



Client Name / Business name:	Resource Management Service FGI NZ Ltd (RMS New Zealand Ltd)
Date of review:	Thursday 5 <sup>th</sup> April 2017
Type of review:	Pre-certification Stage 1
Sites visited:	Office: PF Olsen Ltd, Unit 3, 2 Northpoint Street, Plimmerton, Porirua 5026 Field site: one cable harvest operation [compartment 1801 at Puketiro forest]
Certification standard	NZS AS 4708:2014 - sustainable forest management
Scope of activities within the scope of certification (short description)	PF Olsen, a Rotorua headquartered NZ owned company managing, on a day-to-day basis, the RMS estate via its Porerua office.
Scope of the audit / review	Stage 1 audit as part of initial certification audit comprising an on-site audit component and a sample of field operations. An overview of the forest management system including: processes for planning, protecting forest values; staff training & risk management; outline of how the concept of continual improvement is realised; procedures and records of internal audit and review; and, list of relevant stakeholders.
Names of review team members:	Dr. Wayne Tibbits
Name of Global-Mark Client Manager, and signatory to this report:	Dr. Wayne Tibbits
Brief description of the FMU / DFA	Exotic plantations under Forestry Right comprising a series of twelve separate forest blocks: 5,273 hectares.
Guidance as to how to obtain further details of the DFA may be accessed	Not applicable as the client is not yet certified.
The area of the DFA as advised by AFSL (including updates)	Not applicable as the client is not yet certified.
Any applicable qualifications for the scale and intensity as referred to in AS4708	Native vegetation is managed for conservation or protection and as such, is at low intensity operational level. Some requirements may not be applicable, e.g. regeneration of native vegetation.
Exclusions to the standard/management system	Nil.
Name of Management Representative	Kit Richards, Environment Manager, PF Olsen Ltd

## 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*)



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Name (s)	Opening meeting	Closing meeting
PF Olsen Ltd & RSM staff - R. Beamish-White, C. Barnes, M. Hodgson, R. Cook, K. Richards, H, Van Der Weuff	<input checked="" type="checkbox"/> Yes/ No <input type="checkbox"/>	<input checked="" type="checkbox"/> Yes/ No <input type="checkbox"/>
PF Olsen Ltd - N. Bunting, K. Buikema	<input checked="" type="checkbox"/> Yes/ No <input type="checkbox"/>	<input type="checkbox"/> Yes/ No <input checked="" type="checkbox"/>
Global-Mark - Wayne Tibbits	<input checked="" type="checkbox"/> Yes/ No <input type="checkbox"/>	<input checked="" type="checkbox"/> Yes/ No <input type="checkbox"/>



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## 1 Review team conclusions

Throughout this report the client may be referred to as the organisation or the forest manager. This should not be confused with the Property Manager, which is PF Olsen Ltd.

This stage 1 audit included an on-site audit component and a sample of one field operation [coupe being compartment 1810 at Puketiro forest].

The client had a ready to be reviewed forest management system at this stage 1 audit, having appointed its Property Manager with this responsibility. PF Olsen has experience in FSC forest management systems and has linked the PEFC endorsed NZS 4708 into its existing FSC documentation and processes. We do note that the very wet weather that delayed the arrival of the management representative and reduced audit time by delaying the start and meaning more travel time to field may decrease the reliability of some audit conclusions.

In particular, our review identified several factors indicating thorough preparation and system functioning that we consider as noteworthy practices. These include:

- Stakeholder correspondence developed that includes explanation of PEFC certification.
- A Forest Management Plan for Wellington Regional Forests.
- Specific aim for consistency across internal audits, with mentoring and benchmarking.

During our overview of the forest management system, [see details later on in this section of review team conclusions], we identified that some additional work on system development and/or implementation may be needed. We draw the client's attention to these matters in red colour font that will require attention prior to stage-2 certification. Other comments for the forest manager and its Property Manager to note are in yellow highlight. However, the client appears at this stage sufficiently prepared for progress to the stage-2 certification.

This review considered various aspects of the management system, which are summarised as follows:

a) An **overview** of their forest management system, its policies, management and organisational structure (including the location of offices, depots, nurseries etc.), the nature and extent of the DFA (and the FMUs within it), and the resources for managing the DFA. Key to this is the Forest Management Plan [FMP]. This document was supplied and assessed as part of the document review several days prior to the on-site stage 1. Its title is, "Wellington Regional Forests, Forestry Rights Owned by: Resource Management Service FGI NZ Ltd, for the period 2017/2022". Also sighted was the "Greater Wellington Regional Council Forests - Five Year Plan" May 2016. The FMP refers to the Statement of Intent of RMS and it considers that this is well aligned with PF Olsen policies. However, at this stage the system documentation lacks clarity on what is the actual 'forest management policy' for this scope of certification and from which the FMP can deliver policy commitments. Organisation structure is clear in terms of the PF Olsen chart for its southern north island branch. Whilst, PF Olsen has its own nursery, this is not in scope, and hence there are no depots or nurseries in scope. Spatial data is organised through Rotorua. Sighted on screen demonstration of GIS layer for Puketiro forest. PF Olsen sends that through monthly to RMS on any changes to the DFA. Procedures for alteration of DFA however are not clearly documented sufficient to audit. Also, related to the DFA, there is no estimate of future carbon storage on the DFA nor has it yet accounted for areas that are not under stands, such as nonproductive areas.

b) An **overview** of planning processes, significant aspects and impacts, environmental goals and the legislative environment in which you operate. Resource Management Act 1991 is key piece of legislation. The DFA is under Wellington Regional Council. It has a regional plan. A driver in this is erosion risk. There is a long-term harvest plan [not sighted] and a five years plan. PF Olsen took over in Jul-2014 and there were no harvest consents in place. RMS supplies a long-term harvest strategy from which PF Olsen provides a five-year plan. Run PHI [pre-harvest inventory] about 1-1.5 years before harvest. Sighted 'Greater Wellington Regional Council Forests - Five Year Plan' May 2016. Timeframe for consent is variable depending on complexity of issues and could be up to one year.

Aspects and impacts at identified at a high level that covers high potential disturbance activities with ecological requirements - refer to page 29 of FMP. Assessment of effects has a risk calculation. Harvest Managers will meet with Regional Councils prior to consent process. Sighted 'non-notified resource consent application report and final decision' reference WGN160315 25/07/16. National special database can identify cultural sites. This is relevant for cultural aspects and impacts.



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*continued...*

There is a PFO corporate set of targets. However, whilst there are some targets in the business plan such as zero environmental incidents, it is unclear that they cover the full suite of values, including cultural, economic, environmental, and social. Unique focus on RMS is verbally reported as monitoring across their DFA.

c) An **overview** of processes for protecting forest values, forest health, and systems for maintaining long-term benefits to stakeholders. FMP refers to the NZ Forest Owners Association arranging an independent specialist forest health inspector to conduct an annual surveillance via sample by air and ground checking. Regular monitoring happens through site visits by staff members of PF Olsen. Main threats verbally reported are *Dothistroma* and Needle Cast and pest mammals are considered not a major issue. Weeds are a major pest threat to the crops. Weeds may be detected at survival assessment at around nine months. There appears to be no documented record of machine hygiene protocols. 1080 may be used and is referenced in FMP page 31. See Ruling 01-2014 On Requirement 5.6 Chemical Use For Certification Of Forest Managers Under The Australian Forest Certification Scheme (AFCS). Small chemical storage at Masterston office. There are both SDS for chemicals and register of chemicals that can track trends of use. Majority of application is by air except on roadsides and/or near sensitive boundaries.

d) An **outline** of the means by which the concept of continual improvement is realized. PF Olsen has a focus on enhancements to its system for continual improvement. We sighted a printout of slides from a PowerPoint presentation entitled "FSC Audit Brief March 2017" with reference to said improvements. Corrective action system exists = QMS. Supervisors record site visits with carbon copy to contractor. iPad software system called 'NOGGIN' is operational and was referred to in the minutes from Central Safety Committee Meeting on 28/02/17.

e) The forest manager's procedures and records of internal audit and review programs, document control, and corrective/preventive action. There is a range of audits including internal system audits. RMS contract safety audits of PF Olsen. GWRC does some compliance audits. There is FIPS [Forest Information Planning System] for recoding audit results. Sighted a QMS Audit Report by Kit Richards 10/06/16 for cable harvesting & marketing by Moir Logging Ltd. During this stage 1 our field visit was at a site operated by this contractor. Included in the report was an instance of nonconformance for no record of environmental induction. PF Olsen has an annual company meeting that reviews its forest management results for its whole scope of operations and activities, beyond that of the RSM estate. We sighted EMG [Environmental Management Group] Meeting minutes 23/11/16. We note that the minutes commented on linking NZS 4708, described as PEFC, into its existing FSC system. **The current PEFC system has not yet been reviewed.** During interviews we identified that the forest manager does not yet have in place a mechanism to notify the CB [Global-Mark] in writing within five business days of any breach of regulatory requirements within the scope of certification to NZS AS 4708.

f) A list of relevant stakeholders who the audit team may need to consult during the stage 2 audit. The Property Manager in its GM-PROC-05 Stakeholder Engagement establishes the principles behind and approach for listing [section 2.0] and engaging its stakeholders. **The list was not available during the stage 1 review and it was requested by Global-Mark at the closing meeting that it is forwarded to us prior to the stage 2 review.**

g) An **overview** of staff training processes. Staff members have internal training. We sighted examples in competencies for water, internal audits and chemicals for the Forest Operations Manager. **There appears to be no specific training programs for employees/staff and workers relating to awareness of the requirements of the Standard within the PEFC framework as distinct from experience with other certification. A more in depth assessment of staff training will be required at stage 2.**

h) An **overview** of work health and safety practices. FMP emphasises that "safety rates as the № 1 priority ahead of any other business driver". Evidence that work health and safety practices exists includes: Safety Policy 1/7/16 on display; induction to office and field site; safety monitoring and reporting. Minutes from Central Safety Committee Meeting on 28/02/17 were sighted.

Global-Mark reviewed the intended scope of certification during this stage 1 and does confirm proposed audit durations and required audit team competencies for stage 2. The stage 2 is set at 3.5 days on site and some additional time to plan consultations with, and consult a sample of relevant stakeholders on the management of the DFA. In terms of competencies, Global-Mark has arranged with a NZ Forester as a Technical Expert to join the audit team for one full day of the stage 2. The Audit Team Leader and the RMS Regional Manager met with the TE during our trip for the stage 1. The client has accepted the person nominated as TE. We note that at stage 2, there should be two cable harvest operations in progress. One will be in Puketiro Forest [half hour drive away from the office] and the other in Hiwinui Forest [two hours drive away]. Each is with separate a contractor, and comprise crews of about eight persons working shifts from about 06:30-15:30 hours.



## 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: **The findings listed below are unrated at the stage 1 review - hence only in total column.**

Finding Details	# Major non-conformities	# Minor non-conformities	# Observations	Total
Findings from previous audit(s) at start	0	0	0	0
Findings from above closed during this audit	0	0	0	0
New findings opened during this audit	0	0	0	8
New findings closed during this audit	0	0	0	0
Findings open at the end of this audit	0	0	0	8

### Mandatory reporting

Effectiveness of the management system (including internal audits and corrective action tool) - Comment based on audit observations and previous audit findings / history.	An internal audit and review system exists. It will be reviewed at the stage 2 audit scheduled later in April.
Description of the DFA register used that has details of all separately described blocks or forest management units.	A way of registering the DFA in the GIS exists. It will be reviewed at the stage 2 audit scheduled later in April.
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	A way of tracking the DFA in the GIS exists. It will be reviewed at the stage 2 audit scheduled later in April.
Have there been any significant changes to the DFA and if so when did they advise Global-Mark?	Not applicable as this is the first review with this client.
How does and when did the client provide AFSL with an annual statement confirming the current DFA?	Not applicable as this is the first review with this client.
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?	Not applicable as this is the first review with this client. However, see comment above mechanism to notify the Global-Mark of any breach of regulatory requirements.

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

The organisation has informed stakeholders "RMS FGI NZ Ltd are seeking PEFC certification over the plantation Forestry Rights they own within the Wellington Region." It provided a map of forest locations. Consultation was open from the 8 <sup>th</sup> March 2017 to 4 <sup>th</sup> April 2017.
Specific aim for consistency across audits, whereby experienced auditors [e.g. C. Fisher] coming to do audits alongside operational staff as a way of mentoring and benchmarking.
As discussed at the audit with the client, Global-Mark will require additional information for detailed evaluation of the unrated stage 1 findings raised at this audit. In addition other information may be required such but not limited to permits/licences, and human resource records for employees and contractors.





End of report