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# Media release

## **Auditor General's report: Tracking timber logged from South West native forests**

27 September 2007

The Forest Products Commission (FPC) today welcomed an independent review of its log timber tracking practices by the Office of the Auditor General. FPC Acting General Manager, Steve Melville, said "The review identified two opportunities for the FPC to examine as part of our ongoing commitment to continuous improvement."

Mr Melville expressed confidence that the system it uses to track log timber harvested from native forests in the South West is appropriate to manage the risk of fraud or theft of logs from its operations.

Mr Melville, said the system used was fully in accordance with the Forest Management Regulations approved in 1993 to reflect the highly significant changes in forest management that occurred from 1988. At that time the FPC's predecessor, the Department of Conservation and Land Management, took control of harvesting operations that had previously been conducted by sawmills which held permits to do so.

"The FPC has made an undertaking to ensure it meets the target, set in the Regulations, of field checking five per cent of log delivery notes used to document and authorise log timber transported from FPC operations," Mr Melville said. "This target has not always been met in recent years due to the increased focus of FPC field staff on meeting the sustainable forest management requirements determined by the Forest Management Plan."

Mr Melville said, "The FPC will also consider the introduction of an individual log tracking system for certain grades of log timber, but adopting such changes would involve additional costs that would have to be passed on to customers."

"There is no evidence of fraud or theft to justify the additional cost, so the FPC believes its current risk management approach to the issue is appropriate," Mr Melville said. "The FPC has been considering log tracking as a means of providing 'chain of custody' certification should there be a market demand, with a corresponding price premium to offset the costs, and we will continue to monitor opportunities in this area."

In expressing confidence that the current system is practical and appropriate to the circumstances, Mr Melville said that the Forest Management Regulations reflect the findings of a significant report into the accountability procedures relating to logging in

South West forests conducted by Mr Daryl R Williams AM QC and released in 1992. The report noted, amongst other things, that any systems incorporating individual log marking could be circumvented, negating their effectiveness.

“Despite these issues, the FPC will continue to monitor its options and consider any systems that offer improvements, so long as they can be practically implemented,” Mr Melville said.

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