



ForestFit

SETTING THE
STANDARD

2023

A fully certified forestry supply chain

A fully certified forestry supply chain strengthens the social license and public confidence that the Australian forest industry operates at the highest international standards.

ForestFit Certification provides a whole of business approach to support sustainable, safe and environmental business practices to strengthen future viability. ForestFit Certification was codesigned by representatives of the entire forestry supply chain to certify that forest contracting businesses meet the evolving needs of the industry and international standards.

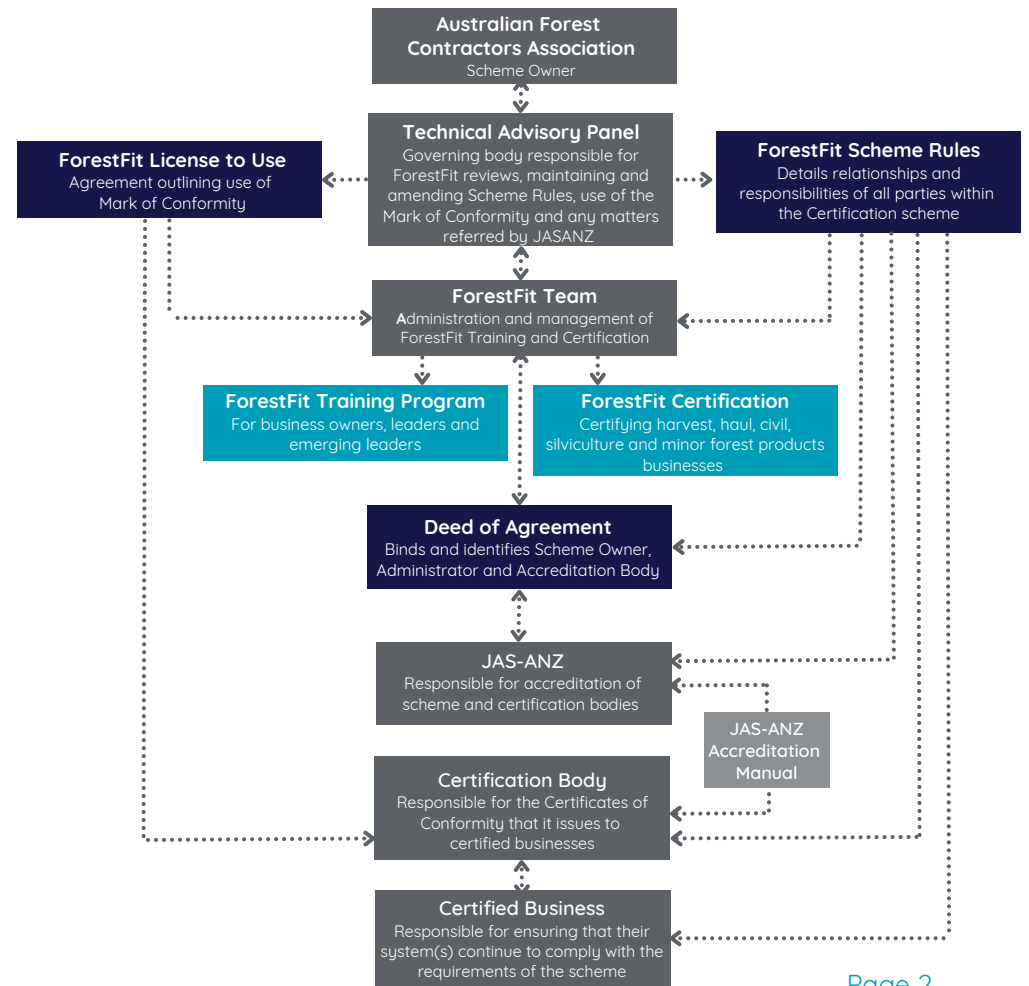
ForestFit Certification was designed to meet the the principles of AS/NZS ISO/IEC 17067:2015 Conformity assessment - Fundamentals of product certification and guidelines for product certification. ForestFit is currently undergoing endorsement by the internationally recognised bi-national government Joint Accreditation System of Australian and New Zealand (JASANZ).

The ForestFit Standards utilise the requirements outlined by AS/NZS ISO/IEC 9001, 14001 and 45001. The criteria were developed with a risk based approach for management systems and further contextualised for FCB s undertaking harvest, haul, civil, silviculture and/or minor forest products operations. Audits are conducted annually by independent third party conformity assessment bodies (CABs) that are accredited by the JASANZ.

ForestFit criteria has been benchmarked to ensure alignment with relevant FCB criteria within recognised Australian Forestry Certifications – the Forest Stewardship Council (FSC) and Responsible Wood (Programme for the Endorsement of Forest Certification, PEFC).

ForestFit Governance

ForestFit Training and Certification (ForestFit) is owned by Australian Forest Contractors Association (AFCA). A nine member Technical Advisory Panel (TAP) is the governing body overseeing the ongoing maintenance of ForestFit. Organisational representatives include: forest growers (2), certified businesses (2), other certification schemes (2 - FSC, Responsible Wood), forest industry (2) and scheme owner (1 - AFCA). The daily administration of ForestFit is undertaken by the ForestFit team.



Forest Grower Requirements

• Forest growers procure the services of forest contracting businesses (FCBs) who are insured and qualified to undertake operations that include: harvest, haulage, civil, silviculture and/or minor forest products.

Forest growers currently assume responsibility for the initiation, cost and management of internal and external FCB assessments activities. Assessment activities include audits, verifications, compliance, inspections and observations. There is an acknowledged lack of efficiency, consistency and quality in the assessment activities undertaken by forest growers on FCBs.

A Forest Grower Steering Committee (SC) was convened to develop a National Optimal Auditing Pathway (National OAP) for FCBs certified by ForestFit. The OAP will set out agreed assessment activities that meet forest grower due diligence requirements whilst eliminating duplication of activities required by FCBs under their ForestFit Certification.

SC members provided all criteria currently used to undertake FCB assessment activities within their businesses. These were then mapped to determine the breadth of criteria covered by ForestFit Certification. This demonstrated ForestFit's ability to improve efficiency and streamline processes for both FCBs and FGs.

The SC have a draft National OAP and are currently working through the various interpretations of responsibilities/obligations and required assessment activities. This process has identified three primary goals for the industry related to assessment activities:

- Create a common language
- Coordinate the approach
- Change the conversation

A survey has been distributed to FCBs to provide feedback as a point of cross reference for the key assessment activities information identified by the SC.

Actions and next steps

01 Action and commitment from Forest Growers
Establishing a consistent and clear direction to progress the National OAP through a national agreement signed by FG CEOs, as recommended at the AFPA Forest Growers Chamber meeting (20 Jun).

02 Establish a Forest Grower and FCB transition pathway
Agreement to align business processes to the National OAP for ForestFit certified businesses as recommended by the SC that was convened by members of the AFPA Forest Growers Chamber.

03 Recognition and incentivisation for certified FCBs
Identify how the forest grower cost savings from reduced assessment activities and management of certified FCBs will be recognised and incentivised for ForestFit certified businesses.



"We are already seeing the cost savings from becoming a ForestFit certified forest contracting business. We received lower insurance rates and better financing. Our broker said that being a certified business was recognised as lowering our risk profile.

Though as a Director the biggest value of being ForestFit certified is that I sleep better at night knowing we have the right systems in place that are annually audited by an independent third party."

Ian Reid, Austimber Harvesting and Haulage

National Optimal Auditing Pathway

The SC continues to meet goals and milestones for the establishment of a National OAP of FCBs. The SC supports progressing the National OAP as currently drafted by obtaining clear action and commitment from the FGs as discussed at the AFPA Forest Growers Chamber meeting (20 Jun).

Create a common language

The SC reviewed and provided further input to define key assessment activities of a National OAP, including responsibility, frequency, criteria and value. The refined draft was presented to the SC members and agreed upon.

Coordinate the approach

The SC, with some refinements, agreed that the example process for harvesting operations that was outlined to clarify responsibilities and obligations associated with each part of the process was generally representative of their processes.

The key activities, for FGs and FCBs, associated with this process have been plotted on the Contract Management (draft) for ForestFit certified businesses and non certified businesses. Discussions are ongoing with FGs to identify what due diligence requirements, if any are required by FGs when contracting certified businesses.

The SC identified that a transition pathway would be required for the FGs and FCBs to adopt and align with ForestFit Certification.

Change the conversation

Transitioning to the National OAP is anticipated to 'change the conversation' and results in the field by reducing audit burden and enabling FGs to focus on targeted activities that are important to the FG business.

Forest Grower Case Study

A FG provided a recent case study demonstrating cost per harvested tonne of current external safety management system audits and internal assessment activities.

This cost could be saved through the use of certified FCBs and potentially used as an incentive for certified FCBs.

ITEM	UOM	VALUE
Annual Harvest Volume	tonnes	1,000,000
Safety Management System Audits		
SMS audit	#	6
External party cost per audit	\$/audit	\$3,500
Re-audit frequency	years	3
Total Cost	\$	\$21,000
Audit cost per annum	\$	\$7,000
Compliance Costs		
Harvesting supervisors	#	5
Employee cost per annum	\$/person/yr	\$97,500
Compliance and quality control task	% role	20%
Compliance cost per annum	\$	\$97,500
Total Business cost per annum	\$	\$104,500
Business cost per tonne/annum	\$/tonne	\$0.10

10¢

Cost of assessment activities per tonne

20%

Time on compliance and quality control

336 hours

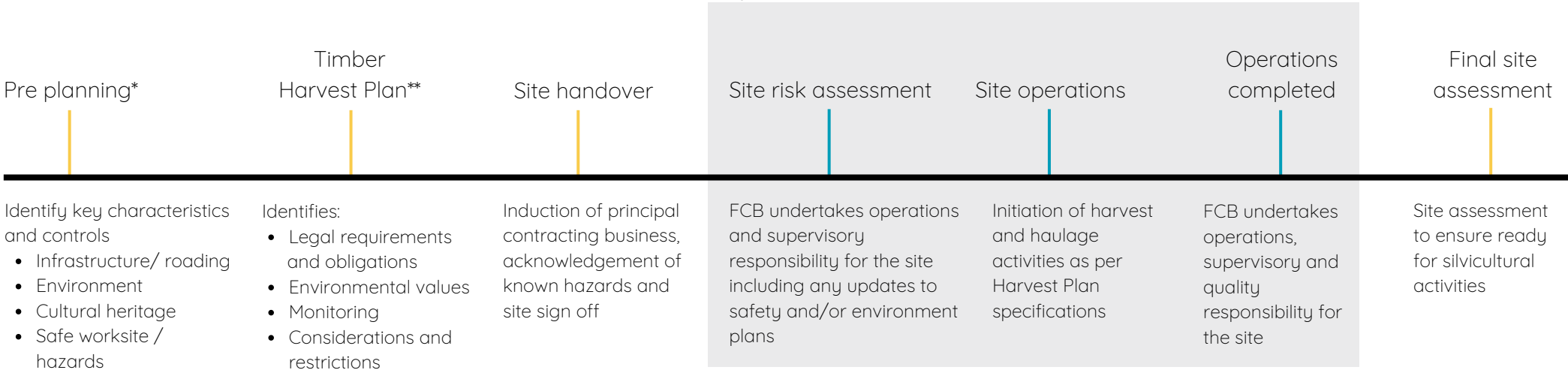
Harvesting supervisor assessment activities and management

Responsibilities and Obligations

The harvesting planning process was used as an example to clarify and delineate the responsibilities of FGs and FCBs. Outlining this process identified industry inconsistency in language regarding the activities that occur during the operations cycle and what are the due diligence responsibilities of the FG.

Interpretation of legal obligations, primarily WHS, of FGs when tendering and procuring the services of a FCB has been discussed at length and is the current focus of the SC.

What key assessment activities are required to be undertaken within the operations cycle by either the FG or FCB



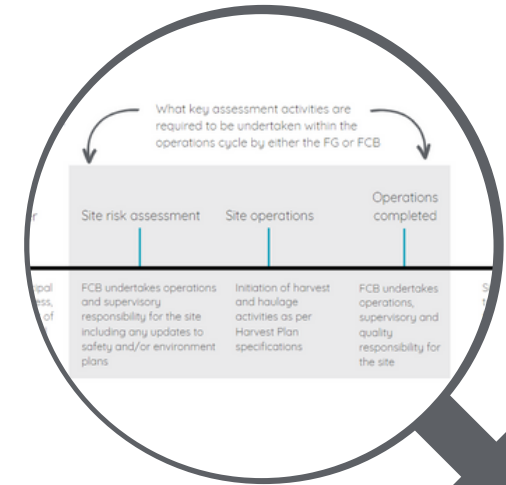
- Forest grower / manager (FG)
- Forest contracting business (FCB)
- Operations cycle

*Some FCBs participate in the pre planning with the FGs
 ** The name of the document may vary across FGs

Key assessment activities

The key assessment activities required during the operations cycle have been identified, defined and agreed upon by the SC for FCBs that are ForestFit certified and FCBs that are not certified. Relevant activities have been plotted on the Contract Management (draft) timeline.

*Criteria for non certified businesses would need to be identified by FGs to undertake audits, verifications and/or inspections.



AUDIT
A systematic, independent and documented process conducted by a third party (Conformity Assessment Body) for obtaining evidence and evaluating it objectively to determine if the audit criteria is fulfilled.

VERIFICATION
A documented process conducted by a second party to assure the information provided is valid and compliant with contractual requirements and system implementation.

COMPLIANCE
A documented systematic check conducted by the first party to ensure adherence to the required laws, regulations, policies or standards. This involves reviewing documents, conducting interviews and inspecting operations and sites.

INSPECTION
A documented visual examination process completed by the first party to assess the condition of a site, operation, system or process for a specific purpose, such as identifying safety hazards, quality controls or environmental concerns.

OBSERVATION
A physical examination completed by the first party of a site, operation or process to gather information, assess conditions and identify potential issues or opportunities for improvement.

FORESTFIT	NON CERTIFIED
RESPONSIBILITY	
FCB	Forest grower
External independent third party	
FREQUENCY	
Annual	Biannual
CRITERIA*	
Work Health and Safety Environmental Practices General Requirements (People) Business Sustainability	
VALUE	
Reputable assurance and confidence for all stakeholders, including forest grower and FCB, that the systems and processes are risk based, successfully operationalised and continuously improved.	

FORESTFIT	NON CERTIFIED
RESPONSIBILITY	
Forest grower	
FREQUENCY	
Annual	
CRITERIA*	
Work Health and Safety Environmental Practices General Requirements (People) Business Sustainability	
VALUE	
A validated approach confirming systems and processes are implemented and assessed. Generally undertaken when a new process occurs (ie new contract).	

FORESTFIT	NON CERTIFIED
RESPONSIBILITY	
FCB	
FREQUENCY	
Quarterly	
CRITERIA*	
Work Health and Safety Environment	
VALUE	
A risk based approach to systematically assess, manage and implement systems and processes to ensure responsibilities and obligations are met.	

FORESTFIT	NON CERTIFIED
RESPONSIBILITY	
FCB	Forest grower
FREQUENCY	
Monthly	
CRITERIA*	
Work Health and Safety Environment	
VALUE	
Systematic monitoring of on site processes, ensuring alignment with sustainable practices and identifying opportunities for improvement, including areas that may pose risks.	

FORESTFIT	NON CERTIFIED
RESPONSIBILITY	
FCB	
FREQUENCY	
Weekly (minimum)	
CRITERIA*	
Work Health and Safety Environment	
VALUE	
Fostering a culture of continuous improvement through knowledge sharing and feedback utilising tools such as risk assessments, toolbox meetings, etc, to ensure daily operations are safe and environmentally sustainable.	

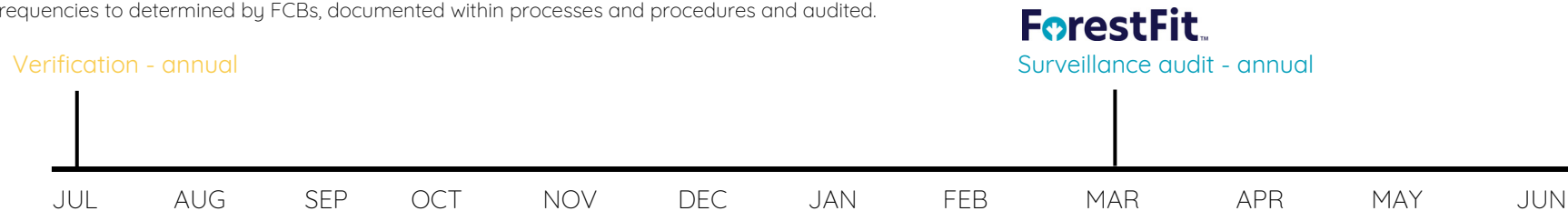
Contract Management (draft)

The SC agreed in principle with the outlined processes for ForestFit certified and non certified businesses. A standing point of note identified by the SC was whether a verification was necessary and what due diligence is actually required if an accredited CAB is conducting annual surveillance audits of certified businesses. SC members will identify any proposed verification requirements for group discussion.

Process - business certified to all ForestFit standards

Responsibility: Forest Contracting Business

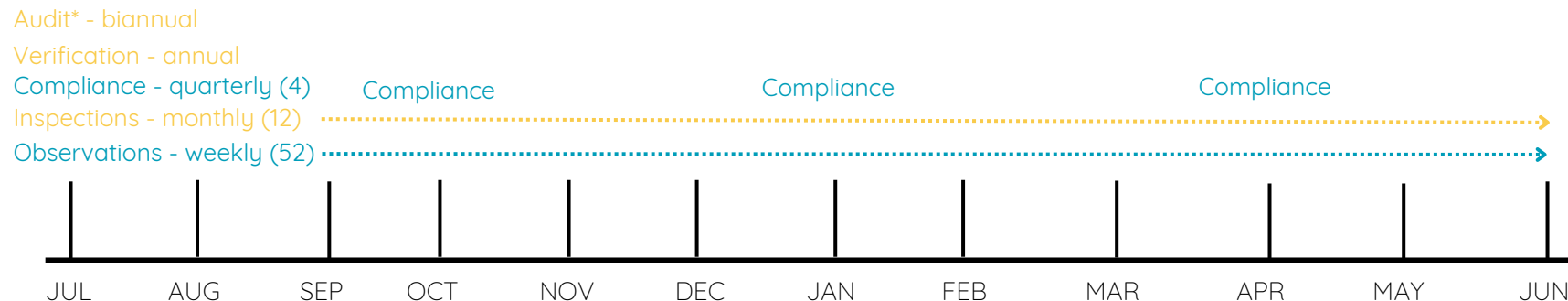
As per criteria for management system requirements and implementation, compliance, inspections and observations frequencies to determined by FCBs, documented within processes and procedures and audited.



Process - non certified business

Responsibility: Forest Grower

The biannual audit and annual verification proposed by FGs to include people, business, WHS and environment criteria. Compliance, inspections and observations to focus on WHS and environment criteria.



- Forest grower / manager (FG)
- Forest contracting business (FCB)

Mutually beneficial



ForestFit Certification provides a whole of business approach to support sustainable, safe and environmental business practices which provides mutual benefits for certified FCBs and the FGs that contract them.

Benefits	Forest Contracting Businesses	Forest Growers
Risk and liability reduction	<ul style="list-style-type: none"> • Continuous improvement framework to implement quality systems and processes • Responsible for mitigating and managing 	<ul style="list-style-type: none"> • Assurance and trust • Reduce reputational risk • Uphold compliance
Improved public awareness and social license	<ul style="list-style-type: none"> • Improved perception • Opportunities for recruitment • Business branding and reputation 	<ul style="list-style-type: none"> • Future of the industry • Government, public and industry support • Entire value chain is certified
Increased business viability, incentives and opportunities	<ul style="list-style-type: none"> • Be recognised in tender and contractual processes • Professional and business growth • Able to identify and act on continual improvement 	<ul style="list-style-type: none"> • Enterprise risk management • Verified for entirety of the contract
Improved cost, time and resource efficiencies	<ul style="list-style-type: none"> • Time on task more utilised • Responsible for entirety of business and operations 	<ul style="list-style-type: none"> • Available time to undertake other skilled tasks • Reduced costs and time
Agreed national standard and criteria	<ul style="list-style-type: none"> • Consistent auditing approach • Consistency when working between FGs 	<ul style="list-style-type: none"> • Lead indicator confidence of certified FCBs systems and processes • Consistency and improved benchmarks
National optimal auditing pathway	<ul style="list-style-type: none"> • More time on task • Nationally agreed pathway and process • Consistency across FGs • Increase value and ownership of audits 	<ul style="list-style-type: none"> • Reduced audit time • Shift focus to other areas within business

ForestFit

ForestFit Training and Certification has been codesigned by national representatives from forest growers, forest contracting businesses, processors, industry associations, existing industry certification schemes and the New South Wales (NSW) Government in partnership with Australian Forest Contractors Association (AFCA). The NSW Environmental Protection Authority, NSW Local Land Services and NSW Department of Primary Industries' Plantation Regulation Unit provided expert regulatory input.