ensuring that all of the requirements of the applicable standards are met over the forest area covered by the scope of the evaluation.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
FME has demonstrated that the described system of management is being implemented consistently over the forest area covered by the scope of the certificate.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Comments:	

SECTION B – APPENDICES (CONFIDENTIAL)

Appendix 1 – Selection of FMUs for Evaluation

- ☒ FME consists of a single FMU
- ☐ FME consists of multiple FMUs or is a Group

Note: VicForests is structured as a single forest management unit. For this audit, two of three Regions that comprise the VF estate were in scope: Central Highlands and East Gippsland. The Western Region (the "Community Forests") was not included in the scope of this audit. The audit team visited a representative sample of field sites in both the Central Highlands and East Gippsland, expending a total of 14 auditor days of field work.

Appendix 2 – List of Stakeholders Consulted

List of FME Staff Consulted

Name	Title	Contact Information	Consultation method
	Chief Executive Officer		Face to face interview
	Manager		""
	General Manager		""
	Manager, Governance and Reporting		
	Chief Financial Officer		
	Manager, Environment & Sustainability		"" and email correspondence
	Compliance & Policy Team		Face to face interview
	Mgr., Biodiversity Conservation		""
	Tactical Planner/FSC Project Officer		""
	Mgr., Distribution		""
	Senior Resource Analyst		""
	Senior Forester		""
	Operations Planner		""
	Business Management		""
	Public Information Officer		""
	Tactical Planner/FSC Project Officer		""
	Operations Planner, NE Region		""
	Operations Forester, NE Region		""
	Manager, Tactical Planning, NE Region		""
	Manager, NE Region		""
	Safety Officer, NE Region		""
	Manager, East Gippsland		""
	Operations Planner, East Gippsland		""
	General Forester, East Gippsland		""
	Field Ecologist, East Gippsland		""
	District Forester		""
	Acting Regional Mgr.--Noogee		""

	Regeneration Forester		""
	Biodiversity Research Officer		""
	Harvesting Forester		""
	Senior Forester		""
	Operations Planning Manager		""
	Forest Policy & Compliance Officer		""

List of other Stakeholders Consulted

Note: Because it was not possible to confirm with every external stakeholder in contact with the audit team whether or not they authorized inclusion of their names in this report, all external stakeholders contacted are maintained in a confidential list at SCS headquarters.

Appendix 3 – Additional Evaluation Techniques Employed

☐ None.

☒ Additional techniques employed (*describe*): Due to intense interest on the part of a large number of environmental stakeholders to share their views about VicForests management practices with the SCS audit team, the Lead Auditor decided to hold a series of in-field meetings with regionally aggregated groups of stakeholders. In-field meetings with members of the audit team were held in the Central Highlands (North East) region (2 meetings) and East Gippsland (1 meeting).

Appendix 4 – Certification Standard Conformance Table

C= Conformance with Criterion or Indicator

NC= Non-Conformance with Criterion or Indicator

NA= Not Applicable

Subject Area/Requirement	C/NC	Observation/CAR
Subject Area 1: Quality Management - System Requirements & Supplying FSC Controlled Wood		
<i>System Requirements</i>		
1.1. The Forest Management Enterprise shall have procedures and/or work instructions covering all the applicable elements specified in this standard.	C	VF has developed written procedures that address the applicable elements of FSC-STD-30-010.
1.2. The Forest Management Enterprise shall identify the person (or position) responsible for implementing each procedure and/or work instruction.	C	Manager, Environment and Planning, is duly designated by VF to be the responsible person for assuring implementation of each 30-010 related procedure.
1.3. The Forest Management Enterprise shall ensure that where stakeholder consultation is required by the Forest Management Enterprise in relation to implementation of this standard, procedures for consultation include at least the following: a) key stakeholders shall be identified and invited to participate in the consultation with sufficient prior notice;	NC	The audit team concludes that there is presently a Major Non-Conformity relative to this Indicator. VF's means and methods of consulting with stakeholders are insufficient with respect to: <ul style="list-style-type: none"> The means by which stakeholders are contacted such as public noticing of pending timber harvest activities

<p>b) excluded groups shall be given particular attention when identifying interested or affected parties; <i>Intent: The company shall identify particular groups that might be affected by forest operations and for particular reasons do not have equal opportunities to access relevant information (for example illiterate people)</i></p> <p>c) the consultation process shall be opened to parties claiming an interest in or affected by implementation of this standard;</p> <p>d) all identified parties shall be provided with access to sufficient information</p> <p>e) Forest Management Enterprise shall maintain records to demonstrate the completeness of their consultation process <i>Note: the Forest Management Enterprise shall consider guidance that may be provided by FSC International, FSC regional offices, or by FSC accredited national initiatives in relation to interpreting the requirements of FSC-STD-30-010 in a particular national or sub-national context</i></p> <p>f) The Forest Management Enterprise shall be responsive to stakeholder questions or concerns.</p>		<ul style="list-style-type: none"> • Completeness of the list of stakeholders that VF maintains and uses in its outreach efforts • Amount, timeliness, clarity and accuracy of content/information being provided to stakeholders • Responses to stakeholders regarding their input • General attitude (satisfaction) many stakeholders have with regard to the extent and manner by which VF seeks and acts upon input received <p>See Major CAR 2017.1</p>
<p><i>Supplying FSC Controlled Wood</i></p>		
<p>1.4. The Forest Management Enterprise shall include the following information on all invoices issued for sales of FSC Controlled Wood products:</p> <p>a) the name and address of the buyer;</p> <p>b) the date on which the invoice was issued;</p> <p>c) description of the product;</p> <p>d) the quantity of the products sold;</p> <p>e) reference to the product's batch and/or to related shipping documentation,</p> <p>f) sufficient to link the invoice to the goods received by the customer;</p> <p>g) the certification code issued by an FSC accredited Certification Body.</p>	<p>NC</p>	<p>The auditor reviewed Tax Invoice 31397 dated 30/11/17 include the requirements (a) through (f). As this is an initial evaluation (i.e., prior to possible award of a CW certificate), VicForests has not yet had the opportunity to affix a FSC-issued certification code on invoice for the sale of FSC controlled wood. As such, the FSC CW/FM code will need to be included along with the applicable claim, per (g) of this Indicator. To assure that this demonstration occurs prior to the first CW sale, a Major CAR is raised that can be closed concurrent with VF's first CW sale, in the event that CW certification is attained.</p> <p>See Major CAR 2017.2</p>

1.5. Invoices and shipping documents for sale of controlled wood shall always include the claim "FSC Controlled Wood". Where sale or transport documents cover a consignment of both controlled and uncontrolled wood it shall specify which products are sold or transported as "FSC Controlled Wood".	NC	As above, the wording "FSC Controlled Wood" will need to be included in invoices and shipping documents. See Major CAR 2017.3
1.6. The Forest Management Enterprise shall ensure that claims in relation to FSC Controlled Wood meet the requirements specified in appendix 3 of this standard.	NC	As this is a first evaluation, claims need to be defined by VicForests and included in the sales invoices, and approved by SCS, concurrent with award of certification. See Major CAR 2017.4
Subject Area 2: Specification of scope of evaluation		
2.1. The Forest Management Enterprise shall specify the Forest Management Units (FMUs) under its management.	C	VF duly informed SCS of the FMUs (land areas) under its management.
2.2. The Forest Management Enterprise shall specify the FMUs to be included in the scope of evaluation for compliance with this standard.	C	In advance of the audit, VicForests clearly informed SCS which of its management units were to be in the scope of the audit—Central Highlands and East Gippsland.
2.3. Any FMU under the control of the Forest Management Enterprise is not included in the scope of evaluation for compliance with this standard, then the Forest Management Enterprise shall implement a tracking system to ensure wood from FMUs included in the scope of the standard to be reliably identified as such.	C	The auditor requested and received database extracts clearly showing the volumes of logs harvested and delivered from the log landings to the customer, and also received spreadsheets of pulp logs delivered to the Storage site. The only logs placed in a Storage Site are either pulp logs or (E grade) sawlogs which are used for pallet making. Higher grade (D to A grade) sawlogs are delivered directly to the customer from the log landing (D-grade and above) are measured on the log landing by the contractor and also have an electronic barcode ticket attached to the butt end of the log. The information included in the barcode is scanned and automatically uploaded to Vic forests CENGEA database. The auditor visited the Wattle Road storage site, reviewed truck dockets et cetera, and carried out on a site inspection. The auditor also interviewed Vic forest staff confirming that there are no other inputs to the storage sites, of which there are actually three, apart from Vic forests logs carted directly from harvest areas within the FMU. Logs remain in the storage facility until sold to the customer. These logs can remain in the storage site for up to 12 months. Once they are sold to the

		<p>customer these logs are trucked directly from the storage site to the customer, and being weighed at the customer weighbridge (Point-of-sale) prior to entering the customers log stockpiles.</p> <p>There are also three Transit Sites (these are sites where logs can be carted from the harvest area, offloaded, stored for a short period of time, reloaded and delivered to the customer) The difference between a Storage Site and a Transit Site is that logs arriving in the Storage site are owned by Vic forest and that the harvesting and haulage has been paid to the contractors.</p> <p>Logs arriving at transit sites remain the property of the contractor and there is no payment until such time as the logs are delivered to the customer.</p> <p>Logs in transit sites are generally there for very short periods of time (possibly overnight).</p> <p>In summary, the audit team concludes that VF has a wood tracking system in place that is capable of demonstrating conformance to this Indicator when/if CW (30-010) certification is achieved and wood products are sold as FSC Controlled.</p>
Subject Area 3: Illegally Harvested Wood		
3.1. All harvesting shall take place in compliance with all laws applicable to harvesting in the jurisdiction in accordance with the criteria outlined in table 1.	NC	<p>The audit team concludes that there is presently a Major Non-Conformity with regard to this Indicator. It is graded as a Major NC despite the fact that there is a limited frequency and subject matter of violations raised by DELWP with respect to management activities undertaken by VF, <i>relative to the scope of requirements delineated in Table 1 of this Standard</i>. Of the 8 subject areas addressed in Table 1, VF is in solid conformance with all but 1—part (d). The issue with respect to part (d) is that DELWP has raised violations against VF for encroaching beyond the delineated boundaries of a harvest unit, into sensitive areas such as stream protection zones or habitat of key vertebrate and invertebrate species. But while there are a limited number of such violations relative to the total number of harvesting operations undertaken by VF, the audit team concludes that there is nonetheless a sufficient number of incidents of site disturbing encroachments into sensitive and protected areas adjacent to delineated harvest units to constitute non-conformance with this Indicator. It is required to classify this as a Major Non-Conformity, per FSC</p>

			guidance on grading of non-conformities in 30-010 audits. See Major CAR 2017.5
3.2. All species, qualities and quantities shall be classified and measured according to legally prescribed or acceptable standards. <i>Intent: The Forest Management Enterprise shall provide evidence that legal procedures have been followed to gain permits and licenses.</i>	C		The manner by VF classifies and measures harvested species, including their quality and quantity, conform with professional/industrial standards as well as legal requirements
Table 1			
Requirements	Potential means of Verification		
a) Evidence of legal authority to harvest	Concession license and/or harvesting permit (approved by the appropriate authority)	C	VF, a corporation with the State of Victoria as the sole stockholder, is unambiguously authorized to manage these state forestlands.
b) Evidence of compliance with applicable management planning requirements	Approved management plan or equivalent documentation, as required by local authorities Note: Implementation of the forest management plan is verified by the certification body in the field Note: The means of verification may vary depending on the size of forest management unit concerned.	C	VF's planning processes are in strong overall compliance with applicable legal and policy requirements.
c) Specification of applicable harvesting restrictions	Documentation specifying legal restrictions on harvesting (e.g. diameter limits, species restrictions, volume restrictions).	C	No potential non-conformities with respect to this requirement.
d) Evidence that timber is harvested from authorized areas (e.g. not from protected areas where harvest is not allowed)	Maps and/or records showing the area in which harvesting has taken place	NC	VicForests has been sanctioned on several occasions by DELWP for unauthorized encroachment into environmentally sensitive areas adjacent to delineated harvest units.

e) Evidence of timber sales	Sales contracts, invoices	C	<p>All timber sales are covered by contracts and related administrative/legal documents.</p> <p>The audit team was also able to review a sample of sales invoices along with the applicable log spreadsheet detailing each log, grade, delivery date, docket number and contract number. No irregularities were revealed in the samples reviewed.</p>
f) Evidence of payment of royalties or other fees (i.e. fees on harvesting rights)	Official records confirming payments	C	Timber revenues from sales on state forestland are handled in compliance with established procedures and applicable regulations.
g) Evidence of compliance with applicable provisions and requirements of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).	An up to date list of tree species in the FMU that are listed in Appendices I to III of the (CITES) National permits for harvest or trade of any CITES-listed species, if applicable	C	No evidence of possible CITES violations arose during the audit. Additionally, the audit team considers such violations to be quite unlikely since Australia has promulgated species and trade legislation which is stricter than required under the CITES convention.
h) Evidence of compliance with requirements in relation to transportation of timber	Copies of transport or sales permits with specification of species and volumes as applicable	C	This requirement is irrelevant to VFs operations where they are unambiguously authorized to harvest/sell timber products from the state forestlands that they are duly responsible for managing.

Subject Area 4: Wood harvested in violation of traditional and civil rights

<p>4.1. There is evidence of no violation of the International Labor Office (ILO) Fundamental Principles and Rights at Work in the FMU.</p> <p>The ILO Declaration on Fundamental Principles and Rights at Work is an expression of commitment by governments, employers' and workers' organizations to uphold basic human values -values that are vital to our social and economic lives. The Declaration on Fundamental Principles and Rights at Work covers four areas:</p> <ul style="list-style-type: none"> • Freedom of association and the right to collective bargaining; • The elimination of forced and compulsory labour; • The abolition of child labour, and; • The elimination of discrimination in 	C	<p>As a state-owned corporation, VicForests has systems (e.g., HR and legal departments), policies and practices in place designed to assure compliance with applicable labor laws. Australia has ratified 7 of 8 ILO fundamental conventions.</p> <p>No evidence arose during the course of the audit suggesting the possibility of violations of the ILO Declaration on Fundamental Principles and Rights at Work. That is, there was no evidence that:</p> <ul style="list-style-type: none"> • The freedom of association and right to collective bargaining is in any manner violated • There is forced or compulsory labor taking place on the FMU • Child labor is taking place • There is racial or cultural discrimination being faced by members of the workforce.
--	---	--

the workplace.		
4.2. No conflicts relating to land tenure or land use rights of traditional or indigenous peoples groups exist in the FMUs under control of the Forest Management Enterprise for which a resolution process has not been agreed by the main parties to the dispute (see section 4.4 below).	C	<p>As a state owned corporation, VicForests places a high priority on assuring compliance with applicable laws and regulations pertaining to land tenure and land use rights of traditional or indigenous peoples, where such rights exist on the forest estate it manages.</p> <p>No evidence arose during the audit indicating possible non-conformities regarding land tenure or land use rights of traditional or indigenous peoples for which a resolution process has not been agreed by the main parties.</p>
4.3. There is evidence of no violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the FMUs under control of the Forest Management Enterprise.	C	<p>While Australia has not ratified ILO Convention 169, the audit team concludes that Australian laws—with which VicForests complies—are consistent with the spirit and intent of ILO 169.</p> <p>In interactions with stakeholders, no issues related to ILO Convention 169 were raised. No evidence arose during the audit indicating possible violations of ILO Convention 169.</p>
4.4. The Forest Management Enterprise shall implement a consultation process to identify potential conflicts relating to land tenure or land use rights of traditional or indigenous peoples groups in the areas affected by the Forest Management Enterprise operations.	C	<p>During conversations with VF Senior Management, the audit team was informed that the Timber Release Plans are linked up with a Registry of Aboriginal Parties, designed to alert for the presence of any registered cultural sites or artifacts etc. Agreements about use rights exist and any payments for use flow through Treasury. No VF staff or stakeholders that with whom the audit team interacted during the audit mentioned any potential conflicts.</p> <p>VF has written a very fresh (2017) 'engagement plan' – to become better at engaging with aboriginal communities.</p> <p>The auditors were informed that VicForests provides TRP information to Aboriginal Victoria to gain feedback during pre-harvest planning. VicForests has a Stakeholder Engagement Strategy with traditional groups (Gunnai Kurnai, Wongeri and Toborong).</p>
4.5. In cases where a resolution process is in place (see section 4.2 above), the Forest Management Enterprise shall provide evidence of the process by which any disputes are being resolved, which demonstrates the broad support of the	NA	As was confirmed through interviews with VF staff, VF is not engaged in any disputes with respect to traditional and/or civil rights.

parties to the dispute, and which outlines an agreed interim process for addressing the dispute and for the management of the forest area concerned.		
Subject Area 5: Wood harvested in forests in which high conservation values are threatened by management activities		
5.1. Forest management activities in the FMU shall not threaten high conservation values in accordance with section 5.2 below.	NC	Key elements of VF's harvesting practices do not comply with this requirement that high conservation values are not threatened. See Major CAR 2017.6
<p>5.2. The Forest Management Enterprise shall keep records of evidence to demonstrate compliance with Section 5.1 above. Evidence shall include but is not restricted to:</p> <ul style="list-style-type: none"> a) records of an assessment (e.g. ecological assessment, environmental impact assessment or wildlife census, social assessment) appropriate to the size of the FMU and intensity of management to identify the presence of high conservation values. b) evidence¹ of consultation with stakeholders in relation to the precautionary measures, including NGOs and parties that are involved with or have an interest in the forest area with respect to social or environmental aspects. Where relevant, the assessment shall include consultation with representatives and members of communities and indigenous peoples living in or adjacent to the FMU. c) a list of the high conservation values thus identified in the FMU, together with evidence indicating that high conservation values are not threatened in the FMUs. <p><i>Intent box: The intent of the requirements for 'FSC Controlled Wood' is to ensure that critically endangered or threatened high conservation values are identified and conserved.</i></p>	NC	<p>Shortly prior to the audit, VF provided the audit team with the document: <i>VicForests Management for High Conservation Values</i>, dated November 2017.</p> <p>This 99-page document memorializes VF's intended approach and methods for demonstrating its compliance with the FSC requirements with respect to High Conservation Values, as found in FSC-STD-30-010 and FSC Australia's High Conservation Values Evaluation Framework (March 2013). This key document was reviewed by the SCS Audit Team during and after the field component of the CW audit.</p> <p>Review of this document reveals that the author(s) has/have developed a HCV delineation, risk assessment and protection framework that is notable in its breadth and detail as well as its responsiveness to the FSC Australia's HCV evaluation framework. The VF document describes the course grain and largely desk-based approach to delineating lands under its management that meet the definition of HCV 1, 3 4 and 6, relying primarily on available data in government publications (grey literature), government databases and the published literature. The VF document also describes how a risk assessment was undertaken, again largely a desk-based approach.</p> <p>If judging VF's efforts to comply with FSC's requirements regarding high conservation values solely on the basis of their <i>Management of High Conservation Values</i> document, the conclusion</p>

¹ For example minutes of meetings, letters of invitation, photographs.

	<p>would be one of conformity to Indicator 5.2 of 30-010. But, during stakeholder consultations during the field audit, review of written materials submitted by stakeholders as well as interviews with VF field personnel, the audit team has concluded that there remains a considerable gap between design/intent and implementation of VF's HCV strategy. Factors contributing to this conclusion include:</p> <ul style="list-style-type: none"> • None of the stakeholders that the audit team interacted with prior to and during the field audit indicated that they had been contacted by VF in the context of the company's HCV strategy; additionally, several stakeholders commented on the lack of response from VF when they submit written evidence to the company, during the stakeholder consultations held in the Central Highlands; both circumstances conflict with the express requirement and written commitment that VF has consulted with stakeholders as part of their HCV strategy • Stakeholders who made contact with the audit team were strongly of the opinion that VF's forestry operations—particularly clear felling of mature stands of ash followed by site preparation burns are adversely impacting high conservation values such as old growth and habitat for protected species • Operations personnel in the two regions forming the scope of the audit revealed essentially no awareness of the company's HCV strategy nor their roles in the strategy • The audit team's own conclusion that the even-aged management prescriptions (clear fell and burning) employed by VF are in fact adversely impacting high conservation values such as old growth and habitat for species such as the Greater Glider and the Leadbeater's Possum • The encroachment of harvesting operations outside the delineated harvest boundaries coupled with circumstances where VF personnel have not accurately delineated areas near planned harvests
--	--

		<p>that possess special values are creating instances where high conservation values are being adversely impacted (threatened).</p> <p>So, while the content of the HCV Strategy document, promulgated just a few weeks prior to the audit, suggests that VF—at least in design—is intending to hew a course that could well be in compliance with FSC’s HCV requirements, there is a substantial gap between stated intent and what has thus far been accomplished/implemented. More work and further modifications in key practices such as clear felling and burning as well as delineation of special values is required for VF to be able to demonstrate conformance with this Indicator.</p> <p>See Major CAR 2017.7, Major CAR 2017.8 and OBS 2017.9</p>
Subject Area 6: Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses		
6.1. No conversion of natural and semi-natural forests and other wooded ecosystems such as woodlands and savannahs to plantations or non-forest uses take place, except as permitted by section 6.3 below.	C	VF exists for the long term productive management of the state forestlands of Victoria. It is outside of its corporate mandate to engage in conversion of natural forests to “plantations” as defined by the FSC--tree dominated areas where, due to human intervention, most of the structure, function and characteristics of natural forests are absent--or to non-forest uses. The act of planting trees or sowing seed does not, in and of itself, constitute a “plantation” as defined by the FSC.
6.2. The Forest Management Enterprise shall keep records to demonstrate compliance with section 6.1 above.	C	All management actions undertaken by VF are properly documented, including records of all reforestation activities following final harvests. Areas where reforestation efforts have failed received follow-up effort to establish a new stand of commercial trees.
6.3. Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion: a) entails a very limited portion of the FMU b) does not occur on high conservation value forest areas, c) will enable clear, substantial, additional, secure long term environmental and social benefits across the FMU	C	See 6.1
Subject Area 7: Wood from forest management units in which genetically modified trees are planted		

7.1. The Forest Management Enterprise shall ensure that no planted genetically modified (GM) trees are present in the FMU.	C	<p>No seed stock employed by VF for establishing new stands of commercial trees is associated with transgenic (GMO) manipulation. Seeds are collected from sources within the VF forest estate.</p> <p>Members of the audit team visited a VF seed store associated with the Alexandra Regional Office and discussed the processes that are used to collect, clean and store seeds to be used inside the VF estate.</p>
7.2. The Forest Management Enterprise shall keep records of and make available on request evidence to demonstrate compliance with section 7.1 above.	C	The stand establishment program is well documented and, beyond any question, confirms that no GMO trees are being introduced into the VF forest estate.

APPENDIX I VicForests List of Tree Species Managed

Species Group	Species Code	Genus	Species	Common Name
AC	AC	Acacia	- not specified -	Acacia species
AC	BW	Acacia	melanoxylon	Blackwood
AC	SW	Acacia	dealbata	Silver Wattle
AM	AM	Eucalyptus	All	Ash and Mixed species
AS	AA	Eucalyptus	delegatensis	Alpine Ash
AS	AS	Eucalyptus	All ash	Mixed ash species
AS	MA	Eucalyptus	regnans	Mountain Ash
AS	SG	Eucalyptus	nitens	Shining Gum
MS	BG	Eucalyptus	- not specified -	Mixed Blue Gum Species
MS	BG	Eucalyptus	bicostata	Eurabbie
MS	BG	Eucalyptus	pseudoglobulus	Victorian Eurabbie
MS	BG	Eucalyptus	maidenii	Maidens Gum
MS	BG	Eucalyptus	globulus	Southern Blue Gum
MS	BS	Eucalyptus	baxteri	Brown Stringybark
MS	BX	Eucalyptus	- not specified -	Box Species
MS	CB	Eucalyptus	rubida	Candlebark
MS	CT	Eucalyptus	fastigata	Cut-tail
MS	CY	Eucalyptus	cypellocarpa	Mountain Grey Gum
MS	DA	Eucalyptus	dalrympleana	Mountain Gum
MS	DE	Eucalyptus	denticulata	Errinundra Shining Gum
MS	GG	Eucalyptus	bosistoana	Gippsland Grey Box
MS	IB	Eucalyptus	tricarpa	Red Ironbark
MS	MM	Eucalyptus	obliqua	Messmate
MS	MS	Eucalyptus	Mixed	Non-ash mixed species
MS	PM	Eucalyptus	- not specified -	Peppermint
MS	PM	Eucalyptus	dives	Broad-leaved Peppermint
MS	PM	Eucalyptus	croajingolensis	
MS	PM	Eucalyptus	radiata/robertsonii	Narrow-leaved Peppermint
MS	PM	Eucalyptus	nitida	Shining Peppermint
MS	PM	Eucalyptus	willisii	
MS	RB	Eucalyptus	polyanthemus	Red Box
MS	RP	Eucalyptus	elata	River Peppermint
MS	RS	Eucalyptus	macrorhyncha	Red Stringybark
MS	SM	Eucalyptus	botryoides	Southern

MS	ST	Eucalyptus	sieberi	Mahogany
MS	VM	Eucalyptus	viminalis	Silvertop
MS	WS	Eucalyptus	globoidea	Manna Gum
				White
				Stringybark
MS	YK	Eucalyptus	consideniana	Yertchuk
MS	YS	Eucalyptus	muelleriana	Yellow
				Stringybark

Appendix II: VF-Provided Examples of Stakeholder Interactions

Note: The following examples of stakeholder interactions were provided by VicForests in response to the draft audit report. The report authors have decided to include this submittal in the audit report to reinforce the fact that, while VF must continue to institute enhancements in its stakeholder consultation procedures and practices (as addressed in Non-Conformities raised in this report), particularly with regard to stakeholders who self-identify as members of the FSC-Australia Environmental and Social Chambers, the company does endeavor to solicit and be responsive to stakeholder input.

Reducing the impacts of harvesting

Coupe Name: Beat to Beat

Area: West Gippsland

Date: August 2017

Prior to harvesting this coupe, VicForests met with neighbours on private property to discuss the planned harvest. Part of the planned forest harvest area served as a windbreak for their farm. After a period of consultation and negotiation, VicForests changed the coupe shape and extended the buffer so that the neighbours retained their windbreak.

Coupe Names: Oscine, Samson and Doug

Area: Mirboo North

Date: Winter 2017

In August 2017, VicForests undertook a Social Impact Assessment (S.I.A.) in Mirboo North. The purpose was to gauge potential effects of possible future harvesting of three coupes on the Mirboo North community. South Gippsland Shire asked VicForests to present its plans at a public meeting. Discussion has continued with the community and the Shire (local government) since that time. Outcomes to date include altering of some of the prescribed harvest areas, an increase in buffering around a public walk, and the addition of a visual screen along the Strzelecki Highway.

Coupe Name: Buckskin

Area: East Gippsland

Date: January 2017

Foresters met with neighbours who were concerned about the impacts of harvesting on their views. Through consultation and negotiation, VicForests altered coupe boundaries to ensure that the coupe is screened from the property and the views are protected.

Altering harvest methods

Area: Strathbogie ranges

Date: Spring 2016

Harvesting in Strathbogie State Forest had not occurred for 5-6 years. In 2016, VicForests recommenced the process of planning for upcoming timber harvesting, including community consultation. During this period of consultation, VicForests became aware that there was concern regarding a coupe in which previous regeneration efforts had failed. The locals disagreed with the prescribed clearfell harvest method. Through negotiation, VicForests agreed to modify its harvesting approach to use mostly selective harvesting in the future.

Modification of harvest schedule

Coupe Name: Kings

Area: Toolangi

Date: 2016

'Kings' has several instances of adaptation to standard management practices as a response to stakeholder inputs.

Adaptation 1 - Extended private property buffer.

Notification and consultation with adjacent private property owners is standard operational practice. In this case, further consultation was completed with representative of the Woodlands Forest Retreat. Extra consultation included a site visit and discussion around impacts and operational details including: Silviculture, Timing of the operation, Noise, Water Quality and property boundaries. Discussions led to an agreement on the extension of the eastern/south-eastern coupe boundary buffer to 100m to accommodate concerns raised.

Adaptation 2 - Delayed operations to allow DELWP to complete Greater Glider surveys.

Planned harvesting was placed on hold following stakeholder input regarding biodiversity concerns. Surveys were planned as a result of a 3rd party detection report (WOTCH) submitted to DELWP. Surveys were conducted with direction from DELWP to protect high quality habitat to the satisfaction of DELWP biodiversity experts. High quality habitat was identified and buffers were applied to the north. This coupe has been removed from the operational schedule whilst awaiting DELWP reports. All relevant stakeholders have been notified.

Area: Mt Stirling region

Date: 2005/06.

Harvesting on Mt Stirling had not occurred for around 15 years. Because of this, many stakeholders were consulted in the lead-up to this operation, including commercial tour operators, Four Wheel Drive Victoria, Alpine Resorts, Shire Council and Parks Vic. The general public was also consulted, with VicForests staff conducting surveys in the field. In response to feedback from these stakeholders, the period of harvest was scheduled to fall outside of school holidays to minimise disruption to tourists. This principle was applied in subsequent salvage operations in 2007 -08, and still applies and will be invoked when VicForests returns there (likely to be in next 2-3 years).

Coupe Name: Doughtys Road

Area: Central Highlands

Date: Oct 2017

Prior to harvesting, VicForests identified Geelong Grammar School Timbertop Campus as a recreational user of the forest area. As a component of the consultation process, VicForests discussed with the School the impending harvesting around Doughtys Rd. VicForests agreed to conduct its operations outside the dates of the School's planned use, or where this was not possible, to avoid active operation of machinery whilst students move through the area. VicForests offered to provide an educational session on forestry for the students.

Coupe Name: Torbreck Plains & Gremlin

Area: Central Highlands

Date: Jan 2016

VicForests had scheduled coupes near a memorial commemorating RAAF Avro Anson A4-4 crash in 1940 on the side of Mt Torbreck. After VicForests became aware of the significance of this site, VicForests provided funding for a restoration project through the Community Grants Scheme as a way of contributing to local tourism. Both nearby coupes were removed from the harvest schedule. Only through a process of public consultation will the coupes be harvested in the future.

Altering regeneration practices

Coupe Name: Crawler

Area: Toolangi

Date: March 2015

After consultation with the adjacent farmer, VicForests delayed the coupe regeneration burn on the site. This change was to allow the farmer to complete fumigation without damage to plastic covers on fumigated areas.

Coupe Name: Rusty

Area: Central Highlands

Date: 2014

After a process of consultation and negotiation, the harvest method and coupe shape were significantly altered.

During the consultation process, concerns were raised about a 2.4 m-diameter Grey Gum that was identified for protection and inclusion in a small reserve (0.2ha) to remain unharvested. The feedback from locals was that they didn't feel this was adequate. Consequently, VicForests increased the reserve area to 1.0 ha. This coupe was scheduled to be harvested using clearfell methods; however, through adoption of this larger reserve area, the silviculture was changed to 'regrowth retention' harvesting. The buffer size on the local walking track was also increased.

Coupe Name: Leos Foot

Area: Central Highlands

Date: 2013

The Leos Foot coupe included a section of walking track, which during the coupe planning process was buffered from harvesting. After consultation with the community, VicForests increased the size of the buffer on the community walking track.

Haulage rerouting***Coupe Name: Bald Hill***

Area: Mansfield

Date: Autumn 2007.

Haulage from a 2006-07 wildfire salvage coupe 'Bald Hill' was planned to be out of Buttercup Jeep Track and along Buttercup Rd (Shire Rd). VicForests held a public meeting in Merrijig where some neighbours and operators of Bed & Breakfasts requested that timber be hauled using an alternative route. The alternative route added extra distance and required additional road maintenance, but was adopted to protect community interests.

Appendix 5 – SCS FSC Chain of Custody Indicators for Forest Management Enterprises

Version 6-0

REQUIREMENT	C/NC	COMMENT/CAR
1. Quality Management		
1.1 The organization shall appoint a management representative as having overall responsibility and authority for the organization's compliance with all applicable requirements of this standard.	NC	VicForests procedures dated 17 November 2017 do not specify a management representative as having overall responsibility for compliance with the standard
1.2 The FME shall maintain complete records of all FSC-related COC activities, including sales and training, for at least 5 years.	C	VicForests maintain records, either in hard copy or electronically, the main COC data will be maintained in the CENGEA database. Verified training records, sales records and harvest records during the FM CW audit process

1.3 The FME shall define its forest gate(s) (check all that apply):
The forest gate is defined as the point where the change in ownership of the certified-forest product occurs.

C

- ☒ **Stump**
Stumpage sale or sales of standing timber; transfer of ownership of certified-forest product occurs upon harvest.
- ☐ **On-site concentration yard**
Transfer of ownership of certified-product occurs at concentration yard under control of FME.
- ☒ **Off-site Mill/Log Yard**
Transfer of ownership occurs when certified-product is unloaded at purchaser's facility.
- ☐ **Auction house/ Brokerage**
Transfer of ownership occurs at a government-run or private auction house/ brokerage.
- ☐ **Lump-sum sale/ Per Unit/ Pre-Paid Agreement**
A timber sale in which the buyer and seller agree on a total price for marked standing trees or for trees within a defined area before the wood is removed — the timber is usually paid for before harvesting begins. Similar to a per-unit sale.
- ☒ **Log landing**
Transfer of ownership of certified-product occurs at landing/yarding areas.
- ☐ **Other** (Please describe):

<p>1.4 The FME shall have sufficient control over its forest gate(s) to ensure that there is no risk of mixing of FSC-certified forest products covered by the scope of the FM/COC certificate with forest products from outside of the scope prior to the transfer of ownership.</p>	C	<p>The Wattle Road storage site was visited, truck dockets were reviews as well as other documents, and a site inspection was carried out. Vic forest staff were interviewed confirming that there are no other inputs to the storage sites, of which there are actually three, apart from Vic forests logs carted directly from harvest areas within the FMU.</p> <p>Logs remain in the storage facility until sold to the customer. These logs can remain in the storage site for up to 12 months. Once they are sold to the customer these logs are trucked directly from the storage site to the customer, and being weighed at the customer weighbridge (Point-of-sale) prior to entering the customers log stockpiles.</p> <p>There are also three Transit Sites (these are sites where logs can be carted from the harvest area, offloaded, stored for a short period of time, reloaded and delivered to the customer) The difference between a Storage Site and a Transit Site is that logs arriving in the Storage site are owned by Vic forest and that the harvesting and haulage has been paid to the contractors.</p> <p>Logs arriving at transit sites remain the property of the contractor and there is no payment until such time as the logs are delivered to the customer. Logs in transit sites are generally there for very short periods of time (possibly overnight).</p>
<p>1.5 The FME and its contractors shall not process FSC-certified material prior to transfer of ownership at the forest gate without conforming to applicable chain of custody requirements.</p> <p><i>NOTE: This does not apply to log cutting or de-barking units, small portable sawmills or on-site processing of chips/biomass originating from the FMU under evaluation.</i></p>	C	<p>The auditor saw no evidence of processing apart from cut to length either on the log landings or at the storage site.</p>
<p>2. Product Control, Sales and Delivery</p>		
<p>2.1. Products from the certified forest area shall be identifiable as certified at the forest gate(s).</p>	C	<p>The only logs placed in a Storage Site are either pulp logs or (E grade) sawlogs which are used for pallet making. Higher grade (D to A grade) sawlogs are delivered directly to the customer from the log landing (D-grade and above) are measured on the log landing by the contractor and also have an electronic barcode ticket attached to the butt end of the log. The information included in the barcode is scanned and automatically uploaded to Vic forests CENGEA database.</p>

2.2 The FME shall maintain records of quantities/volumes of FSC-certified product(s).	C	The auditor requested and received database extracts clearly showing the volumes of logs harvested and delivered from the log landings to the customer, and also received spreadsheets of pulp logs delivered to the Storage site.
<p>2.3. The FME shall ensure that all sales documents issued for outputs sold with FSC claims include the following information:</p> <ul style="list-style-type: none"> a) name and contact details of the organization; b) name and address of the customer; c) date when the document was issued; d) description of the product; e) quantity of the products sold; f) the organization's FSC Forest Management (FM/COC) or FSC Controlled Wood (CW/FM) code; g) clear indication of the FSC claim for each product item or the total products as follows: <ul style="list-style-type: none"> i. the claim "FSC 100%" for products from FSC 100% product groups; ii. the claim "FSC Controlled Wood" for products from FSC Controlled Wood product groups. h) If separate transport documents are issued, information sufficient to link the sales document and related transport documentation to each other. 	C	The auditor reviewed Tax Invoice 31397 dated 30/11/17 include the requirements a) through to e). The FSC CW/FM code needs to be included along with the applicable claim.
<p>2.4 The FME shall include the same information as required in 2.3 in the related delivery documentation, if the sales document (or copy of it) is not included with the shipment of the product.</p> <p>Note: 2.3 and 2.4 above are based on FSC-STD-40-004 V2-1 Clause 6.1.1 and 6.1.2</p>	C	As above

2.5 When the FME has demonstrated it is not able to include the required FSC claim as specified above in 2.3 and 2.4 in sales and delivery documents due to space constraints, through an exception, SCS can approve the required information to be provided through supplementary evidence (e.g. supplementary letters, a link to the own company's webpage with verifiable product information). This practice is only acceptable when SCS is satisfied that the supplementary method proposed by the FME complies with the following criteria: a) There is no risk that the customer will misinterpret which products are or are not FSC certified in the document; b) The sales and delivery documents contain visible and understandable information so that the customer is aware that the full FSC claim is provided through supplementary evidence; c) In cases where the sales and delivery documents contain multiple products with different FSC Claims, a clear identification for each product shall be included to cross-reference it with the associated FSC claim provided in the supplementary evidence. <i>FSC-ADVICE-40-004-05</i>	N/A	All required information as specified in 2.3 and 2.4 is included in sales documentation
3. Labeling and Promotion		N/A, FME does not use/ intend to use trademarks
	X	N/A, CW/FM certificates are not allowed to use FSC trademarks (Note: it is a Major nonconformity to 3.1 if CW/FM certificates are found to be using trademarks)
3.1 The FME shall adhere to relevant trademark use requirements of FSC-STD-50-001 V1-2 described in the <i>SCS Trademark Annex for FMEs</i> .		
4. Outsourcing		N/A, FME does not outsource any COC-related activities.
	X	N/A, FME outsources low-risk activities such as transport and harvesting.
4.1 The FME shall provide the names and contact details of all outsourced service providers.	NC	The auditor was not provided with contact details of the Outsource supplier

<p>4.2 The FME shall have a control system for the outsourced process which ensures that:</p> <ul style="list-style-type: none"> a) The material used for the production of FSC-certified material is traceable and not mixed with any other material prior to the point of transfer of legal ownership; b) The outsourcer keeps records of FSC-certified material covered under the outsourcing agreement; c) The FME issues the final invoice for the processed or produced FSC-certified material following outsourcing; d) The outsourcer only uses FSC trademarks on products covered by the scope of the outsourcing agreement and not for promotional use. 	NC	<p>The auditor was provided with procedures (5.2.1.6 and 5.2.1.10) which tracks loads of logs through Storage sites and transit sites</p>
5. Training and/or Communication Strategies		
<p>5.1 All relevant FME staff and outsourcers shall be trained in the FME's COC control system commensurate with the scale and intensity of operations and shall demonstrate competence in implementing the FME's COC control system.</p>	NC	<p>5.7.1 of the CoC Procedures states training is provided to VicForests staff via the ELMO online learning system. The auditor was not provided with training records for the Outsource provider</p>
<p>5.2 The FME shall maintain up-to-date records of its COC training and/or communications program, such as a list of trained employees, completed COC trainings, the intended frequency of COC training (i.e. training plan), and related program materials (e.g., presentations, memos, contracts, employee handbooks, etc.).</p>	NC	<p>5.7.2 of the CoC Procedures states training is delivered to contractors under VicForests Procedure Chain of Custody External Training, however evidence of CoC training actually delivered to contractors was not provided</p>