



FOREST MANAGEMENT CERTIFICATION REPORT

SECTION A: PUBLIC SUMMARY

Project Nr:	6158-NZ		
Client:	Craigpine Timber Limited		
Web Page:	www.craigpine.co.nz		
Address:	PO Box 55, Winton		
Country:	New Zealand		
Certificate Nr.	SGS-FM/COC-0096	Certificate Type:	Forest Management
Date of Issue	2 February 2008	Date of expiry:	1 February 2013
Forest Zone:	Temperate		
Total Certified Area	3594 ha		
Scope:	Forest Management of plantations in the Southland region of New Zealand for the production of softwood timber, and the purchase of logs from FSC-certified forest growers on a stumpage basis and sale to FSC Chain of Custody processing plants.		
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Evaluation dates:			
Main Evaluation	27 – 29 November 2007		
Surveillance 1	19 – 20 November 2008		
Surveillance 2			
Surveillance 3			
Surveillance 4			

TABLE OF CONTENTS

1.	SCOPE OF CERTIFICATE	4
2.	COMPANY BACKGROUND.....	6
2.1	Ownership	6
2.2	Company Key Objectives	6
2.3	Company History	7
2.4	Organisational Structure.....	7
2.5	Ownership and Use Rights.....	7
2.6	Other Land Uses	7
2.7	Non-certified Forests	7
3.	FOREST MANAGEMENT SYSTEM	7
3.1	Bio-physical setting	7
3.2	History of use	8
3.3	Planning process.....	9
3.4	Harvest and regeneration.....	9
3.5	Monitoring processes	10
4.	SOCIO-ECONOMIC AND ENVIRONMENTAL CONTEXT	11
4.1	Social aspects	11
4.2	Environmental aspects	13
4.3	Administration, Legislation and Guidelines.....	13
5.	CHANGES IN MANAGEMENT, HARVESTING, SILVICULTURE AND MONITORING	14
6.	PREPARATION FOR THE EVALUATION	15
6.1	Schedule	15
6.2	Team	15
6.3	Checklist Preparation	15
6.4	Stakeholder notification	15
7.	THE EVALUATION	15
7.1	Opening meeting	15
7.2	Document review.....	15
7.3	Sampling and Evaluation Approach.....	16
7.4	Field assessments.....	16
7.5	Stakeholder interviews	16
7.6	Summing up and closing meeting	16
8.	EVALUATION RESULTS.....	17
8.1	Findings related to the general QUALIFOR Programme	17
	PRINCIPLE 1: Compliance with law and FSC Principles	17
	PRINCIPLE 2: Tenure and use rights and responsibilities	18
	PRINCIPLE 3: Indigenous peoples' rights.....	18
	PRINCIPLE 4: Community relations and workers rights	19

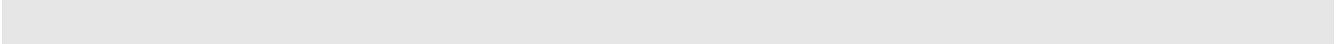
PRINCIPLE 5:	Benefits from the forest	20
PRINCIPLE 6:	Environmental impact.....	21
PRINCIPLE 7:	Management plan	22
PRINCIPLE 8:	Monitoring and evaluation	23
PRINCIPLE 9:	High Conservation Value Forests.....	24
PRINCIPLE 10:	Plantations	24
9.	CERTIFICATION DECISION.....	25
10.	MAINTENANCE OF CERTIFICATION	26
11.	RECORD OF CORRECTIVE ACTION REQUESTS (CARs)	28
12.	RECORD OF OBSERVATIONS	29
13.	RECORD OF STAKEHOLDER COMMENTS AND INTERVIEWS	30
14.	RECORD OF COMPLAINTS	34

ASSOCIATED DOCUMENTS (not part of the Public Summary)

AD 20:	Evaluation Itinerary
AD 21:	Attendance Record
AD 36-B:	Evaluation - Observations and Information on Logistics
AD 40:	Stakeholder Reports
	List of stakeholders contacted

Complaints and Disputes

Procedures for submitting complaints, appeals and disputes, and the SGS processing of such are published on www.sgs.com/forestry. This information is also available on request – refer contact details on the first page.



INTRODUCTION

The purpose of the evaluation was to evaluate the operations of Craigpine Timber Ltd against the requirements of the QUALIFOR Programme, the SGS Group's forest certification programme accredited by Forest Stewardship Council.

1. SCOPE OF CERTIFICATE

The scope of the certificate falls within the Temperate Forest Zone and includes 8 Forest Management Units (FMUs) as described below.

Description of FMUs:				
Description	Ownership	Area (ha)	Longitude E/W	Latitude N/S
Waitane	Freehold	911.1	168°41'45" E	46°10'11" S
Rugged Hills	Freehold	637.8	168°14'49" E	45°53'37" S
Castle Downs	Freehold	65.3	168°16'02" E	45°50'25" S
Wether Hills	Freehold	674.7	168°19'06" E	45°47'40" S
Hillfort	Freehold	1013.9	168°55'28" E	46°29'08" S
Speight Trust	Forestry Right	92.6	167°39'31" E	45°40'46" S
Robertson Trust	Forestry Right	198.5	167°39'31" E	45°40'46" S
Pinnacle Pine Forest	Trees owned under forestry right. Freehold land purchase awaiting OIC approval.	400.0	168°15'34" E	45°47'26" S
Hokonui Forest	Freehold	221.1	168°39'41"E	46°04'38" S
Eyre Forest	Freehold	231.1		
Monavea Forest	Trees owned under forestry right. Freehold land purchase awaiting OIC approval.	185.06		
Rural Women's Block	Forestry Right	60.0		
Total		4,691.06		

Size of FMUs:		
	Nr of FMUs	Area (ha)
Less than 100ha	3	217.9
100 to 1000 ha in area	8	3459.36
1001 to 10000 ha in area	1	1013.9
More than 10000 ha in area		
Total	9	4691.06

Total Area in the Scope of the Certificate that is:	
	Area (ha)
Privately managed	4691
State Managed	0
Community Managed	0

Composition of the Certified Forest(s)	
	Area (ha)
Area of forest protected from commercial harvesting of timber and managed primarily for conservation objectives	539.9
Area of forest protected from commercial harvesting of timber and managed primarily for production of NTFPs or services	nil
Area of forest classified as "high conservation value forest"	Nil
Total area of production forest (i.e. forest from which timber may be harvested)	4151.1
Area of production forest classified as "plantation"	4151.1
Area of production forest regenerated primarily by replanting	4151.1
Area of production forest regenerate primarily by natural regeneration	nil

List of High Conservation Values	
Description	Notes
CTL staff maintain a record of RTE bird species observed.	
The Green Skink has been found at Wether Hills forest and reported on.	

Annual Timber Production				
Species (botanical name)	Species (common name)	Area (ha)	Maximum Annual Sustainable Yield (m³)	
			Projected	2007 Actual
Pinus radiata	Radiata pine		19,000	46,437 tonnes
Pseudosuga menziesii	Douglas fir		Nil	5367
Totals			19,000	51,804

The production from CTL forests for calendar year 2006 was 41,964 tonnes, an increase on the previous year because of planned production from Brunel Peaks and an increase in production thinning from all blocks to take advantage of a market opportunity.

The production from company forests for the period to 30 October 2007 was 51,804 tonnes. This was primarily due to increased log production from the Waitane conversion area, including the production of Douglas fir from that area. The increase in veneer logs sold was because the customer had re-entered the log market and CTL became the preferred supplier of FSC logs.

The theoretical sustainable yield is in the order of 70 to 80,000 tonnes per year; the company has anticipated such peaks, and associated troughs, as the estate moves to a normalised situation.

Annual Timber Production Year Ended 31 March 2008				
Species (botanical name)	Species (common name)	Area (ha)	Maximum Annual Sustainable Yield (m ³)	
			Projected	2008 Actual
Pinus radiata	Radiata pine		24,000	102,875
Totals			24,000	102,875

The increase in production over that projected was due to the Waitane conversion (56,000) and the unforeseen purchase of the Pinnacle Pine forest and subsequent initial harvest (22,000).

List of Timber Product Categories	
Product	Notes
Veneer logs	
Saw logs	
Pulp wood	
Totals	

Approximate Annual Commercial Production of Non-Timber-Forest-Products				
Product	Species		Unit of measure	Total units
	Botanical Name	Common Name)		
No NTFP are produced				

2. COMPANY BACKGROUND

2.1 Ownership

Craigpine Timber Limited is a private company owned by the Black family, domiciled in Australia. The company owns 3523.8 hectares of the forest area under assessment, spread over 6 different company forests, with a further 400 hectares purchased subject to Overseas Investment Commission (OIC) approval. The trees on that property have been purchased on a long-term stumpage deal protected by a forestry right, and Craigpine is managing that block already.

There are two private farms on which the company is managing forests under long term forestry rights or Joint Venture. The Speight family Trust, NZ nationality, owns a farm that includes 92.6 hectares under a forestry right with the company. The Robertson family Trust, NZ nationality, owns a farm that includes 198.5 hectares under a forestry right with the company.

No other forest areas are owned by the company and not certified.

2.2 Company Key Objectives

Objective	Notes
Commercial	
To supply high quality radiata pine saw logs to the company saw mill.	
Social	
To act as a responsible corporate citizen in the provision of	

Objective	Notes
employment opportunities for local people.	
Environmental	
To maintain the company's forests to ensure on-going environmental sustainability.	

2.3 Company History

Craigpine Timber Limited is a privately owned company. The company was established in 1923, and is 100% owned by the Black Family. Craigpine was the first NZ forestry organisation to be granted FSC certification in 1998. The company has sawmilling interests in Southland.

2.4 Organisational Structure

A staff member is responsible for management over the forest estate, and procuring logs for the company's sawmill. Part time contractors are responsible for silvicultural work and harvesting.

2.5 Ownership and Use Rights

The company has freehold title to 6 of its forest areas. Use rights are those common to freehold lands in New Zealand. There are no customary rights claimed over this land. The company also manages forest blocks on two private farms under a Joint Venture Agreement. The company has the right to access the forests for management purposes; the land owners retain the ownership rights. There are no customary rights.

The company has sale and purchase agreement to an additional forestry block, subject to OIC approval. The company has long term sale agreements to the trees on that block; only a small area has been harvested.

2.6 Other Land Uses

About 220 hectares of Company land at Waitane is being managed for agricultural purposes. Parts of Wether Hills & Hillfort forests have been used for grazing by neighbours.

2.7 Non-certified Forests

The company does not own forests that are not certified or not under consideration for certification. The Pinnacle Pine and Hokonui Forests have been assessed with the intention of adding to the certificate area.

3. FOREST MANAGEMENT SYSTEM

3.1 Bio-physical setting

The plantations are located in the Hokonui Hills 30 km east of Winton (Waitane), the Taringatura Hills 40 km north of Winton (Wether Hills, Rugged Hills and Castledowns, as well as Pinnacle Pine & Hokonui forests), and the Slopedown area 20 km east of Edendale (Hillfort). Waitane forest was first established in 1921 and some areas are now in their third rotation. It adjoins cutover forest owned by a Maori Incorporation. The other forests are relatively immature, being planted from 1982 onwards. Most were established on tussock grassland that was formerly grazing land.

Geography:

The topography is mainly gentle to rolling with altitude ranging from 100 m at Waitane to over 650 m at Rugged Hills and Wether Hills.

Climate is temperate, with some of the higher areas receiving occasional snow during the winter months. Rainfall is usually evenly spread throughout the year.

Waitane forest is in the catchment of the Hedgehope stream while the Taringatura blocks drain into the Dipton stream. Both streams are tributaries of the Oreti River. Hillfort forest is in the catchment of the Mataura River.

Ecology:

Most of the forests contain scattered small remnants of cutover native forest remaining as streamside buffers and areas that are regenerating into native forest. There are significant reserve areas in Waitane and Hillfort forests, and an area of regenerating beech forest has been reserved in Wether Hills forest.

There is a contiguous block of 38 ha of partly cut over indigenous podocarp forest next to Waitane forest.

Soils:

Soils in the region are regarded as ideal for plantation forestry. They are generally fertile, have supported a forest cover in the past and a number of organisations and private individuals are growing plantation forests in the area.

3.2 History of use

When Maori arrived in New Zealand, possibly over 1000 years ago, the country was three quarters covered in forest. Subsequently, about one third was cleared by fire, either deliberate or accidental. The arrival of European settlers in New Zealand, from the 1850's onwards, saw the rapid removal of about half the remaining forest cover through land clearance for agriculture and settlement, and unsustainable logging. It is estimated that of the forests removed by European settlers, probably less than 10% was utilised, and the rest was burnt.

By the 1870's, concerns about the future wood supply forced the Government to seek expert forestry opinion about the future of the forest resource. The resulting report and the first Forests Act (1874) led to the establishment by the State of three small plantation areas in the early 1900's. Continued concern about dwindling indigenous forest resources continued and a Royal Commission inquired into the state of forestry in 1913. After World War 1, a State Forest Service was established in 1919. Planning for large exotic forests commenced, and planting began soon after. A major depression in the 1930's meant that manpower for planting became available, and contributed to a boom in planting of exotic species up to 1935. By this stage about 125,000 ha of plantations had been planted. Since then, two major planting booms have occurred in the 1970's and in the mid 1990's. This has resulted in the establishment of a total plantation forest area of about 1.8 million ha. This resource is dominated by radiata pine (89.9%) with significant areas of Douglas fir (5.3%)¹.

In the early 1980s approximately half the exotic plantation forests were owned by the State through the NZ Forest Service. However in 1987, the Government abolished the NZ Forest Service, and subsequently moved to sell long term cutting rights to the state forests. There are now only small areas of plantation forest in government ownership, with around 97% of the resource privately owned. Ownership structure is relatively diverse and includes major off-shore ownership. There are 19 large forest-owning companies, each owning a minimum of 11 000 ha.

Over the period that plantation forest areas have been expanding in New Zealand, the area of land permanently reserved under government control has also been gradually increasing. Currently around 28% of New Zealand's land area is held, under various tenures, as reserves or national parks for protection of their natural values although much of this area is steep or mountainous, and there are significant deficiencies in the lowlands.

Southland province, particularly the Southland Plains, was rapidly cleared by the original settlers. The NZ Forest Service established a large area of exotic plantations spread over the province and also managed remnant indigenous forests until 1987. Planting incentives in the 1970's saw a large area of private woodlots become established in the province and there is an active farm forestry association. There is an effective pan-industry body – the Southern Wood Council – which co-ordinates industry wide issues in Otago and southland.

¹ NZ Forest Owners Association (2007) "NZ Forest Industries Facts & Figures 2006/2007"

3.3 Planning process

The Craigpine forests are managed by the Forest Manager who is responsible for preparing the operating plan and budget, engaging contractors and supervising operations. He is also responsible for the day to day operations, the forest record system and the various trials that are set up on the forests. The environmental work, monitoring and much of the routine FSC liaison is attended to by an external contractor. The Forest Manager is also responsible for outside wood purchases, both FSC-certified and non-certified, for the company's sawmill. The mill requirements drive the overall log procurement planning process.

The company has only one full time employee in the forestry and wood purchase area, and all other operations are undertaken by contractors. Both silviculture and harvesting contractors are engaged on a long-term basis. The contractors are involved in the planning and implementation of the work programme. This relationship has allowed the Forest Manager to develop a high level of confidence in their ability to meet the expectations of the company, and gives the contractors a sense of ownership of the work programme.

The long term planning process is consistent with the size and scale of the operation. It is carried out via the valuation process, whereby external consultants value the forest based on the long-term sustainable cut over several rotations. From this exercise a long-term cutting plan is prepared; this is modified as part of the annual plan.

Planning of operations is carried out annually as part of the budgeting process, supported by quantitative forest descriptions and re-valuation work carried out by a NZ forestry consulting firm. The planning includes development of operational schedules for establishment, tending and harvesting. Harvesting schedules over each of the last five years have been set according to age class and compartment in Waitane forest. Shortfalls in the sawmill requirements are met by engaging in competitive bids for wood (both certified and non-certified) from other forest owners.

More detailed management policies and operational requirements are provided in detailed documents that govern operations. These prescriptions identify procedures to be followed, and provide specific operational checklists for planning and monitoring those operations. Planning systems that assist with the production of operational prescriptions include:

- An electronic Stand Records System (in the final stages of implementation) as well a paper based system.
- Compartment maps and aerial photos
- Harvest Plans, generally in paper form
- Operational prescriptions

Specific job progress and contractor performance are carefully monitored by staff both informally and formally with the aid of post-operation checklists.

With a very small staff, revisions to policies and operational procedures happen very quickly and are communicated to contractors in person.

Progress against annual plans and budgets is monitored by the management committee on a regular basis, and forms part of the company report to its Board.

3.4 Harvest and regeneration

No new land has been purchased, so regeneration is replanting of recently harvested areas. Site preparation of cutover includes windrowing where necessary using a hydraulic excavator with a rake attachment. A windrow is normally placed along the edges of riparian strips to prevent planting there, thus widening the setback. Other windrows are spaced evenly from that, and along any temporary tracks, to allow the appropriate planting spacing and avoid the loss of planting area.

Because planting is carried out on newly-logged ground, the need for initial weed control is minimal and pre-plant herbicide application is seldom necessary. A release spray may be necessary in the spring following planting, particularly on the ex-pasture lands. Craigpine have experimented in the past with a number of systems to reduce chemical use, including mechanical weed control using a small tractor with mower to cut competing grass on sites with easy terrain. Very little of such terrain or conditions have arisen in the past certificate period.

Planting is with comparatively low GF bare-root seedlings, mainly from Leithfield Nursery at Wyndham. (Note: GF means Growth and Form. A low GF rating (eg 7) means that seedlings have come from parents with little selection for genetic traits. A high GF rating (eg 28) means that there was a great deal of selection for specific traits such as straightness and wood density during the tree breeding process.)

Craigpine has favoured the low GF rated seedlings (a range of 7 – 19) to seek greater seedling vigour in the early years of growth. This also gives greater genetic diversity within the crop.

Initial stocking is at 1200 -1500s/ha. Higher stockings than normal in New Zealand forestry are maintained but Craigpine use this technique to improve the quality of the second and subsequent log by reducing the knot size in the second and third logs, and it also enables a full occupation of the site.

There are two pruning lifts – 0 – 4 m at age 6-7 and 4 – 6 m at age 8-9, and two thinnings – to 700 s/ha at age 11 and 380 s/ha at age 13-14. Craigpine have been carrying out production thinning wherever possible at age 12 - 13.

Inventory is carried out as part of Quality Control during silviculture, and again when stands are about 5 years from harvest. This latter inventory is a formal pre-harvest inventory & is used to better plan the 5 year cut.

Yield prediction for the forest valuation exercise is organised by the valuation consultants; they use regional growth models and reconcile actual versus predicted recovery to test the models.

Harvesting is carried out in the winter so that planting can follow immediately, and re-establishment costs are minimised. A recent departure from this practice was necessitated by a late summer windthrow.

Harvest plans are prepared by the Forest Manager in consultation with the contractor. Roadlines and skid sites are assessed to minimise impacts, and safety and environmental hazards are noted. On occasion where difficult areas in relation to native bush or stream protection, are to be harvested, the Land Sustainability Officer from the Regional Council may also be consulted.

Specifications for harvest include the use of low ground-pressure tracked skidders or shovel logging to reduce soil compaction on gentle slopes, or skyline systems in steep areas, and to strictly observe protection of riparian zones. Following each harvest operation in any block, the quality of the job is formally assessed against a checklist.

3.5 Monitoring processes

Craigpine forest management undertakes a variety of monitoring, from an operational level to more detailed research assessments. This monitoring includes:

(a) Commercial:

Operational: Each job begins with the issue of the appropriate job prescription. Particular operational requirements and extracts from the appropriate Forest Industry Training booklets always form part of the prescription. Operational performance is then monitored against this prescription through direct supervision and through formal operational monitoring such as silvicultural quality control, and completion of cut over inspection check sheets for harvest areas. The contractor always countersigns the check sheets.

Financial: Performance against the annual budgets is monitored by the Financial Controller in Winton and reported at regular management meetings.

Silviculture quality control: Sample plots are established to monitor performance of silvicultural operations such as planting, pruning and thinning. The supervisor assesses compliance with required performance standards in relation to stocking, quality and other parameters.

Log quality control: Logs produced by the harvesting crew are regularly monitored by the supervisor for quality features such as length, diameter and grade against log specifications. Reports from customers are also used as a monitoring device.

Inventory: Mid rotation and pre harvest inventory of forests are undertaken. MARVL surveys are undertaken about 5 years ahead of the planned harvest. Any changes from previous figures are monitored.

Harvest uplift: Uplift of logs from the forest is monitored from log docket records using a database to track and reconcile each load docket. This is done monthly by one person based in the Winton Office. Invoices to customers and payments to contractors are generated by these docket records. The forest manager uses this information to monitor performance of harvesting crews.

Forest Nutrition: The monitoring of the nutritional state of each forest is undertaken when CTL staff perceives that something may be wrong, and on a more formal basis as part of a general forest health check. Foliar sampling is undertaken in young stands to check that nutrient levels are in an acceptable range.

Forest Health: Annual monitoring of forest health by external forest health specialists is undertaken as part of the nation-wide forest health survey.

Involvement in industry wide monitoring and research: CTL are involved in one industry research cooperative.

(b) Social

Health and safety: Compliance with health and safety requirements is monitored through day to day supervision and regular auditing of contractor operations. This includes a monthly or bi-monthly independent audit of contractor health and safety compliance. There is collection of data on accident rates and near misses.

Training: Contractor training levels are monitored by the CTL supervisor who organises courses as required.

Social impact: The Company informally monitors the social impacts of its operations through day to day contacts with key stakeholders and it organises annual visits for specific groups.

(c) Environmental

Plant and animal pests: Monitoring of possum densities occurs as part of occasional control work by the Animal Health Board. Some hunting of deer and pigs occurs, but there is no monitoring of numbers killed. At present there is no detailed mapping of the occurrence and distribution of weed species, but forestry staff are aware of the main infestation sites.

Water quality: The Company has established a SHMAK water quality monitoring programme on 5 of the main streams that run through the forests. Originally there was some doubt about the value of such monitoring because of the small lengths of streams in the forest areas, and the farming land use on their boundaries. Nevertheless the company does do this work & makes the information available to Environment Southland

Rare & Threatened species: Information on rare, threatened, and endangered species known to be present or likely to be present within the estate was initially provided by the Department of Conservation. Monitoring of the species known to be present is carried out by company staff; however this work needs to be explained to contractors as well (see CAR 01).

Natural areas: There has been limited monitoring work, apart from possum monitoring, in the natural areas during the last certificate period, but photo points have been established and staff are aware of the main issues to observe as part of their occasional walk-through visits.

External agencies: Regulatory agencies such as Occupational Safety & Health and local authorities (especially the Regional Council) occasionally monitor operations on the CTL estate. The company is highly regarded by the Ministry of Agriculture & Forestry, and the local forestry sector regularly organise field visits to Craipine's forests.

4. SOCIO-ECONOMIC AND ENVIRONMENTAL CONTEXT

4.1 Social aspects

Number of own workers	1
Number of contract workers	50
Minimum daily wage for agricultural/forestry workers	NZD 11.25 is the NZ minimum wage. No

	separate data for forestry workers. Most are on contract.
Infant mortality rates (under 5 years)	4.8/1000 live births (2006 figure)
Proportion of workers employed from the local population (%)	100%

Forest operations: Craigpine Timber Limited (CTL) owns about 1.6% of the Otago/Southland estate. At 4,215 hectares, CTL's forest operations are regarded as small scale in the regional and national context.

The company is currently harvesting around 2.5% of the current total Otago and Southland harvest from its own forests.

Most of the annual volume of logs that CTL harvests from its own forests are sold to its own sawmills at Winton, and a small volume of pulp wood is sold to an MDF plant in Matura. CTL also purchases logs from another FSC-certified forestry company on a stumpage basis, and FSC-certified logs from other FSC-certified sawmills for input into the Winton mill.

The company practices an intensive silvicultural regime for its forest blocks, so that contractors are required for establishment, pruning and thinning. Because of high employment levels in Southland and the consequent difficulty in obtaining contractors, the company has worked with the Department of Corrections and several principal contractors to employ prisoners on forestry work. There are day-release prisoners supervised by Corrections staff, and pre-release prisoners who live within the prison grounds but are able to be directly employed, with earnings going into a trust fund.

Employment: CTL currently employs 1 staff member in forestry. A total of about 50 people are also employed in contract silviculture, harvesting, and log transport.

Forest Processing: CTL supplies sawlogs to its own medium sized sawmill in Winton, Southland and specific grades to other saw mills in the region. The company also supplies a small volume of pulp wood to the medium density fibreboard plant located at Matura, in Southland. When suitable logs are available, veneer logs are supplied to mills in Southland and in Christchurch.

A very small volume of logs may be exported if no local processor is available to take the low grade logs.

Neighbours: Approximately 30 neighbours are present around the various blocks of the estate. Many of these neighbours are farmers. Other neighbours include forestry companies and the Department of Conservation.

Water supply: There are several private and informal water supplies established within the estate. These are noted on maps

Recreation and public access: Access permits are required for entry to all areas, and are available only to people with recognised rights, particularly Waitane (access to neighbouring Maori land), Wether Hills (telecom repeater station) and Hillfort (grazing).

Other uses: A small amount of beekeeping / honey production also occurs on the estate.

Hunting: Only company staff are permitted to hunt on company land. There is one trapping permit for Waitane forest.

Maori issues: Although none of the CTL forest estate is owned by Ngai Tahu (the Maori Tribal group covering most of the South Island, including the West Coast), the local Runanga (extended family grouping), represented by the Te Ao Marama Incorporation, are consulted about special sites as provided for in the agreed protocol, and on important issues as provided for under the Resource Management Act. There are no known Waahi tapu sites on Craigpine land.

Other social issues:

Log Transport:

An important social issue nationwide is increasing logging truck traffic on public roads. Forests currently send large volumes of logs by truck to various mills. There is ongoing public concern about the noise, road damage, and potential safety issues this creates. Small communities in particular

continue to express concern about this, but it is not an issue that can be tackled by a single forest owner. Social Impact Assessment often brings this issue to the fore, and sometimes the issue can be partly alleviated by logging truck operators agreeing to avoid certain roads, especially school roads, during times when children are going to school. CTL is a member of the NZ Forest Owners Association which is very active on this issue.

CTL is a member of the "Otago Southland Forest Products Group" which has been set up by the various forest owners in the region to examine forestry issues including transportation. This group aims to find efficiencies in transportation, such as back loading, to minimise truck movements on the road.

In Southland the issue is clouded by the increased number of milk tankers and tourist buses on the rural roads during the summer months, when logging trucks are only a small percentage of the trucks on the road.

Employment

The Southland province currently has one of the lowest unemployment rates in the country. The aluminium smelter, the dairy industry and the fishing industry all appear to be more attractive to job seekers than the forest industry. There is a shortage of both skilled and unskilled labour in the region.

The company has been active, with the Corrections Department and its principal contractors, in providing work opportunities for prisoners, both Departmentally-supervised and pre-release.

4.2 Environmental aspects

The Southland region is dominated by agricultural production from the fertile Southland plains. Originally a mix of beef and sheep farming, the area now has a significant proportion of farmland converted to dairying. This has caused a significant environmental problem in terms of dealing with effluent disposal in an environmentally appropriate manner. Because most of the lowland and swamp forests were cleared by the early farmers in the mid-1800's, only scattered forest remnants remain. These are being preserved as much as possible.

Environmental issues facing Craigpine are plant and animal pest control, and the restoration of some of the natural vegetation areas, especially high altitude wetlands and remnant beech forest.

As more consistent management of the natural areas, including riparian zones, on the CTL estate becomes apparent, greater biodiversity is evident. Company staff record sightings of RTE species, but this has not been extended to contractors.

During the second certificate period CTL was encouraged to make its forest estate available to schools and technical institutes for ecological studies. It did so, but there have been no significant moves from those organisations in that regard.

4.3 Administration, Legislation and Guidelines

The following table lists the key national legislation, regulations, guidelines and codes of best practice that are relevant to forestry in the commercial, environmental and social sectors. This list does not purport to be comprehensive, but indicates information that is relevant to the forestry sector.

Legislation and regulation	Notes
Resource Management Act 1991	Administered by the Regional Council (Environment Southland)
Conservation Act 1987	
Trespass Act 1980	
Cooperative Forestry Companies Act 1956	
Crown Forests Assets Act 1989	
Forestry Encouragement Act 1962	
Forests Act 1949 & 1993 Amendment	

Local Government Act 2002	
Forests and Rural Fires Act 1977 Forest and Rural Fires Regulations, 2005	
Bio-security Act 1993 Pesticides Act 1979 Wild Animal Control Act 1977 Forest Disease Control Regulations 1967 Hazardous Substances and New Organisms Act 1996	
Treaty of Waitangi Act 1975 Historic Places Act 1993	
Employment Relations Act 2000 Workplace Relations Act 2000 Health and Safety in Employment Act 1992	
Guidelines and Codes of Best Practice	Notes
NZ Forest Owners Association: Environmental Code of Practice for Plantation Forestry, 2007 Code of Practice for the Use of Agrichemicals (NZS8409: 1999)	

Craigpine Timber Limited operates within the Southland Regional Council (known as Environment Southland) area.

CTL forests are within the Gore and Southland District Council areas. There are operative District and Regional Plans for all these local authorities, prepared under the Resource Management Act.

A thirty (30) year resource consent has been obtained from Environment Southland for planting trees closer than 20 metres from a major stream in Hillfort forest.

5. CHANGES IN MANAGEMENT, HARVESTING, SILVICULTURE AND MONITORING

The following table shows significant changes that took place in the management, monitoring, harvesting and regeneration practices of the certificate holder over the certificate period.

Description of Change	Notes
SURVEILLANCE 1	
New forestry supervisor appointed.	
Tree crop on Monavea Forest purchased.	
SURVEILLANCE 2	
SURVEILLANCE 3	
SURVEILLANCE 4	

6. PREPARATION FOR THE EVALUATION

6.1 Schedule

As this was the second re-assessment a pre-assessment visit was not required. The main assessment was carried out during the period 27 to 29 November 2007.

Key stakeholders were identified eight weeks prior to the visit.

6.2 Team

The table below shows the team that conducted the main evaluation and the independent specialist(s) that were selected to review the main evaluation report before certification is considered.

Evaluation Team	Notes
Team Leader	Has degrees in forestry and in Botany, 38 years experience in forestry regionally and nationally, 180 days FSC auditing, speaks the local English language.
Local Specialist	Has a Doctorate in Ecology, 13 years experience in ecology regionally and nationally.

6.3 Checklist Preparation

A checklist was prepared by adapting the QUALIFOR generic forest management checklist.

This adaptation included canvassing comments from stakeholders 4 weeks before the field evaluation. No comments were received from stakeholders about the checklist. A copy of this checklist is available on the SGS Qualifor website, www.sgs.com/forestry.

Standard Used in Evaluation	Effective Date	Version Nr	Changes to Standard
SGS Qualifor: Generic Forest Management Standard (AD33) adapted for New Zealand	August 2005	1	

6.4 Stakeholder notification

A wide range of stakeholders, including those on the CTL stakeholder list, were contacted 4 weeks before the planned evaluation to inform them of the evaluation and ask for their views on relevant forest management issues. These included environmental interest groups, central and local government agencies and forestry authorities, forest user groups, local Maori representatives and workers' unions. The full list of stakeholders that were contacted is available from SGS. Responses received and comments from interviews are recorded under paragraph 13 of this Public Summary.

7. THE EVALUATION

The Main Evaluation was conducted in the steps outlined below.

7.1 Opening meeting

An opening meeting was held at the Company's Winton head office. The scope of the evaluation was explained and schedules were determined. Record was kept of all persons that attended this meeting.

7.2 Document review

A review of the main forest management documentation, held at the forest office at Waitane Forest, was conducted to evaluate the adequacy of coverage of the QUALIFOR Programme requirements. This involved examination of policies, management plans, maps, systems, procedures, instructions and controls.

7.3 Sampling and Evaluation Approach

A detailed record of the following is available in section B of the evaluation report. This section does not form part of the public summary, but includes information on:

- Sampling methodology and rationale;
- FMUs included in the sample;
- Sites visited during the field evaluation; and
- Man-day allocation.

The Assessment Team met with the company management team and the forest manager, reviewed all current, and a sample of past, documentation and plans, and visited 7 FMU's in 3 days.

7.4 Field assessments

Field assessments aimed to determine how closely activities in the field complied with documented management systems and QUALIFOR Programme requirements. Interviews with staff, operators and contractors were conducted to determine their familiarity with and their application of policies, procedures and practices that are relevant to their activities. A carefully selected sample of sites was visited to evaluate whether practices met the required performance levels.

7.5 Stakeholder interviews

Meetings or telephone interviews were held with stakeholders as determined by the responses to notification letters and SGS discretion as to key stakeholders that should be interviewed. These aimed to:

- clarify any issues raised and the company's responses to them;
- obtain additional information where necessary; and
- obtain the views of key stakeholders that did not respond to the written invitation sent out before the evaluation.

Nr of Stakeholders contacted	Nr of Interviews with		
	NGOs	Government	Other
MAIN EVALUATION			
61	3	4	12
SURVEILLANCE 1			
15		2	4
SURVEILLANCE 2			
SURVEILLANCE 3			
SURVEILLANCE 4			

Responses received and comments from interviews are recorded under paragraph 13 of this Public Summary.

7.6 Summing up and closing meeting

At the conclusion of the field evaluation, findings were presented to company management at a closing meeting. Any areas of non-conformance with the QUALIFOR Programme were raised as one of two types of Corrective Action Request (CAR):

- ❑ Major CARs - which must be addressed and re-assessed before certification can proceed
- ❑ Minor CARs - which do not preclude certification, but must be addressed within an agreed time frame, and will be checked at the first surveillance visit

A record was kept of persons that attended this meeting.

8. EVALUATION RESULTS

Detailed evaluation findings are included in Section B of the evaluation report. This does not form part of the public summary. For each QUALIFOR requirement, these show the related findings, and any observations or corrective actions raised. The main issues are discussed below.

8.1 Findings related to the general QUALIFOR Programme

PRINCIPLE 1: Compliance with law and FSC Principles	
Criterion 1.1 Respect for national and local laws and administrative requirements	
Strengths	
Weaknesses	
Compliance	Information from Central and Local Government stakeholders indicates that there is compliance with national and local laws. There was no evidence of non-compliance.
Criterion 1.2 Payment of legally prescribed fees, royalties, taxes and other charges	
Strengths	
Weaknesses	
Compliance	There is no evidence and no report of non-payment of fees and taxes. Craigpine is a registered NZ company, and is audited by an independent professional auditor. Budget provision is made for future payment of fees.
Criterion 1.3 Respect for provisions of international agreements	
Strengths	
Weaknesses	Company staff are not aware of CITES at a high level. Observation #1. SA2008.31 Observation closed. See Section 12 of this report.
Compliance	The NZ Government has border controls to ensure compliance with CITES. International agreements are controlled by NZ Government Departments – (Conservation and Forestry). No conflicts exist with Juken management.
Criterion 1.4 Conflicts between laws and regulations, and the FSC P&C	
Strengths	
Weaknesses	
Compliance	Managers and stakeholders interviewed are not aware of any conflicts. No conflicts have been identified during the Assessment.
Criterion 1.5 Protection of forests from illegal activities	
Strengths	
Weaknesses	
Compliance	The Company uses a combination of neighbour vigilance, contractor visits and staff visits to control unauthorised activities. No unauthorised logging or settlement was reported or noted during field visits.
Criterion 1.6 Demonstration of a long-term commitment to the FSC P&C	
Strengths	The Board and General Manager have a stated commitment to FSC. The Company has been certified for 10 years, the only New Zealand forestry company to have achieved this milestone to date.

Weaknesses	
Compliance	<p>A long term commitment to FSC has been publicly stated and documented in Company newsletters and the new web site.</p> <p>Stakeholders and Contractors interviewed expressed their awareness of Company commitment to FSC and its implications.</p>
PRINCIPLE 2: Tenure and use rights and responsibilities	
Criterion 2.1	Demonstration of land tenure and forest use rights
Strengths	
Weaknesses	
Compliance	<p>Documentation shows the company has freehold title to its blocks.</p> <p>The Sale and Purchase Agreement for the Hokonui Forest land was granted Overseas Investment Commission (OIC) approval. The Pinnacle Pine Forest block Sale and Purchase Agreement is waiting OIC approval.</p>
Criterion 2.2	Local communities' legal or customary tenure or use rights
Strengths	
Weaknesses	
Compliance	<p>Easements and rights of way on properties are noted on titles and are mapped.</p> <p>Access to the Company's forests is made available to a variety of individuals and groups on a permitted basis.</p>
Criterion 2.3	Disputes over tenure claims and use rights
Strengths	
Weaknesses	
Compliance	<p>No disputes are recorded or have been notified to the assessors. The Company deals with any disputes at a personal level. A stakeholder contacts file exists, and is used to note stakeholder contacts with the Company.</p>
PRINCIPLE 3: Indigenous peoples' rights	
Criterion 3.1	Indigenous peoples' control of forest management
Strengths	
Weaknesses	
Compliance	<p>The company has no areas of customary title. The Company has a number of Iwi stakeholders listed; one representative regularly attends meetings.</p> <p>Resource consents have been granted by the regulatory authorities after consultation with Iwi.</p>
Criterion 3.2	Maintenance of indigenous peoples' resources or tenure rights
Strengths	
Weaknesses	
Compliance	<p>No tenure rights exist. No impacts on indigenous communities have been noted or recorded. There is no evidence of disputes with Tangata Whenua over use rights.</p> <p>The company has offered access to a neighbouring Maori-owned forest block.</p>
Criterion 3.3	Protection of sites of special cultural, ecological, economic or religious significance to indigenous peoples
Strengths	
Weaknesses	
Compliance	<p>No sites have been identified on current holdings. The Archaeological Association file keeper has formally</p>

	notified the Company that no sites have been recorded on the new blocks. Neither Ngai tahu nor the local Runanga are aware of any sites on CTL land. No local demand for Rongoa has been reported or noted.
Criterion 3.4	Compensation of indigenous peoples for the application of their traditional knowledge
Strengths	
Weaknesses	
Compliance	No traditional knowledge of plantation species is required. Company forests are exotic plantations.
PRINCIPLE 4: Community relations and workers rights	
Criterion 4.1	Employment, training, and other services for local communities
Strengths	Craigpine provides significant sponsorship to local organisations and activities.
Weaknesses	
Compliance	All contract labour involved with the Company is local. Contractors come from a variety of local towns in Southland. An independent contractor assists the crew with training and skill maintenance. The forests are available for some uses on a permit basis.
Criterion 4.2	Compliance with health and safety regulations
Strengths	
Weaknesses	It will be important to follow up the proposal to more formally document contractor safety meetings, near miss reports and training achievements amongst harvesting crews. (Observation #3). SA2008.31 Observation closed. See Section 12 of this report.
Compliance	The Company has a health and safety policy and management system in place that complies with NZ laws. The company organises monthly audits of health & safety issues, and the forest manager also checks on a regular basis. Each new site is formally assessed for hazards before the operation. Examples of company hazard sheets and crew additions were seen.
Criterion 4.3	Workers' rights to organise and negotiate with employers
Strengths	
Weaknesses	
Compliance	No contractors are members of unions. Workers are free to organise and bargain collectively. All choose to negotiate directly with the Principal Contractor.
Criterion 4.4	Social impact evaluations and consultation
Strengths	The Company is regarded by neighbours and other key stakeholders, particularly those who attend stakeholder visits, as being constructive in their dealings with stakeholders and affected locals.
Weaknesses	It will be important to ensure that the stakeholder list is kept up to date, for example the Corrections Department and neighbours, and e-mail contacts included. (Observation #2). SA2008.31 Observation closed. See Section 12 of this report.
Compliance	The Company advises locals, particularly neighbours, of forthcoming operations, and endeavours to ensure that local issues are known and addressed. Examples of positive impact were noted. Stakeholders report that they are listened to and taken seriously.
Criterion 4.5	Resolution of grievances and settlement of compensation claims
Strengths	
Weaknesses	
Compliance	Because of the small size of the Company, and its status in the community, dispute resolution is handled by the local manager. No disputes were recorded or noted by stakeholders.

PRINCIPLE 5: Benefits from the forest	
Criterion 5.1	Economic viability taking full environmental, social, and operational costs into account
Strengths	
Weaknesses	
Compliance	<p>The company makes optimal use of the volume harvested. It monitors the productive status of the forests.</p> <p>The age class structure of the company's forests means that its current annual production from company forests is not at the long-term sustainable volume.</p> <p>Future operations are budgeted for. Social and environmental costs are programmed.</p>
Criterion 5.2	Optimal use and local processing of forest products
Strengths	
Weaknesses	
Compliance	<p>Logs are sold locally whenever possible. The Company has had small volumes of redwood become available and it has been encouraging the planting of this species.</p>
Criterion 5.3	Waste minimisation and avoidance of damage to forest resources
Strengths	<p>Soil husbandry was evidenced in a third rotation crop in Waitane forest, and with abundant native understory growth in all areas.</p>
Weaknesses	
Compliance	<p>The Company has a long term harvest plan and annual plans. The planning process is in accordance with national best practice guidelines, and is appropriate to the size and scale of the forestry operation.</p> <p>Harvesting techniques and equipment ensure harvesting to best effect at each site. The Company has been innovative with the widespread use of shovel logging techniques to reduce the need for downhill hauling. Waste is minimised and audited.</p>
Criterion 5.4	Forest management and the local economy
Strengths	
Weaknesses	
Compliance	<p>Non-timber forest products include Christmas trees, firewood and honey. Suitable forest areas have been offered to neighbours for grazing.</p>
Criterion 5.5	Maintenance of the value of forest services and resources
Strengths	
Weaknesses	
Compliance	<p>The Company is aware of the importance of several streams that run through some of the blocks. Water courses and their catchment areas are mapped. Water testing sites have been established and time series data is now available. Regional Council staff report that CTL harvest operations are compliant with environmental regulations for waterways.</p>
Criterion 5.6	Harvest levels
Strengths	
Weaknesses	
Compliance	<p>There are a number of permanent sample plots for growth measurement in the different forest blocks. These are measured in accordance with national protocols and reported through the established systems.</p> <p>Reconciliation of actual versus expected volumes is appropriate to the scale of the Company operation.</p> <p>The sustainable harvest level has been calculated as part of the valuation exercise. Current harvest levels are below the long-term sustainable rate.</p>

PRINCIPLE 6: Environmental impact	
Criterion 6.1 Environmental impacts evaluation	
Strengths	It is evident that CTL has identified and understands the potential impacts of operations and has continued to provide a high level of protection to the environment during forestry operations.
Weaknesses	
Compliance	<p>Assessments of environmental impacts of all operations have been carried out by CTL during the course of their previous certification. These assessment processes are well established within the company and involve local knowledge and skill of both the forest manager and contractors.</p> <p>The evidence is that operational practices are having a minimum effect on the environment; the indigenous forest remnants have been well protected.</p> <p>Operational plans are produced for each operation and include maps showing riparian areas, indigenous vegetation and sites of special interest.</p>
Criterion 6.2 Protection of rare, threatened and endangered species	
Strengths	
Weaknesses	<p>Contractors have not been trained in the recognition of RTE species. At present only the forest manager records RTE species sightings. See CAR #001.</p> <p>SA 2008.31 CAR closed out. See Section 11 of this report.</p>
Compliance	<p>CTL has consulted with local experts and DoC with regards to the presence of RTE within their forests. In addition CTL has commissioned several species surveys and assessments including a search for the green-backed skink at Wether Hill's forest. CTL has also developed a RTE species register that is constantly updated by the forest manager.</p> <p>CTL has set aside large areas of indigenous forest and scrubland for protection. In addition riparian areas along their waterways are well protected as habitat for RTE species.</p>
Criterion 6.3 Maintenance of ecological functions and values	
Strengths	
Weaknesses	
Compliance	<p>CTL's plantation forests are managed on a sustainable yield basis; the indigenous areas are set aside and protected from forestry operations. All important details are recorded on operational and forest maps and in the Stand Record System.</p> <p>Recently CTL developed a stream monitoring programme for their estate and this will be extended to include aquatic species assessments.</p> <p>The Company has a well developed weed monitoring programme.</p>
Criterion 6.4 Protection of representative samples of existing ecosystems	
Strengths	
Weaknesses	
Compliance	<p>CTL has set aside areas within its estate to help maintain indigenous biodiversity throughout the landscape. Many of these areas interconnect with each other through retained riparian networks of indigenous vegetation.</p> <p>All indigenous reserves have been mapped and are recorded. Forest health monitoring is occurring in a representative sample of the protected sites.</p>
Criterion 6.5 Protection against damage to soils, residual forest and water resources during operations	
Strengths	Operational planning allows for feedback from contractors, and for modification through site knowledge.
Weaknesses	
Compliance	<p>CTL has identified the potential environmental impacts of all operations and has well developed operational plans that outline the potential hazards for each site. Pre-operational checklists ensure that potential impacts are minimised.</p> <p>CTL has well defined protocols for harvesting operations near waterways and riparian zones. Field inspections at Waitane and Eyre Forest showed that these protocols were being adhered to. No</p>

	<p>environmental damage was seen.</p> <p>Well defined emergency protocols are in place. All contractors interviewed were aware of their obligations and report procedures in the event of an emergency. All sites visited were free of fuel spills.</p>
Criterion 6.6 Chemical pest management	
Strengths	
Weaknesses	
Compliance	<p>CTL supplied a complete list of the pesticides used by the company. This list contained records of the amounts used, the concentrations used in the field and the necessary chemical and trade names.</p> <p>CTL has, over the last 2 certificate periods, conducted trials and developed protocols for using the minimum amount of chemical during their spraying operations. The company has developed effective, integrated weed control strategies and has investigated cost-effective alternatives to reduce the need for future spraying operations.</p> <p>All chemicals are stored off site by the contractors who will use them.</p>
Criterion 6.7 Use and disposal of chemicals, containers, liquid and solid non-organic wastes	
Strengths	
Weaknesses	
Compliance	<p>Contractors rinse and return the chemical containers to the manufacturers for recycling and/or disposal.</p> <p>Contractors report that all waste is removed off site and disposed of in the most environmentally appropriate manner. No waste was seen on the various sites visited.</p>
Criterion 6.8 Use of biological control agents and genetically modified organisms	
Strengths	
Weaknesses	
Compliance	<p>Biological control agents are only used under the strict controls by the appropriate department, e.g. ERMA or the Regional Council. No biological control agents have been introduced by the company. No GMOs are used within CTL's estate.</p>
Criterion 6.9 The use of exotic species	
Strengths	
Weaknesses	
Compliance	<p>Wildings are removed from indigenous areas throughout the estate and their presence is constantly monitored by the forest manager.</p>
Criterion 6.10 Forest conversion to plantations or non-forest land uses	
Strengths	
Weaknesses	
Compliance	<p>The Company does not convert indigenous cover or other important conservation areas to plantation forest.</p> <p>The Company's conversion of an area of plantation forest to non-forest use complies with FSC-ADV-30-602, and the company has purchased additional plantation area to compensate.</p>
PRINCIPLE 7: Management plan	
Criterion 7.1 Management plan requirements	
Strengths	
Weaknesses	<p>SA2008.31 Observation closed. See Section 12 of this report.</p>
Compliance	<p>The management plan details the forest areas and operations carried out, consistent with the size and scale of the operation. Objectives for each type of operation are clearly defined.</p> <p>The plan assesses the environmental impacts of each operation (e.g. harvesting, roading, silviculture).</p>

Criterion 7.2 Management plan revision	
Strengths	
Weaknesses	
Compliance	The production management plan is revised as the result of the annual valuation exercise. New production information is incorporated into management plans.
Criterion 7.3 Training and supervision of forest workers	
Strengths	
Weaknesses	
Compliance	All contractors and their staff are trained for the task. A contract trainer makes regular visits to gangs for training & skill maintenance. Contractors confirmed that supervisory visits were regular.
Criterion 7.4 Public availability of the management plan elements	
Strengths	
Weaknesses	
Compliance	The management plan summary is available on the company web site.
PRINCIPLE 8: Monitoring and evaluation	
Criterion 8.1 Frequency, intensity and consistency of monitoring	
Strengths	
Weaknesses	
Compliance	There is a selection of documented monitoring programmes. The frequency and intensity of the monitoring is stated and is specific for different areas. Data is readily available.
Criterion 8.2 Research and data collection for monitoring	
Strengths	
Weaknesses	
Compliance	Harvesting contractors report production weekly. This information is used to reconcile log docketts. Formal post-harvest audit is undertaken to ensure that all points in the prescription and planning notes have been covered. The manager and contractor sign off. The Company maintains a record of each operation, its costs and how it was carried out.
Criterion 8.3 Chain of custody	
Strengths	
Weaknesses	
Compliance	Logs leaving Craigpine forests have the company mark painted on them. They are accompanied by a load docket indicating the Forest, Compartment and Crew. Sales invoices contain the correct FSC certificate number in the correct format.
Criterion 8.4 Incorporation of monitoring results into the management plan	
Strengths	
Weaknesses	
Compliance	The Company is able to incorporate appropriate research results into planning.
Criterion 8.5 Publicly available summary of monitoring	
Strengths	

Weaknesses	
Compliance	Public summaries of monitoring results are available from the Company.
PRINCIPLE 9: High Conservation Value Forests	
Criterion 9.1 Evaluation to determine high conservation value attributes	
Strengths	
Weaknesses	
Compliance	The FMU has been independently assessed, and a variety of interested organisations, including the Department of Conservation and the Regional Council, have been consulted. No HCVPs have been identified.
Criterion 9.2 Consultation process	
Strengths	
Weaknesses	
Compliance	N/A
Criterion 9.3 Measures to maintain and enhance high conservation value attributes	
Strengths	
Weaknesses	
Compliance	N/A
Criterion 9.4 Monitoring to assess effectiveness	
Strengths	
Weaknesses	
Compliance	N/A
PRINCIPLE 10: Plantations	
Criterion 10.1 Statement of objectives in the management plan	
Strengths	
Weaknesses	
Compliance	The management objectives for the plantation are stated in the management plan. The objectives are written in such a way that their attainment can be demonstrated.
Criterion 10.2 Plantation design and layout	
Strengths	
Weaknesses	
Compliance	Natural vegetation areas, including riparian zones are identified and mapped. All such areas are automatically protected during operations. The most significant areas and streams are monitored as part of the monitoring programme. Riparian zones are maintained, and enhanced where possible.
Criterion 10.3 Diversity in composition	
Strengths	
Weaknesses	
Compliance	Re-establishment is providing for genetic diversity through seed sources. Effects of clear cut size are being monitored through water quality monitoring, soil condition and social impact.

Criterion 10.4 Species selection	
Strengths	
Weaknesses	
Compliance	National and widespread trials show that exotic species outperform indigenous species on a production basis. Provenance, clone and seed source information is available and kept in the stand record system.
Criterion 10.5 Restoration of natural forest	
Strengths	
Weaknesses	
Compliance	The areas of existing natural vegetation and ecosystems are protected. Small areas that are not suitable for replanting back into exotics will be allowed to regenerate into natural vegetation.
Criterion 10.6 Impacts on soil and water	
Strengths	The company uses the shovel logging technique regularly to reduce the impact of down hill logging on soils.
Weaknesses	
Compliance	Soil information is available at a broad scale. There is no evidence of soil degradation through forest operations. The rivers and streams within the FMU have been identified and mapped.
Criterion 10.7 Pests and diseases	
Strengths	
Weaknesses	
Compliance	There is evidence of identification of the main pests and diseases. A Forest Health survey is undertaken by an independent expert. The company complies with the Regional Pest Management Strategy. The company is an active member of the Southern Rural Fire District. Company resources are committed to the Rural Fire District (RFD).
Criterion 10.8 Monitoring of impacts, species testing and tenure rights	
Strengths	
Weaknesses	
Compliance	The company carries out monitoring of all the known impacts of plantation forestry on the receiving environment. There is evidence of regular consultation with DOC and other key stakeholders.
Criterion 10.9 Plantations established in areas converted from natural forests after November 1994	
Strengths	
Weaknesses	
Compliance	The Company's plantation area does not occupy land converted from natural forests after 1994.

9. CERTIFICATION DECISION

SGS considers that Craigpine Timber Limited's forest management of all of its forests, in Southland can be certified as:

- i. There are no outstanding Major Corrective Action Requests

- ii. The outstanding Minor Corrective Action Requests do not preclude certification, but Craigpine Timber Limited is required to take the agreed actions before November 2008. These will be verified by SGS QUALIFOR at the first surveillance to be carried out about 6 months from the date of the issuance of the certificate. If satisfactory actions have been taken, the CARs will be 'closed out'; otherwise, Minor CARs will be raised to Major CARs.
- iii. The management system, if implemented as described, is capable of ensuring that all of the requirements of the applicable standard(s) are met over the whole forest area covered by the scope of the evaluation;
- iv. The certificate holder has demonstrated, subject to the specified corrective actions, that the described system of management is being implemented consistently over the whole forest area covered by the scope of the certificate.

10. MAINTENANCE OF CERTIFICATION

During the surveillance evaluation, it is assessed if there is continuing compliance with the requirements of the Qualifor Programme. Any areas of non-conformance with the QUALIFOR Programme are raised as one of two types of Corrective Action Request (CAR):

- .01 **Major CARs** - which must be addressed and closed out urgently with an agreed short time frame since the organisation is already a QUALIFOR certified organisation. Failure to close out within the agreed time frame can lead to suspension of the certificate.
- .02 **Minor CARs** - which must be addressed within an agreed time frame, and will normally be checked at the next surveillance visit

The full record of CARs raised over the certification period is listed under section 11 below.

The table below provides a progressive summary of findings for each surveillance. A complete record of observations demonstrating compliance or non-compliance with each criterion of the Forest Stewardship Standard is contained in a separate document that does not form part of the public summary.

SURVEILLANCE 1	
Issues that were hard to assess	None
Number of CARs closed	One Outstanding CAR was closed.
Nr of CARs remaining open	No Outstanding CARs from previous evaluations remain open.
New CARs raised	No New Major CARs and no Minor CARs were raised.
Certification Decision	The forest management of the forests of Craigpine Timber Limited remains certified as: <ul style="list-style-type: none"> ▪ The management system is capable of ensuring that all of the requirements of the applicable standard(s) are met over the whole forest area covered by the scope of the evaluation; and ▪ The certificate holder has demonstrated, subject to the specified corrective actions, that the described system of management is being implemented consistently over the whole forest area covered by the scope of the certificate.
SURVEILLANCE 2	
Issues that were hard to assess	
Number of CARs closed	
Nr of CARs remaining open	
Nr of New CARs raised	
Certification Decision	
SURVEILLANCE 3	

Issues that were hard to assess	
Number of CARs closed	
Nr of CARs remaining open	
Nr of New CARs raised	
Certification Decision	
SURVEILLANCE 4	
Issues that were hard to assess	
Number of CARs closed	
Nr of CARs remaining open	
Nr of New CARs raised	
Certification Decision	

11. RECORD OF CORRECTIVE ACTION REQUESTS (CARS)

CAR #	Indicator	CAR Detail					
		Date Recorded>	Due Date>	First surveillance	Date Closed>		
001	6.2.3	29/11/07				20/11/2008	
		Non-Conformance:					
		Contractors have not been trained in rare and threatened species recognition, and have not been encouraged to report any sightings of such species.					
		Objective Evidence:					
		Only the Forest Manager has been recording RTE species sightings.					
		Contractors report that they have not been asked to report any sightings, nor have they been given any training to do so.					
		During the field visit to Waitane Forest 2 threatened bird species were sighted that were not recorded as RTE species in the Management Plan.					
		Close-out evidence:					
		A booklet on RTE species, likely to be seen in the Craigpine Forests, has been prepared and given to all contractors, along with a form to record sightings. Contractors are encouraged to report sightings.					
		Returned sighting forms are kept in a register along with reported sightings by staff.					
		Date Recorded>	dd mmm yy	Due Date>	dd mmm yy	Date Closed>	dd mmm yy
		Non-Conformance:					
		Objective Evidence:					
		Close-out evidence:					

12. RECORD OF OBSERVATIONS

OBS #	Indicator	Observation Detail			
		Date Recorded>		Date Closed>	
1	1.3.1	Date Recorded>	29/11/07	Date Closed>	20/11/2008
		Observation:			
		It is important for the company be aware of its obligations under the CITES agreement.			
		Follow-up evidence:			
		The company has developed a comprehensive report on International Conventions relevant to CTL.			
2	4.4.3	Date Recorded>	29/11/07	Date Closed>	20/11/2008
		Observation:			
		It will be important to ensure that the stakeholder list is kept up to date, for example the Corrections Department and neighbours, and e-mail contacts included.			
		Follow-up evidence:			
		The stakeholder list is up to date. E-mail contacts are on staff "Outlook" systems.			
3	4.2.2	Date Recorded>	29/11/07	Date Closed>	20/11/2008
		Observation:			
		It will be important to follow up the proposal to more formally document contractor safety meetings, near miss reports and training achievements amongst harvesting crews.			
		Follow-up evidence:			
		The independent safety audits are kept on file. Issues that arise are addressed immediately, or resolved at safety meetings. Crews maintain their own records.			
4	7.1.4 & 1.1.2	Date Recorded>	29/11/07	Date Closed>	20/11/2008
		Observation:			
		It will be important to replace the term "NZ Forestry Code of Practice" with "Environmental Code of Practice for Plantation forestry" in the Management Plan and update the regulations register.			
		Follow-up evidence:			
		The 2008 version Management Plan acknowledges the Environmental Code of Practice. The Regulations register now includes this, as well as the relevant Regional Plans produced by Environment Southland.			
		Date Recorded>	29/11/07	Date Closed>	dd MMM yy
		Observation:			
		Follow-up evidence:			

13. RECORD OF STAKEHOLDER COMMENTS AND INTERVIEWS

Nr	Comment	Response
Main Evaluation		
1	<p>Roads are well maintained to reduce sediment runoff. Cu touts and soak pits are used.</p> <p>Streams are protected by riparian strips of native vegetation.</p> <p>Roads are well maintained to reduce runoff of fine sediment.</p> <p>Native vegetation is retained along stream margins and around wetlands.</p>	<p>No formal response required, but it does complement the assessment team's findings about riparian management. This response has come from the organisation responsible for managing the fishery in the region.</p>
2	<p>Very good road maintenance. All stream crossings are consented.</p> <p>Indigenous remnants are protected.</p> <p>Very good riparian setbacks. Good sediment traps, cut-outs & water tables.</p> <p>Preservation of biodiversity is very good & existing remnants are all protected.</p> <p>Good water quality monitoring programme.</p>	<p>This has come from the resource consenting agency.</p>
3	<p>In the past Craigpine have operated this forest on a high environmental level, meeting all the recommendations and requirements of relevant regulatory bodies.</p>	<p>This comment relates to Waitane forest.</p>
4	<p>I want to reinforce that Des Minehan was one of the leaders and drivers in the formation of the Southern Rural Fire District and he has been a great advocate for Enlarged RFD's.</p>	<p>No response required but this demonstrates the company commitment to regional fire protection.</p>
5	<p>Visited Craigpine's Waitane and their Castledowns area forest; my observations are that the forests are well managed and I did not observe any practices being undertaken that would go against FSC principles.</p> <p>As far as we are aware they are in full compliance with the terms of their FSC certification.</p>	<p>Similar comments came from other forest managers</p>

Nr	Comment	Response
Main Evaluation		
6	<p>The company has moved to lower-impact harvesting and production thinning practices. The aim has been to minimise soil and water disturbance.</p> <p>The harvesting operations are also becoming more mechanised. While this is improving efficiency, the company also sees this as an important way of improving worker safety.</p> <p>Craigpine has supported several industry initiatives to determine the volume (and direction) of log and sawn timber movements. The purpose of this work has been to identify efficiencies in the movement of logs and timber products. The company has also participated in regional discussions on electronic docketing, and allied initiatives.</p> <p>The company has introduced a range of monitoring procedures to measure the environmental performance of the operation, and to identify areas for improvement (around ecological, pest and water management). This work has been highlighted at field days, along with the efforts to reduce physical inputs (such as chemical use).</p> <p>Both the forestry and processing arms of the business have a strong commitment to the Southland region, and to employing local staff. The company places a high priority on building the skill base of their staff, and retaining this experience (this has come through particularly in recent years, with the downturn in the industry).</p> <p>The company is represented on the skills and training sub-committee, of the Southern Wood Council. The priority for the company is to provide effective workplace (and industry) training for staff.</p> <p>The company has regularly provided access to their forests for farm forestry, Institute of Forestry and regional council field days.</p> <p>The company has also opened up their forests for school education / career days.</p> <p>The company was an active investor in new planting during the 1990s and their timber processing facility at Winton is one of the largest employers in Central Southland. The processing facility has been progressively upgraded (over the past decade), and this has translated into additional direct, and in-direct employment.</p>	<p>Comments from the regional office of the Government forestry agency.</p>

Nr	Comment	Response
Main Evaluation		
7	<p>Operations are mostly conventional; well supervised; environmentally sound.</p> <p>Road maintenance employs environmentally sound practices</p> <p>Wetland protection is keenly promoted, and waterway management uses environmentally sound practices</p>	One of the local authorities in the area.
8	<p>Our woodlots make use of small blocks of land that are too stony to plough and then get covered in gorse & broom. The land is too rough for cultivation.</p> <p>Craigpine control the forestry work, for which we are very grateful. All contractors organised by Craigpine have been most satisfactory.</p> <p>The forest blocks provide shelter for stock and control gorse & broom.</p>	Response from a Joint Venture partner.
9	The informal contractual relationship with Craigpine has been sufficient for me to obtain financing for new harvesting equipment. Any disputes are sorted on the basis of mutual understanding and the sound business relationship we have.	Response in relation to a question about the contract with CTL, and the dispute resolution process.
10	Craigpine understand the nature of the forest we are asked to work in, and ensure that we are told well in advance if the work pattern is likely to change.	Response from a production thinning contractor.
Surveillance 1		
	Continues to support the Southern Rural Fire District.	
	Have worked for Craigpine for nearly 20 years & appreciate the relationship I have with them. The level of trust is mutual. CTL cut no corners as far as environmental issues are concerned.	
	<p>“The challenge for Craigpine, in converting forest to intensive pasture, is to maintain the high water quality levels that have been evident under a production forestry regime...</p> <p>Without a doubt, the riparian protection that has been afforded to the watercourses in this conversion block is some of the best I have seen anywhere in Southland.....</p> <p>(EW) staff are pleased to have been involved in the process from the initial stages. There have been good environmental outcomes, & continuing liaison as the development of the dairy farm proceeds will ensure further good outcomes.”</p>	
	Craigpine have continued to find work for me even though the MDF plant has reduced its requirement for production thinning fibre.	

Nr	Comment	Response
	Main Evaluation	
	CTL have made good progress in formalising their safety audit procedures.	
	Surveillance 2	
	Surveillance 3	
	Surveillance 4	

14. RECORD OF COMPLAINTS

No complaints have been received.

Nr	Detail		
	Complaint:	Date Recorded >	dd MMM yy
	Complaint	Date Recorded >	dd MMM yy
	No complaints have been received about Craigpine Timber Limited		
	Objective evidence obtained:		
	Close-out information:	Date Closed >	dd MMM yy

End of Public Summary