FOREST VALUATION STANDARD PREFACE

Foreword

It is with great pleasure that on behalf of Forestry Australia and the New Zealand Institute of Forestry (NZIF) we introduce the first joint Australia New Zealand Forest Valuation Standard.

Over the last 40 years, the Australian and New Zealand forest sectors have seen a major shift towards private ownership of planted forests. At the same time, managers of natural forests, held in private and public ownership, have attracted increased scrutiny of their value proposition for timber and non-timber goods and services. This has reinforced a trend towards regular and formal reporting of tree and land values under increasingly complex disclosure requirements.

Throughout this time, national and international financial reporting standards issued by the Australian Accounting Standards Board (AASB), the New Zealand Accounting Standards Board (NZASB), the International Financial Reporting Standards (IFRS) Foundation and the International Accounting Standards Board (IASB) have continued to evolve. Similarly, general valuation standards have developed over time, with increasing alignment and international influence. The two most widely represented valuation standards are the International Valuation Standards (IVS) and the Uniform Standards of Professional Appraisal Practice (USPAP).

New and continuously developing forest modelling and transaction analysis tools enable forest valuers to incorporate increasing real-world complexity and granularity into models to finesse value estimates that investors and financial reporting require.

Rapid developments in carbon markets, climate related disclosures, and broader natural-capital accounting are reshaping how forests are being perceived and understood within contemporary policy, investment and reporting environments. Forests valuations are increasingly required to value carbon sequestration and reflect impacts of climate related effects.

These collective developments necessitate the need for the continued review and refinement of professionally recognised forest valuation standards.

Members of Forestry Australia and the NZIF have a long history of collaboration and for many investors, Australia and New Zealand is considered a common market for forest products and assets. Nevertheless, until recently, there was no formal approach to aligning our professional understanding on forest valuation. In 2017, Dr Bruce Manley, Convenor of the NZIF Forest Valuation Working Party, reached out to Keith Lamb, Convenor of the Forestry Australia Forest Valuation Committee to determine the appetite for a formal alignment between the two organisations.

This first joint Australia New Zealand Forest Valuation Standard is the product of that alignment and represents an ongoing commitment to enrich our common understanding of the recognition of value in the trans-Tasman forest sector.

We acknowledge the NZIF who contributed the base document from which the joint Standard has been developed and the support of Forests and Wood Products Australia (FWPA) who contributed funding to the Forestry Australia input.

The Australia New Zealand Forest Valuation Standard is presented to all Forestry Australia and NZIF members as current best practice. It will be periodically updated through an ongoing work programme.

Michelle Freeman
President Forestry Australia

James Treadwell
President NZIF

Introduction to the Standard

Purpose:	The purpose of the Australia New Zealand Forest Valuation Standard is to provide a set of standards and guidelines for the physical and financial description and the valuation of commercial plantation and natural forests in Australia and New Zealand. They are applicable to plantation and natural forests of any size and ownership. The Standard applies to a range of purposes of forest valuation as outlined in Chapter A1.
Authority	The Forest Valuation Standard has been prepared under the authority of Forestry Australia and the New Zealand Institute of Forestry (NZIF), the bodies representing forestry professionals in Australia and New Zealand.
Users	This Standard has been developed primarily for members of Forestry Australia and NZIF engaged in the physical and financial description, and the valuation, of a forest resource for internal or external reporting. It has also been developed with a view to other professional bodies and regulatory authorities requiring use of the Standard.
Guidance for Forestry Australia and NZIF members	NZIF has resolved that all members shall be bound by the Standard, or shall disclose departures, when preparing forest valuations. Forestry Australia observes adherence to the Standard is consistent with the Registered Forestry Professional (RFP) Scheme Code of Conduct.
Layout	Parts B and C of this document include the actual standards and are marked and numbered in capital bold font, for example: **STANDARD B1.1**
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Forest Valuation Working Groups

NZIF Forest Valuation Working Party	The Council of the NZIF established the Forest Valuation Working Party in 1993 with the original terms of reference given below. In August 1994 a Discussion Draft set of Forest Valuation Guidelines was released and submissions invited. A substantially revised Exposure Draft was released in October 1996 and again submissions were invited. The NZIF Forest Valuation Standard was subsequently released in May 1999. To better reflect the ongoing role of the working party, in 2010 the NZIF Council approved revised terms of reference. The main changes were to recognise that the focus of the working party was now: • To review and revise the NZIF Forest Valuation Standard to ensure that it remains relevant to the valuation of plantations in New Zealand. • To extend the NZIF Forest Valuation Standard to ensure that it is comprehensive in the coverage of valuation issues. The Forest Valuation Working Party continued to develop the Forest Valuation Standard and released an exposure draft in April 2019 for a partial update of the standards.
Forestry Australia Forest Valuation Committee	The Australian Forest Valuation Standard (*A Standard for Valuing Commercial Forests in Australia* – "AFVS" 2012) and associated Handbook (2012) were developed to provide professional and sectoral interpretation to the formal standards applied to forest valuations in Australia[1]. The AFVS played a key role in providing guidance and sectoral confidence in addressing issues associated with forestry valuations. At a meeting of the Institute of Foresters on 26th August 2016 at Park Royal Hotel Melbourne airport, a proposal was endorsed to refresh the process for managing and maintaining the AFVS. Specifically, the Forestry Australia[2] Forest Valuation Standard Committee was formed to provide a forum for bringing together the practitioners and procurers of forest valuations. One of the key drivers for this was to build and disseminate knowledge, to create confidence in the sector, and avoid concentration risk.

[1] Both documents were co-funded by FWPA.
[2] Formerly Institute of Foresters of Australia (IFA), now trading as Forestry Australia

Joint Australia New Zealand Forest Valuation Standard	In 2017, the NZIF Forest Valuation Working Party invited the Forestry Australia Forest Valuation Committee to align on a joint Standard. At that time, the NZIF Forest Valuation Working Party was in the process of updating the NZIF Standard. In 2020, exposure drafts of the revised NZIF Standard were released for review to the Forestry Australia Forest Valuation Committee as well as NZIF members. Forestry Australia formed a working group[3] to review the NZIF Standard and to draft chapters which could serve as a combined Australia New Zealand Standard. Further chapters revised and released by NZIF in 2025 were also reviewed by the Forestry Australia Committee[3]. The work of Forestry Australia together with feedback from New Zealand members was incorporated into a revised document which was released in 2026 as the jointly approved Australia New Zealand Forest Valuation Standard. On topics where the national context (e.g. legislation) differs materially, separate versions of the relevant section (B6 Value of Land, B11 Taxation Effects, B15 Valuation of Carbon) have been developed for each country.

[3] Funded by FWPA

Terms of Reference

NZIF Forest Valuation Working Party

1993 Terms of Reference

1. To develop guidelines for forest valuation which include:
   - The purposes for forest valuation;
   - Alternative approaches to forest valuation for each purpose;
   - Guidelines on the appropriate method for each purpose;
   - Standards of forest description;
   - A checklist of valuation inputs;
   - Guidelines on reporting format including:

     — disclosure of valuation inputs

     — the methodology employed

     — disclaimers

     — reconciliation of change in value over time.
2. To liaise, as appropriate, with other interested parties both in New Zealand and overseas, and if necessary, co-opt other persons with specialist knowledge to assist in deliberations.
3. To recommend to Council means of implementing the guidelines including mechanisms for professional education.
4. To recommend to Council the desirability of, frequency and format for collection and publication of commonly applied valuation inputs including log price information, discount rates and costs.
5. To recommend to Council the desirability of, and mechanics for the collection, analysis and publication of market values for forest sale transactions.

Revised Terms of Reference (2010)

1. To review and revise the NZIF Forest Valuation Standard to ensure that it remains relevant to the valuation of plantations in New Zealand.
2. To extend the NZIF Forest Valuation Standard to ensure that it is comprehensive in the coverage of valuation issues.
3. To liaise, as appropriate, with other interested parties both in New Zealand and overseas, and if necessary, co-opt other persons with specialist knowledge to assist in deliberations.

4. To recommend to Council means of implementing the Standard including mechanisms for professional education.
5. To collect and publish commonly applied valuation inputs; particularly information on discount rates and forestry land rentals.

Forestry Australia Forest Valuation Committee

A formal committee was convened in September 2016, with terms of reference including:

1) A standing committee of the Forestry Australia be created with the purpose of further development, managing updates and promoting the Australian Forest Valuation Standard.
2) The committee will publicise meetings and invitations will be issued to Members of Forestry Australia and other interested parties;
3) The committee will seek to establish formal ties with the New Zealand Institute of Forestry Forest Valuation Working Party; and
4) The committee seek support from appropriate funding sources to provide funding for further development and promotion of the Australian Forest Valuation Standard.

Forest Valuation Working Group members

		Start	End
NZIF Forest Valuation Working Party	Alan Barnes	1993	2009
	Peter Berg	1993	2016
	Peter Clark	1993	2001
	Steve Croskery	1993	2009
	Jeremy Fleming	1993	2000
	Peter Gorman	1993	2015
	Bill Liley	1993	present
	Bruce Manley (Convenor)	1993	present
	Peter Casey	1994	1999
	Tanya Lieven	1995	1999
	Kevin Cooney	1996	2003
	Brian Rawley	1996	present
	Theo Vos	2003	2015
	Henry Martin	2003	2003
	Karen Musham	2004	2005
	Mike Colley	2005	2012
	Andre Neumann	2009	present
	Alan Bell	2012	2016
	Phil Elworthy	2012	present
	Ian Jenkins	2012	2015
	Nick Ping	2012	present
	David Skilton	2012	2021
	Rudolf van Rensburg	2012	present
	Jeff Schnell	2016	2016
	Gareth Buchanan	2016	2017
	Angus Malcolm	2016	2017
	Erin Jeffrey	2018	present
	Jessica Brown	2018	2019
	Melissa Nicol	2021	present
	Adam Mills	2025	present
Forestry Australia Forest Valuation Committee	Chris Brookwell	2016	present
	Ian Ferguson	2016	2019
	Keith Lamb (Convenor)	2016	present
	Jerry Leech	2017	2023
	Andrew Morton	2016	present
	Tony O'Hara	2016	2020
	Nick Ping	Ad hoc	
	Rudolf van Rensburg	2016	Present
	Glen Rivers	Ad hoc	

Forestry Australia Forest Valuation Working Group	Andrew Dickinson	2020
	Andrew Morton	2020
	Geoff Manners	2020
	Rod Meynink	2020
	Rudolf van Rensburg	2020