



Client Name / Business name	SFM Forest Products
Date(s) of review:	Tuesday 9 th [office] and Monday 29 th [field] February 2016
Type of review	Post-certification surveillance
Site visited (include address)	Launceston office and Lake Pieman Hydrowood operation.
Certification standard	Australian Forestry Standard: AS4708 - 2013
Scope of activities within the scope of certification (short description)	Planning, management and operations of Hydrowood activities for salvage of wood at Lake Pieman.
Scope of the audit / review	Limited to the Lake Pieman Hydrowood operation as a distinct FMU
Names of review team members:	Wayne Tibbits [audit team leader], Jonathan Tibbits [auditor - reviewing document remotely off-site], Prof. Peter Davies [aquatic ecology Technical Expert - at field component only 29 th February]
Name of Global-Mark Client Manager, and signatory to this report:	Wayne Tibbits
Brief description of the FMU / DFA	This scope expansion focused on the FMU of lake salvage areas
Guidance as to how to obtain further details of the DFA may be accessed	From SFM website
The area of the DFA as advised by AFSL (including updates)	The DFA for the Hydrowood FMU is 1,000 hectares
Any applicable qualifications for the scale and intensity as referred to in AS4708	The Hydrowood operation is a permitted inclusion within AS4708: 2013 as identified by the AFS Ltd technical committee.
Exclusions to the standard/management system	Requirements not identified in the Business review Booking and Plan
Name of Management Representative	Mr Dan Ryan

Review team declaration:

We confirm that for the purpose of this review:

- We did not have any conflict of interest with and is fully independent from the company listed above
- We had the review team has sufficient resources, and competences to complete its review and reach its conclusions,
- We had the appropriate credentials to perform this review in accordance with Global-Mark and applicable accreditation requirements.

Comment and disclaimer on this report:

- This report does not and should not be seen as advice. Please consult a qualified advisor or consultant for advice.
- Due to the sampling nature of third party business reviews, the time available and samples size, some issues, non-compliances or improvements might not have been identified in the present report. This does not imply that these issues do not exist, or are in compliance. Employees, management and other stakeholders of the organization need to and are responsible for, continuously identifying and taking necessary controls to ensure continued compliance with the standard(s), and improvement.
- Readers of this report should make judgement taking the above into account.
- The report is confidential, and is owned by the organization listed above, Global-Mark Pty Ltd and the review team members who participated in its preparation. The summary of it is publicly available through Global-Mark.
- Global-Mark reserves the right to make this report available to regulators, and/or funding providers if requested.

Attendance to opening and exit meeting (record below or refer to attendance sheet)

Name (s)	Opening meeting	Closing meeting
SFM representatives - Dan Ryan, Darryn Crook	<input checked="" type="checkbox"/> Yes : <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes : <input type="checkbox"/> No
Audit Team - Jonathan Tibbits [by telephone]	<input checked="" type="checkbox"/> Yes : <input type="checkbox"/> No	<input type="checkbox"/> Yes : <input checked="" type="checkbox"/> No
Audit Team - Wayne Tibbits	<input checked="" type="checkbox"/> Yes : <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes : <input type="checkbox"/> No



1 Review team conclusions

This audit was called to assess a scope expansion of the AFS certification of SFM Forest Products to include their Hydrowood project. It follows their request in 2015 to include Hydrowood and a subsequent ruling from the AS4708 Standards Review Committee that relates to the salvage/ recovery of Forest Products from water bodies. The ruling permits Hydrowood to be included in the DFA. Global-Mark called into its team a Technical Expert in Freshwater Ecology to enable coverage of the unique nature of this FMU and the harvest/salvage operations.

Evidence is that the organisation plans and implements its operations taking into account the nature, scale and impacts of the forest and forest activities, in order to achieve the forest management objectives and targets.

Our conclusions from this business review audit are that the forest management system and its associated field operations have the ability to meet the criteria and requirements of the AFS. The forest manager is mostly compliant with the requirements of the AFS assessed at this time, as relevant to Hydrowood. During this audit we raised seven new findings with five as observations. Two findings are rated as a minor nonconformance. They relate to offsets where circumstances required conversion of a small area of native vegetation for the infrastructure of a landing and estimates of carbon storage. All of these new findings are shown as red colour font in the comments of the report's main table. We took the opportunity to close the single previous audit finding of minor nonconformance that related to committing to protection of biodiversity values in unlikely circumstances where small-scale clearing was required.

We believe that the organization listed above at the site(s) listed above has the capability to systematically meet the requirements of the Australian Forestry Standard and for the activities/products and sites listed on the Global-Mark scope of certification.

2 Review teams findings (major, minor non-conformities) or observations

At the conclusion of this review the following presents the status of new and existing findings:

Number of findings: [Totals are an field that the auditor can update by right mouse click.]

Finding Details	# Major non-conformities	# Minor non-conformities	# Observations	Total
Findings from previous audit(s) at start № 72, 78-84	0	1	7	8
Findings from above closed during this audit	0	1	0	1
New findings opened during this audit № 85-91	0	2	5	7
New findings closed during this audit	0	0	0	0
Findings open at the end of this audit	0	2	12	14

Mandatory reporting

Effectiveness of the management system (including internal audits and corrective action tool) - Comment based on audit observations and previous audit findings / history.	Quite effective, particularly in the Hydrowood operation with a focus on maritime safety.
Description of the DFA register used that has details of all separately described blocks or forest management units.	Not required for a scope expansion audit. However, the register is provided quarterly in the form of a spreadsheet listing each coupe.
Description of the system that can track additions and/or deletions to the DFA between audits and that can provide areas and maps of any changes	The abovementioned register.
Have there been any significant changes to the DFA and if so when did they advise Global-Mark?	Hydrowood FMU was added in late 2015 and the management representative advised Global-Mark by email with an update of the abovementioned register.
How does and when did the client provide AFSL with	By emailing the abovementioned register.



an annual statement confirming the current DFA?	
Has there been any breach of regulatory requirements within the scope of certification to AS 4708, and when and how did the client advise Global-Mark?	None reported.

Summary of the most important observations, positive, negative including considerations of compliance risks arising from activities of relevant stakeholders.

Positive - the Hydrowood operation has a clear focus on maritime and water safety.

Improvements required - Several requirements of AS4708: 2013 require further attention for sufficient application and implementation to the Hydrowood FMU. These have been identified in the comments of this report.

End of report