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1. Introduction

Queensland Commodity Exports Pty Limited sources plantation softwood pine logs and softwood pine chips from plantation owners and sawmill processors within South-East Queensland and Northern New South Wales as locally certified FSC 100% and as controlled material.

- Generally South-East Queensland sourced material originates from pine plantations managed by HQPlantations which was officially certified under the FSC on the 14th of March 2012 (SCS-FM/COC-00148P).
- Generally Northern New South Wales sourced material originates from pine plantations managed by Forestry Corporation New South Wales.

Queensland Commodity Exports Pty Limited has conducted a risk assessment of supply as part of the verification program for controlled wood sources under FSC-STD-40-005(V2-1) EN. Since FSC Australia have published an FSC accredited national (Annex 2) risk assessment there is already a determination of low risk for Queensland at the annex 2 level for four of the controlled wood criteria, and a determination of an unspecified risk for HCV.

Given that the risk assessment determined an unspecified risk for HCV a verification process according to FSC-STD-40-005(V2-1) EN Annex 3 verification needs to be carried out. The Annex 3 verification is focused on High Conservation values (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.

This verification process has been updated to be consistent with FSC-DIR-50-005EN ADVICE-40-005-14

<https://ic.fsc.org/download.fsc-dir-40-005-en-fsc-directive-on-fsc-controlled-wood.a-720.pdf>

and FSC Australia guidance on controlled wood implementation

<http://au.fsc.org/guidance-on-controlled-wood-implementation.265.htm>

QCE completes an annex 3 risk assessment on HCV for its suppliers using the High Conservation Values (HCVs) evaluation framework from FSC Australia as the benchmark. (FINAL V3-4)

<http://au.fsc.org/download.high-conservation-values-evaluation-framework-final-v3-4.231.htm>

2. Assessment & Evaluation of the HCV control system

Generally all material sourced by Queensland Commodity Exports from South-East Queensland originates from HQPlantations. Information about HQPlantations is publically available at <http://www.hqplantations.com.au/Links/foreststewardshipplan2013.pdf>. HQPlantations was officially certified under the FSC on the 14th of March 2012 (SCS-FM/COC-00148P).

Generally all material sourced by Queensland Commodity Exports from Northern NSW originates from Forestry Corporation NSW. Information about Forestry Corporation NSW is publically available at <http://www.forestrycorporation.com.au/management/sustainable-forest-management>



Additionally a small amount of private plantation material is sourced from both SE QLD and NNSW.

For all supply physical ownership of the wood is taken at the Mill gate. A supply agreement between Queensland Commodity Exports and the supplier warrants that the supplier will meet requirements for legal ownership and regulatory compliance. In Queensland undertaking a forestry practice is legislated as requiring a Development Approval under the Sustainable Planning Act 2009. Additionally there is a legal requirement for a Harvesting Plan that, as a minimum, complies with Forest Harvesting – Code of Practice 2007. In NSW undertaking a plantation forestry practice is legislated under the NSW Plantations and Reafforestation Act (1999) and the NSW Plantations and Reafforestation (Code) Regulation (2001). For Forestry Corporation NSW originating supply activities are managed by the Forest Practices Code – Part 1 Timber Harvesting in Forestry Corporation NSW Plantations.

Normally a supplying company will self-harvest or use a harvest contractor. Larger companies have their own procedures to cover HCV, and may carry other certifications. Some are FSC certified (therefore out of scope for controlled wood certification), and a small percentage is sourced from small farm forest type plantations.

In Queensland all harvest areas may be audited by officers of the Queensland Department of Environmental Management or local councils to ensure compliance against the Development Approval granted under the Sustainable Planning Act (2009) and also by the Department of Justice and Attorney-General - Workplace Health & Safety Queensland unit for compliance with the State's Forest Harvesting – Code of Practice 2007. In NSW harvest areas may be audited by officers of the NSW Department of Primary Industries - Agriculture to ensure compliance with the NSW Plantations and Reafforestation Act (1999).

HCV 1. Forest areas containing habitat for national or state-listed threatened species or species of high significance.

Private suppliers are required to make a grower declaration in the Verification of Origin declaration, and Queensland Commodity Exports, or the supplier, assesses HCV issues for the wood supply using publicly available information from a variety of sources including :-

- 1) Queensland Department of Environment and Heritage Protection;
- 2) Queensland Department of Natural Resources and Mines;
- 3) Queensland Department of State Development, Infrastructure and Planning;
- 4) NSW Office of Environment and Heritage
- 5) NSW Department of Primary Industries – Agriculture
- 6) Forestry Corporation NSW and the
- 7) Commonwealth Department of Sustainability, Environment, Water, Population and Communities.

HCV 2. Forest areas containing 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.

These are mainly small and disparate plantation areas on farmed land and therefore not in areas of concern. In Queensland officers of the Queensland Department of Environmental Management or local councils ensure compliance against the Development Approval granted under the Sustainable Planning Act (2009). In NSW officers of the NSW Department of Primary Industries – Agriculture ensure compliance with the NSW Plantations and Reafforestation Act (1999).



National parks, state parks, conservation reserves and state forests are often near or adjoining many large plantations while smaller plantations are often surrounded by farmland. Plantations generally occupy a small percentage of the landscape. Any issues that could impact on the landscape are noted in the harvest plan. For example the harvest plan may include access restrictions avoiding crossing native forest areas. Large forest managers such as Queensland National Parks and the Queensland Department of Environment and Heritage Protection and NSW Office of Environment and Heritage are notified of operations and consulted where operations could potentially affect forest or park values.

HCV 3. Forest areas that are in or contain rare, threatened or endangered ecosystems.

Private suppliers are required to make a grower declaration in the Verification of Origin declaration, and Queensland Commodity Exports assesses HCV issues for the wood supply using public information overlays and publicly available information from the sources described under HCV1 above.

Officers of the Queensland Department of Environmental Management, NSW Office of Environment and Heritage, or local councils assess compliance with provisions relating to conservation of biodiversity including protection of native vegetation within and adjacent to the harvesting area.

HCV 4. Forest areas that provide basic services of nature in critical situations such as slope, erosion control, water catchment.

Private suppliers are required to make a grower declaration in the Verification of Origin declaration, and Queensland Commodity Exports assesses HCV issues for the wood supply using public information overlays using publicly available information from the sources described under HCV1 above, including the presence of water catchments for urban and rural drinking water either surrounding or adjacent to plantations

Officers of the Queensland Department of Environmental Management, NSW Office of Environment and Heritage or local councils assess compliance with provisions relating to drainage, protection of soil and water quality. Permits or other approval requirements apply for instances such as a designated water course.

HCV 5. Forest areas fundamental to meeting basic needs of local communities (water, food, firewood, shelter, income) with no readily available alternative.

The provisions of HCV5 are not applicable in this situation since the wood supply is from private land, and no one relies on these forests for fire wood or shelter.

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)

Private suppliers are required to make a grower declaration in the Verification of origin declaration, and Queensland Commodity Exports assesses HCV issues for the wood supply using publicly available information from the Queensland Department of Aboriginal and Torres Straits Islander affairs, the Queensland Department of Environment and Heritage Protection, the NSW Office of Environment and Heritage and the NSW Department of Aboriginal Affairs.



3. Procedure for verifying the supplier's at the Annex 3 level.

Controlled Wood Verification Program

Queensland Commodity Exports Pty Limited audits the following controlled material suppliers annually.

- Private suppliers from SE Queensland
- Private suppliers from Northern NSW.

For all suppliers including private growers detailed records are kept of supplying blocks and these are made available to FSC auditors.

Queensland Commodity Exports Pty Limited has adopted the FSC Australia Annex 2 risk assessment. It identified low risk for all controlled wood categories except HCV (3.1 and 3.2) which was undetermined at all IBRA bioregions in Australia.

Therefore QCE completes an annex 3 risk assessment on HCV for its suppliers using the High Conservation Values (HCVs) evaluation framework from FSC Australia as the benchmark. (FINAL V3-4) <http://au.fsc.org/download.high-conservation-values-evaluation-framework-final-v3-4.231.htm>

Under this approach there is verification that appropriate 'tools' have been used to satisfy the 6 classes of HCV. The assessments have been completed for suppliers using FSC Australia guidelines for HCV Draft 2.1 dated April 2011. Under this there is verification that appropriate 'tools' have been used to satisfy the 6 classes of HCV, for example publically available ecological maps of rare/threatened/endangered species and ecosystems for HCV 1 and HCV 3.

In the Annex 2 risk assessment (Doc 419) under items 3.1.1 and 3.1.2 risk are classified as undetermined. Therefore the onus is on the supplier to demonstrate a strong system of control that Queensland Commodity Exports can confirm in their verification audits. The system of control for each of the suppliers is set out in detail in this document (above).

Stakeholder consultation

Queensland Commodity Exports has developed a stakeholder consultation process including NGOs and local indigenous representatives. On an annual basis these stakeholders are consulted on the verification program. Where issues are raised these are taken into account if possible and practical.

Auditor training

The contractor conducting field verification audits has had appropriate training against the requirements of the FSC Australia HCV framework. Training records are kept.

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.

4. Summary and rationale for Districts and sample 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).

There are 2 districts for the sampling plan. Supply from both districts is the same forest type i.e. *P. caribbea* / *teada* / *ellottii* plantations. These are considered 2 separate districts because they are covered by separate legislation for each state

District 1. South-East Queensland

District 2 Northern NSW

Note that any full FSC certified supply is outside the scope of the Queensland Commodity Exports controlled wood certification, and is therefore excluded from the calculation of the sampling plan. Private Wood is sometimes purchased on a spot market basis. As part of this verification process 100% of private wood sales from all regions the owner or their agent completes a grower declaration in the Verification of Origin declaration, and Queensland Commodity Exports assesses HCV issues for the wood supply as described above.

Districts and FMUs within each district are defined as follows:

	District	
	South-East Queensland	Northern NSW
FMU	Active Harvest areas in South-East Queensland	Active harvest areas in Northern NSW
n FMUs	1	0
Sample size	1	0

The sampling plan is calculated on the basis of the number of:

$$\text{Sample frequency} = 0.8 \times \sqrt{n\text{FMUs}}$$

For the purpose of the sampling plan an FMU is a forest area within the district as listed above.

This results in the following audit frequency for the November 2013 audit.

$$\text{South-East Queensland} = 1 \text{ FMU} > 1 \text{ samples}$$

$$\text{Northern NSW} = 0 \text{ FMU} > 0 \text{ samples}$$