Carter Holt Harvey Woodproducts Australia: Verification of controlled wood supply according to FSC-STD-40-005(V2-1) EN Annex 3: woodchip supply.

Contents
Introduction ....................................................................................................................................................... 1  
Procedures for verifying the supply at the FSC-STD-40-005 annex 3 level. ...................................................... 2  
Summary and rationale for Districts, Forest Management Units (FMU) and Sampling Plans ...................... 3  
Assessment of the suppliers HCV control systems. ........................................................................................... 4  
Maps of districts containing FMUs .................................................................................................................. 11  

Introduction
Carter Holt Harvey Woodproducts Australia Pty Ltd purchases radiata pine logs sourced from plantations in the Green Triangle region of Australia to manufacture sawn timber at the Jubilee sawmill in Mount Gambier, SA. Woodchips are produced as a co-product of sawmilling. These are delivered to the Port of Portland, VIC for export. Carter Holt Harvey also purchases woodchips delivered to the Port of Portland from other South Australian sawmills that process logs sourced from radiata pine plantations in the Green Triangle and Mount Lofty Ranges regions.

Carter Holt Harvey has conducted a risk assessment on this supply chain as part of their verification program for controlled wood sources under FSC-STD-40-005 (V2-1) EN. The FSC Australia Controlled Wood Risk Assessment Matrix\(^1\) (FSC-CWRA-001-AUS (V1-0)) has determined a low risk for four of the five controlled wood criteria in the States of Victoria and South Australia at the Annex 2 level: illegally harvested wood, wood harvested in violation of traditional and civil rights, wood harvested from forests being converted to plantations or non-forest uses, and wood from forests in which genetically modified trees are planted. The fifth criterion, wood harvested from forests in which high conservation values (HCV) are threatened by management activities, was found to have an unspecified risk and therefore a verification process according to FSC-STD-40-005 (V2-1) EN Annex 3 needs to be carried out for HCV only.

In order for the wood to qualify as controlled wood this verification needs to confirm that suppliers have a strong system of control for HCV at all stages of their operations. Under this approach there is verification that appropriate ‘tools’ have been used to satisfy the 6 classes of HCV. Verification has been completed for all suppliers using FSC Australia’s HCV evaluation framework\(^2\). Verification is also consistent with FSC Australia guidance on controlled wood implementation\(^3\). In addition all applicable and current FSC International advice notes are followed\(^4\).

---

4. [ADVICE-40-004-12. Verification of controlled input materials relating to FSC-STD-40-004 V2-1 Clauses 3.1, 3.2 and 3.3.1 has been through consultation and is still in draft and expected to be approved in September 2013. This says that provided there is verification of the origin of input materials, material that originally comes from FSC certified sources but has lost their FSC-certified status due to a break in the chain of custody may be classified as controlled material and be exempt from complying with the requirements of FSC-STD-40-005. When this advice is approved it will](http://au.fsc.org/advice-40-004-12.verification-of-controlled-input-materials-relating-to-fsc-std-40-004-v2-1-clauses-3-1-3-2-and-3-3-1-has-been-through-consultation-and-is-still-in-draft-and-expected-to-be-approved-in-september-2013-this-says-that-provided-there-is-verification-of-the-origin-of-input-materials-material-that-originally-comes-from-fsc-certified-sources-but-has-lost-their-fsc-certified-status-due-to-a-break-in-the-chain-of-custody-may-be-classified-as-controlled-material-and-be-exempt-from-complying-with-the-requirements-of-fsc-std-40-005-when-this-advice-is-approved-it-will)
Procedures for verifying the supply at the FSC-STD-40-005 annex 3 level

Carter Holt Harvey has adopted the FSC Australia Controlled Wood Risk Assessment Matrix (FSC-CWRA-001-AUS (V1-0)). It identified low risk for all controlled wood categories except HCV (3.1 and 3.2) which was unspecified at all IBRA bioregions in Australia.

Verification audits
Therefore Carter Holt Harvey completes an annex 3 verification audit on HCV for all its suppliers using FSC Australia’s HCV evaluation framework\(^5\). Under this approach there is verification that appropriate ‘tools’ have been used to satisfy the 6 classes of HCV. The onus is on the supplier to demonstrate a strong system of control at all stages of their operations which Carter Holt Harvey can confirm in their verification audits. The system of control for each of the suppliers is set out in detail in this document (below).

Auditor training
Verification audits must be conducted by personnel with appropriate training. Carter Holt Harvey personnel conducting field verification audits have had appropriate training against the requirements of the FSC Australia HCV framework. Training records are kept.\(^6\)

Audit timing
Audits will occur at a timing that prevents uncontrolled wood passing through the supply chain. In practical terms this means audits will be on active harvesting blocks just before or just after the wood is harvested.

Stakeholder consultation
Carter Holt Harvey has developed a stakeholder consultation process including NGOs and local indigenous representatives. On an annual basis these stakeholders are consulted on the verification audits. Where issues are raised these are taken into account where possible and practical.

Complaints and disputes process
Carter Holt Harvey has developed a complaints and disputes process as part of its FSC Chain of custody certification (FSC-STD-40-004 (V2-0) EN).

---

mean that wood from FSC certified forests can be excluded from the Annex 3 verification process. This is important because two of the FMUs to the independent sawmills are either FSC certified or in the final stages of certification.


\(^6\) Note in the first year audits were outsourced to a suitably qualified consultant who trained Carter Holt Harvey staff in annex 3 verification audits. [http://pinnaclebypinnacle.com/](http://pinnaclebypinnacle.com/)
Summary and rationale for Districts, Forest Management Units (FMU) and Sampling Plans

FSC-STD-40-005 Annex 3 states:

1.7. The company shall classify the FMUs as sets of ‘similar’ units for the purpose of sampling. The sets shall be selected to minimize variability within each set. “Similarity” in the contents of this standard is meant in terms of:
   a) forest type (e.g. natural forest, plantation),
   b) geographical location (district)
   c) size of operation (e.g. SLIMF)

The supply chain contains five sawmills producing woodchips as a manufacturing co-product. 2 districts containing 6 sets with a total of 15 FMUs were identified that supply logs to the 5 sawmills. For the purpose of sampling, FMUs were classified by similar forest type, geographical location, management control and ownership according to the following table. Maps identifying the Green Triangle and Mount Lofty Ranges regions are appended to this document.

<table>
<thead>
<tr>
<th>Forest Type</th>
<th>Geographic Location (district)</th>
<th>Management Company</th>
<th>Entity Owning FMU</th>
<th>FMU Name / Identification</th>
<th>Number of Hectares</th>
<th>Qualifies as SLIMF? (Yes/No)</th>
<th>Selected for Annex 3 Verification? (Yes/No)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Radiata pine plantations</td>
<td>Mount Lofty Ranges</td>
<td>ForestrySA</td>
<td>OneFortyOne Plantations</td>
<td>1. Mount Lofty Ranges forest</td>
<td>9,300ha</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2. Mount Burr forest</td>
<td>38,300ha</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3. Mount Gambier forest</td>
<td>37,100ha</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4. Penola forest</td>
<td>28,600ha</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Green Triangle</td>
<td></td>
<td></td>
<td>5. GTFP forests</td>
<td>22,000ha</td>
<td>No</td>
<td>Yes x 2. One in SA, one in VIC.</td>
</tr>
<tr>
<td></td>
<td>Forest Products</td>
<td></td>
<td>Various private owners</td>
<td>6. – 13. GTFP farm forestry woodlots</td>
<td>8 woodlots each &lt;100ha</td>
<td>Yes</td>
<td>Yes x 3</td>
</tr>
<tr>
<td></td>
<td>Hancock Victorian Plantations</td>
<td></td>
<td></td>
<td>14. South West district forests</td>
<td>24,300ha</td>
<td>No</td>
<td>No (FSC certified FMU)</td>
</tr>
<tr>
<td></td>
<td>Timberlands Pacific</td>
<td></td>
<td>New Forests</td>
<td>15. Green Triangle Forest Trust forests</td>
<td>41,900ha</td>
<td>No</td>
<td>No (pending FSC certified FMU)</td>
</tr>
</tbody>
</table>

The number of harvesting sites included in the sampling plan was calculated on the basis of the formula:

Sample frequency = 0.8 x √nFMUs

1. ForestrySA managed forests within the Mount Lofty Ranges region. 1 FMU (Mt Lofty Ranges forest). Sample = 1
2. ForestrySA managed forests within the Green Triangle region. 3 FMUs (Mt Burr forest, Mt Gambier forest, Penola forest). ForestrySA have a management plan for each. Sample = 2
3. GTFP forests. 1 FMU. GTFP have plantations located in the states of South Australia and Victoria. Statutory requirements regarding forest management in each state are slightly different. Due to this distinction it was decided to conduct 2 samples – one in each state.
4. Farm forestry woodlots within the Green Triangle region managed by GTFP. Based on 2012/13 wood supply year there were 8 FMUs in this set. Sample = 3. Note For the purpose of farm forestry woodlots the sampling plan is based on the number of FMUs in the last supply year.
5. HVP forests. 1 FSC certified FMU. Excluded from sampling due to FSC Advice 40-004-12 (draft).8
6. Timberlands Pacific forests. 1 FMU pending FSC certification. Excluded from sampling due to FSC Advice 40-004-12 (draft).

7 Forest Management Unit – a clearly defined forest area with mapped boundaries, managed by a single managerial body.
8 ADVICE-40-004-12. Verification of controlled input materials relating to FSC-STD-40-004 V2-1 Clauses 3.1, 3.2 and 3.3.1 has been through consultation and is still in draft and expected to be approved in September 2013. This says that provided there is verification of the origin of input materials, material that originally comes from FSC certified sources but has lost their FSC-certified status due to a break in the chain of custody may be classified as controlled material and be exempt from complying with the requirements of FSC-STD-40-005.
Assessment of the suppliers HCV control systems.
CHH has assessed the FMUs for the values identified in the FSC Australia HCV evaluation framework. These are listed below:

<table>
<thead>
<tr>
<th>Definition</th>
<th>Values</th>
<th>Information sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCV 1. Forest areas containing globally, nationally and regionally significant concentrations of biodiversity values.</td>
<td>Areas that contain species that are rare, threatened or endangered, or contain centres of endemism.</td>
<td>FMU management plans.</td>
</tr>
<tr>
<td></td>
<td>Areas that contain species that are depleted or poorly reserved at the IBRA region scale.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Areas with mapped significant seasonal concentrations of species (e.g. migratory staging areas).</td>
<td>FSC Australia directory of information sources.</td>
</tr>
<tr>
<td></td>
<td>Areas of high species/communities diversity.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Refugia and mosaics.</td>
<td></td>
</tr>
<tr>
<td>HCV 2. Forest areas containing regionally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance.</td>
<td>Landscape scale native forests that have experienced lesser levels of past human disturbance or other management (e.g. fire suppression), or areas within such forests.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Native forests that are rare at the regional or finer scale.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Forests recognized as being regionally significant at the bioregion or larger scale.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Forests that provide regionally significant habitat connectivity between larger forest areas or between refugia and mosaics.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Roadless areas</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Forests that haven't been affected by forest management activities</td>
<td></td>
</tr>
<tr>
<td>HCV 3. Forest areas that are in or contain rare, threatened or endangered ecosystems.</td>
<td>Extant rainforests.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Areas for conservation of important genes or genetically distinct populations.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ecosystems that are depleted or poorly reserved at the IBRA bioregion scale.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Old growth forests.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Remnant vegetation in heavily cleared landscapes.</td>
<td></td>
</tr>
<tr>
<td>HCV 4. Forest areas that provide basic services of nature in critical situations* (e.g., watershed protection, erosion control).</td>
<td>Forests which provide protection from flooding</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Forests which provide protection from erosion</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Forests which provide barriers from destructive fire</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Forests which provide clean water catchments</td>
<td></td>
</tr>
</tbody>
</table>

*Critical situations encompass areas with
<table>
<thead>
<tr>
<th>Highly erodible soils, areas with steep slopes, clean water and/or irrigation supply systems, areas which protect against flooding and vulnerable areas which support rare or endangered ecosystem functions.</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCV 5. Forest areas fundamental to meeting basic needs of local communities (e.g., subsistence, health).</td>
</tr>
<tr>
<td>Unique/main sources of water for drinking and other daily uses</td>
</tr>
<tr>
<td>Unique/main sources of water for the irrigation of food crops</td>
</tr>
<tr>
<td>Food, medicines or fuel etc. for local consumption</td>
</tr>
<tr>
<td>HCV 6. Forest areas critical to local communities’ traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).</td>
</tr>
<tr>
<td>Aesthetic values</td>
</tr>
<tr>
<td>Historic values</td>
</tr>
<tr>
<td>Scientific values</td>
</tr>
<tr>
<td>Social (including economic) values</td>
</tr>
<tr>
<td>Spiritual values</td>
</tr>
</tbody>
</table>
FMUs managed by ForestrySA.

**HCV 1.** Comprehensive management plans for all forests managed by ForestrySA exist. These have undergone a stakeholder consultation process and are publically available. Forest areas containing native forests and HCV1 are identified in these plans. Most of these areas are also gazetted by the State Government giving them protected status and have their own management plans. FSA uses 3 land use classifications: General Zones for plantation pines, Transitional Zones for areas under restoration to native vegetation e.g. biodiversity corridors, and Conservation Zones for areas of protected native forests.

Assessment of habitats for the occurrence of rare or endangered species is done by specialists using survey work and existing sources (e.g. regional plans or publically available overlays). All information is recorded on GIS layers and maps used in all forestry operations. Prescriptions for management of rare and endangered species are set by specialist planners using available information and research.

Corridors to link areas containing HCV1 are being progressively established. These have been designed in consultation with stakeholders.

FSA is AS4708 (Australian Forestry Standard) certified which requires identification and management of significant biological diversity values. Verified by sighting plans, maps and certificates and confirming practices during field audits.

**HCV 2.** No large natural landscape level forests exist within or adjacent to the FMUs. Conservation zones, with publically available management plans exist for small but regionally significant areas of remnant native vegetation contained within or adjacent to the FMUs. Most of these areas are gazetted by the State Government giving them protected status.

Confirmed by reference to estate level maps and management plans.

**HCV 3.** Remnant areas of native vegetation within or adjacent to the FMUs are identified in forest management plans and given conservation zone status. Most of these areas are also gazetted by the State Government giving them protected status.

Assessment of habitats for the occurrence of rare or endangered species is done by specialists using survey work and existing sources e.g. regional plans or publically available overlays. Rare and endangered flora and fauna species known to exist within the FMUs are identified in forest management plans. Information is presented recorded on GIS layers and maps used in all forestry operations. Prescriptions for management of rare and endangered species are set by specialist planners using available information and research.

FSA is AS4708 (Australian Forestry Standard) certified which requires identification and management of significant biological diversity values.

---

Verified by sighting management plans, maps and confirming practices during field audits.

**HCV 4.** Mandatory requirements (covered by various legislation) and guidelines relating to erosion control and water quality in South Australia are addressed in the “Guidelines for Plantations Forestry in South Australia 2009”. The “Code of Practice for Timber Production 2007” addresses these requirements in Victoria. Forest management plans reference these documents which are also reflected in operational plans.

FMUs within the Green Triangle are considered to be in a low-moderate erosion risk area. Water supply in the Green Triangle is from groundwater catchments managed by state level Natural Resource Management plans. For catchment management in the Mount Lofty Ranges FMU, ForestrySA has an Environmental Performance Agreement with the South Australian Environment Protection Authority (EPA), which refers to the ForestrySA estate located in the Mount Lofty Ranges Water Protection Area (MLRWPA), regulating and monitoring herbicide use for the establishment of plantations and the following 2 years. An MOU with SA Water establishes a framework that enables ForestrySA to have ongoing access to nominated areas within the SA Water catchments for their commercial plantations. This covers aspects of forest management that could impact water quality.

FSA are AS4708 certified. AS4708 requires that forest management shall protect soil and water resources.

Verified by sighting guidelines, agreements and management plans, operational plans and confirming practices during field audits.

**HCV 5.** Local communities are not critically dependent on these FMUs for their basic needs. There is an operating stakeholder database used for stakeholder engagement.

**HCV 6.** There are known aboriginal issues or cultural heritage sites in the FMUs. These are referred to in forest management plans and are recorded in GIS layers and maps using data from the Aboriginal Affairs department. There are some post-colonial sites recognized under the Heritage Places Act 1993. There are state guidelines for both Aboriginal and post-colonial cultural heritage which are reflected in the forest management plans.

FSA are AS4708 certified. AS4708 requires that forest management shall protect and maintain for Indigenous and non-indigenous people, their natural, cultural, social, recreational, religious and spiritual heritage values.

*Verified by sighting guidelines, agreements and management plans, operational plans and confirming practices during field audits.*
FMU managed by GTFP.

HCV 1. GTFP is AS4708 (Australian Forestry Standard) certified\(^\text{11}\) which requires identification and management of significant biological diversity values. Forest areas containing native forests and HCV1 are identified in forest management plans. There are existing management plans for SBDV\(^\text{12}\). Before each harvest of GTFP forest compartments an assessment is conducted using the “GTFP – SBDV Feature Management Guide” which references publicly available data and the “Quick SBDV Reference Page” which recommends controls for the values found. The results are recorded on the “Assessment Recording sheet.” This sheet is incorporated into the Work plan. All issues are also entered into a risk register.

Potential endangered species are identified through the DEH overlays (SA) and the DSE maps (Victoria) and site visits.

Verified by sighting plans and maps and confirming practices during field audits.

HCV 2. No large natural landscape level forests exist within, or contain the FMU. Parks containing remnant native vegetation exist adjacent to the FMU in some cases. These are identified in management plans and maps. Buffer zones separate the FMU from these areas.

Verified by sighting plans and maps and confirming practices during field audits.

HCV 3. GTFP is AS4708 (Australian Forestry Standard) certified which requires identification and management of significant biological diversity values. Forest areas containing native forests and HCV3 are identified in forest management plans. There are existing management plans for SBDV. Before each harvest of GTFP forest compartments an assessment is conducted using the “GTFP – SBDV Feature Management Guide” which references publicly available data and the “Quick SBDV Reference Page” which recommends controls for the values found. The results are recorded on the “Assessment Recording sheet.” This sheet is incorporated into the Work plan. All issues are also entered into a risk register.

Potential endangered ecosystems are identified through the DEH overlays (SA) and the DSE maps (Victoria) and site visits.

Verified by sighting plans and maps and confirming practices during field audits.

HCV 4. The Code of Practice for Timber Production 2007, Department of Sustainability and Environment, Victoria, is a key document which GTFP use to manage HCV4. It contains mandatory requirements and industry guidelines for the management of watershed protection and erosion control within the State of Victoria. GTFP apply this Code regardless of whether the plantations they manage are located within South Australia or Victoria. GTFP also apply The Guidelines for Plantation Forestry in South Australia 2009, which they helped develop.

GTFP are AS4708 certified. AS4708 requires that forest management shall protect soil and water resources.

---


\(^{12}\) SBDV = Significant Biological Diversity Values.
There are many legislative requirements that are relevant to HCV4 which GTFP must comply with. For example: EPA Acts SA & Vic, NRM Act SA and Catchment and Land Protection Act Vic.

The operational plans consist of a “Work Plan Checklist” and a “Harvesting Work Plan”. Implementation of each risk control is signed off in the field on infield notes, Daily QA checks and harvest visit records.

Surface water is identified by GIS maps and aerial photos. In Victoria water quality is governed by the local government (Glenelg Shire) under the Victorian Code of Practice. In SA it is governed by South East Natural Resource Management Board.

There is a procedure for winter and summer logging to avoid erosion of wet soil and vehicles getting bogged.

Verified by sighting plans and maps and confirming practices during field audit.

**HCV 5.** Local communities are not critically dependent on the FMU for their basic needs. GTFP have a “Stakeholder Register” with discussions recorded. There is also a “Neighbour’s Register” with communications of harvesting activities.

**HCV 6.** The “GTFP – SBDV Feature Management Guide” also covers cultural heritage. Aboriginal heritage sites are listed with locations on 2 spread sheets (SA & Victoria). These sites are drawn on the compartment maps attached to the “Harvesting Work Plan”.

GTFP are AS4708 certified. AS4708 requires that forest management shall protect and maintain for Indigenous and non-indigenous people, their natural, cultural, social, recreational, religious and spiritual heritage values.

Confirmed by sighting the forest harvesting plans and the management spread sheets.

**Farm forestry woodlot FMUs managed by GTFP**

Farm forestry woodlot FMUs managed by GTFP are within the Small Low Intensity Management (SLIMF) definition set by FSC (less than 100ha). GTFP manage the planning, harvesting and delivery of the logs to the CHH sawmill according to the process described for the GTFP FMU.

Verified by sighting plans, maps and confirming practices during field audits.
**FMU managed by Timberlands Pacific Pty Ltd (TPPL)**

Management of HCV is detailed in two publically available documents as part of TPPLs FSC certification (pending):

- Special Values Management Plan GTFT estate
- GTFT Cultural Heritage Management Plan.

TPPL are AS4708 certified\(^{13}\). TPPL have confirmed they do not trade logs sourced from private woodlots in the Green Triangle.

**FMU managed by HVP**

Management of HCV is detailed in a publically available document as part of HVPs FSC certification:

- Management Plan High Conservation Forests 2010

HVP are AS4708 certified\(^{14}\). HVP have confirmed they do not trade logs sourced from private woodlots in the Green Triangle.


Maps of districts containing FMUs

Green Triangle Softwood Plantations