Forest Valuation Summit 2026

Forestry AUSTRALIA

Session 3: Good Practice in Forest Valuation

Governance

Keith Lamb
Convenor, Forest Valuation Committee

Forest Valuation: Governance

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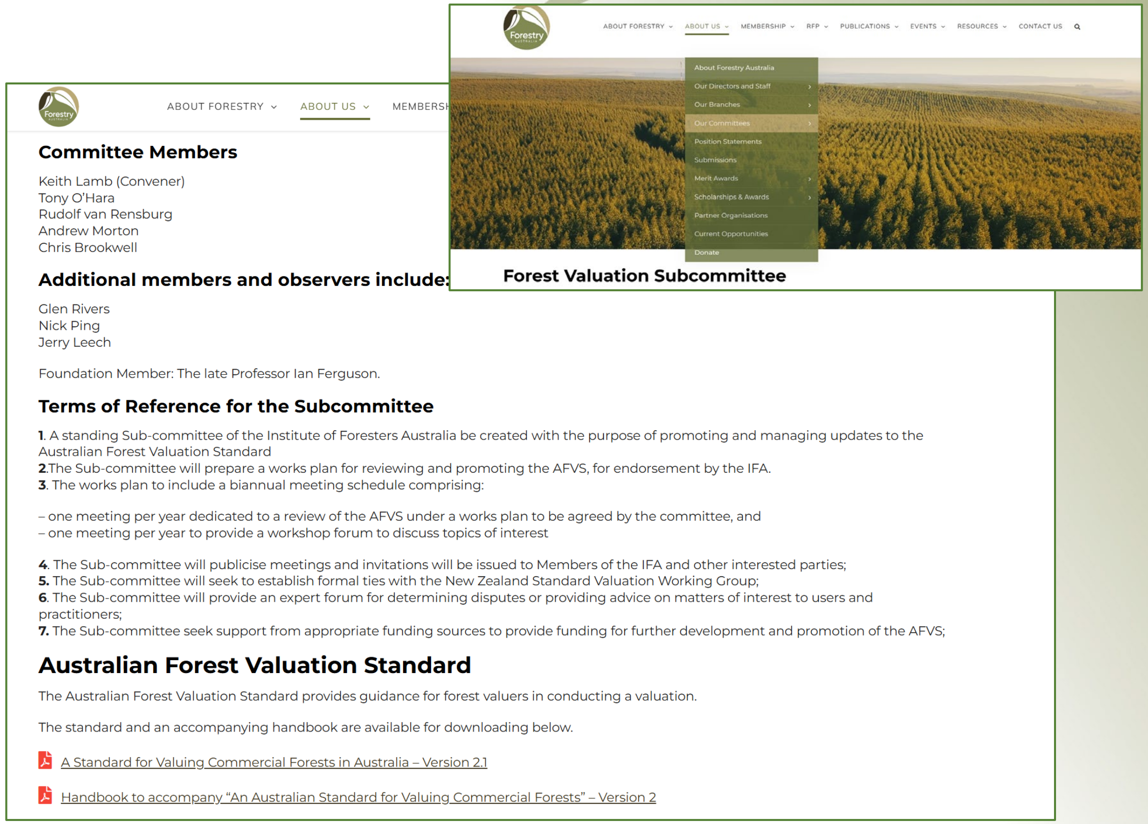
Case Study: Criteria For Good Governance

- Process ✓
- Roles & Responsibilities ✓
- Completeness ✓
- Competency ✓
- Judgements ✓


ABOUT FORESTRY ABOUT US MEMBERSHIP RFP PUBLICATIONS EVENTS RESOURCES CONTACT US

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Our Branches
Our Committees
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Forest Valuation Subcommittee

Committee Members

Keith Lamb (Convener)
Tony O'Hara
Rudolf van Rensburg
Andrew Morton
Chris Brookwell

Additional members and observers include:

Glen Rivers
Nick Ping
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[FOREST VALUATION – Forestry Australia]

Forest Valuation: Governance

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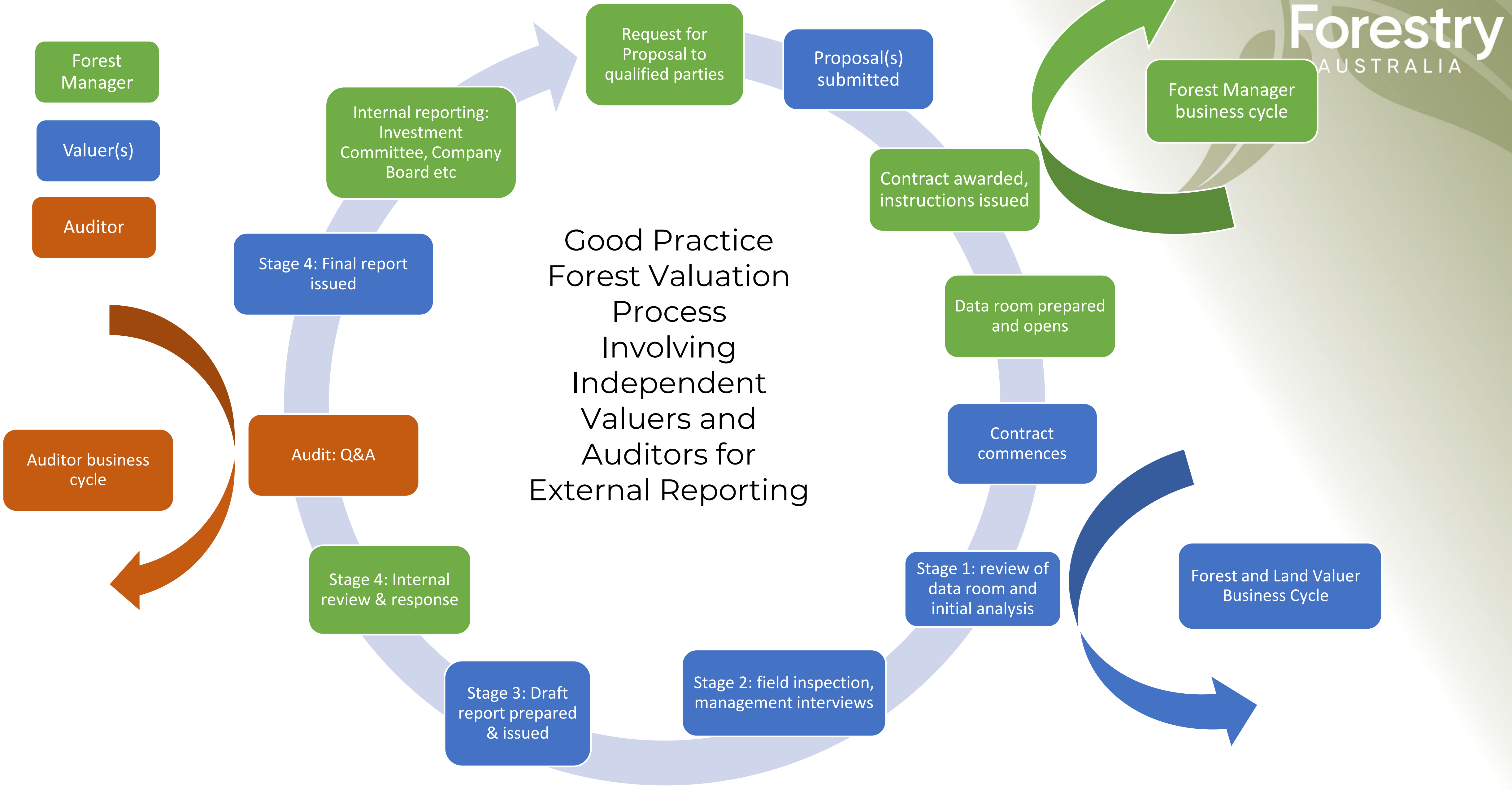
Guidance Documents

- Forest Fundamentals On-line Learning Program (2022)
- ANZ Forest Valuation Standard (2026)*
- RICS Red Book Global Standards (2024)
- Financial Reporting Council Professional Judgement Guidance (2022)

- *ANZ FVS Exposure Draft 2020

Process



Forest Manager
Valuer(s)
Auditor
Good Practice Forest Valuation Process Involving Independent Valuers and Auditors for External Reporting
Request for Proposal to qualified parties
Proposal(s) submitted
Contract awarded, instructions issued
Data room prepared and opens
Contract commences
Stage 1: review of data room and initial analysis
Stage 2: field inspection, management interviews
Stage 3: Draft report prepared & issued
Stage 4: Internal review & response
Audit: Q&A
Stage 4: Final report issued
Internal reporting: Investment Committee, Company Board etc
Forest Manager business cycle
Forest and Land Valuer Business Cycle
Auditor business cycle

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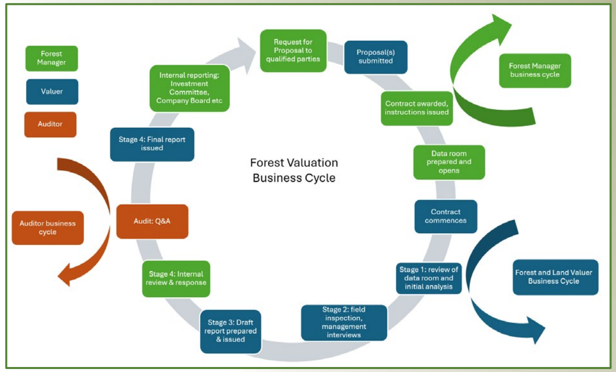
- **Roles & Responsibilities (1) Forest Manager**

- Forest Managers are concerned with the value placed on forests under management
  - Focus on return to investors and shareholders
  - Bear ultimate responsibility for performance
  - Reporting periods – usually annually
- Procurement of valuation services usually guided by policy
  - Commonly on a rotation arrangement
  - Qualifications, experience and sectoral recognition
  - Arms-length basis
- Process must be rigorous and able to withstand auditor scrutiny
  - Manager issues Instructions
  - Valuer provides draft report
  - Manager provides response
  - Valuer provides final signed report
- Data room
  - Forest description
  - Budget and operating history
  - Increasingly common to present operating model
  - Field inspections offered to tree and land valuer.



Source: Forest Fundamentals Online Learning Program
[Forest Valuation Methodology – Forestry Australia]

Forest Valuation: Governance

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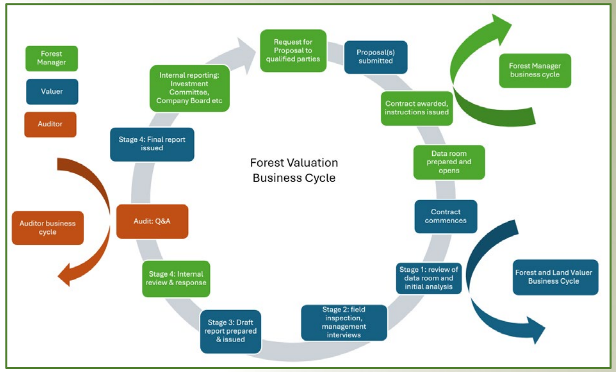
- **Roles & Responsibilities (2) Independent Valuer**

Valuers are required to perform certain duties and act in certain ways in the conduct of those duties

- Provide an <u>independent</u> estimate of value
- Act in a fair and ethical manner in all of their dealings with clients and other stakeholders
- Disclose any potential or actual conflict of interest to the client and if appropriate decline the engagement
- Duty of care – the valuer must conduct their duties with due care and maintain high standards of professionalism
- All valuation advice must be provided after due and careful consideration
- Report their opinion clearly and in an unambiguous manner including assumptions and uncertainty to their opinion.



Source: Forest Fundamentals Online Learning Program
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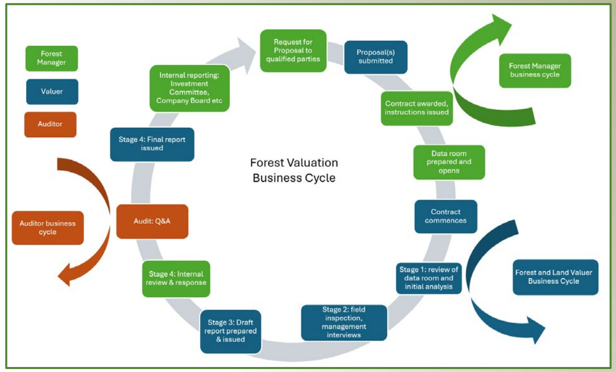
- **Roles & Responsibilities (3) Auditor**

Recent high-profile cases over the last decade have forced auditors to take a more active role in verifying the appropriateness of independent valuations. Auditors commonly require valuers to state the following:

- Verification of the forest value as at the valuation date
- That the valuer and valuer firm have no interest in, or relationship with the client
- That the valuer and valuer firm are aware that the values will be used to determine the value attributed to the assets in the financial statements
- That the valuer and valuer firm are aware that the auditors will rely on the valuation report and confirm that the valuer knows of no reason why the auditor would not be able to rely on the report
- That the appraised value has been prepared to be compliant with agreed financial reporting and valuation standards.

- Valuers need to be aware and prepare for questions that auditors may ask until the auditor becomes comfortable with the work undertaken by the valuer.



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Forest Valuation: Governance

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Criterial for Good Governance

- Process ☑
- Roles & Responsibilities ☑
- Completeness ☑
- Competency ☑
- Judgements ☑

Part D is:

- Auditable ☑
- Quantifiable ☑

- **Completeness**

- Guided by Forest Valuation Standard
- Part D Valuation Checklist
- 7 sections 160 criteria

4. PART D

VALUATION CHECKLIST	Revised Date
CHAPTER D1 – Preface	December 2025
CHAPTER D2 – Introduction	December 2025
CHAPTER D3 – Forest Valuation Method	December 2025
CHAPTER D4 – Forest Description	December 2025
CHAPTER D5 – Valuation Uncertainty	December 2025
CHAPTER D6 – Valuation	December 2025
CHAPTER D7 – Presentation & Limitations	December 2025

Forest Valuation Standards – Final – Forestry Australia

Forest Valuation: Governance

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Criteria for Good Governance

- Process
- Roles & Responsibilities
- Completeness
- Competency
- Judgements

- **Competency**
- RFP Schemes

ABOUT FORESTRY ABOUT US MEMBERSHIP RFP PUBLICATIONS EVENTS RESOURCES CONTACT US

About Registered Forestry Professional

Why do we have the Registered Forestry Professional Scheme?

The purpose of the RFP scheme is to provide the public, employers and clients confidence that they are dealing with a trained, competent and up-to-date professional forester.
Registrants, who are known as Registered Forestry Professional and designated RFP, use broadly interpreted, demonstrated knowledge relevant to forest management. They
Registration in the RFP scheme is a
years' professional or technical exper

What does RFP mean?

The designation 'RFP' certifies that t
means that the forester:

1. is eligible to be a Voting Membe
2. holds a tertiary degree in forest
3. demonstrates an understanding
4. possesses the experience, skills
5. undertakes to spends at least 3
6. if engaged in providing externa
in the case of public sector fores

Registered Forestry Professional (RFP)

A **Registered Forestry Professional (RFP)** under the New Zealand Institute of Forestry (NZIF) is a qualified and experienced forestry practitioner who has been formally assessed and recognised by NZIF for their competence, integrity, and ongoing commitment to professional development.

What is an NZIF Registered Forestry Professional?

An NZIF RFP:

- Meets rigorous entry standards, including qualifications and demonstrated practical experience in forestry.
- Is independently assessed through a formal registration process managed by NZIF's Registration Board.
- Adheres to a strict Code of Ethics, ensuring professionalism, accountability, and transparency.
- Commits to Continuing Professional Development (CPD) to keep skills and knowledge current.
- Is subject to peer review and a complaints and disciplinary process.

The RFP designation is similar to chartered status in other professions (like engineering or accountancy) and provides assurance the person is competent and trustworthy.

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Forest Valuation: Governance

Requirement	Forestry Australia	NZIF
Registered Forestry Professional		
Qualifications	✓	✓
Experience	✓	✓
Code of Ethics/ Conduct	✓	✓
CPD	✓	✓
Member Compliance with Standard		
	Observed	Binding

ANZ FVS Preface Page 3 Guidance:

> 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.

- **Competency**
- RFP Schemes

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- **Judgements**

- Codes of Ethics/Conduct
- Guidance Documents

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Turning to Co-pilot..

Applying the Definition of Professional Judgement to Forest Valuation

Using the synthesized definition:

> *Professional judgement is the informed and ethical application of specialized knowledge, skills, and experience to make reasoned decisions within a professional context, particularly in situations involving uncertainty, competing values, or incomplete information.*
>
> cambridge +4

Literature observes:

- Professional scepticism
- Inquiring Mind
- Mechanism for demonstrating Professional Judgement

- RICS (2024) FRC (2022)

- **Judgements**

- Codes of Ethics/Conduct
- Guidance Documents

Forest Valuation: Governance

Evaluating professional judgement:

- Is a judgement required?
- Is a judgement provided?
- Is evidence provided?
- Is the judgement reasonable?

This approach is:

- Auditable
- Quantifiable

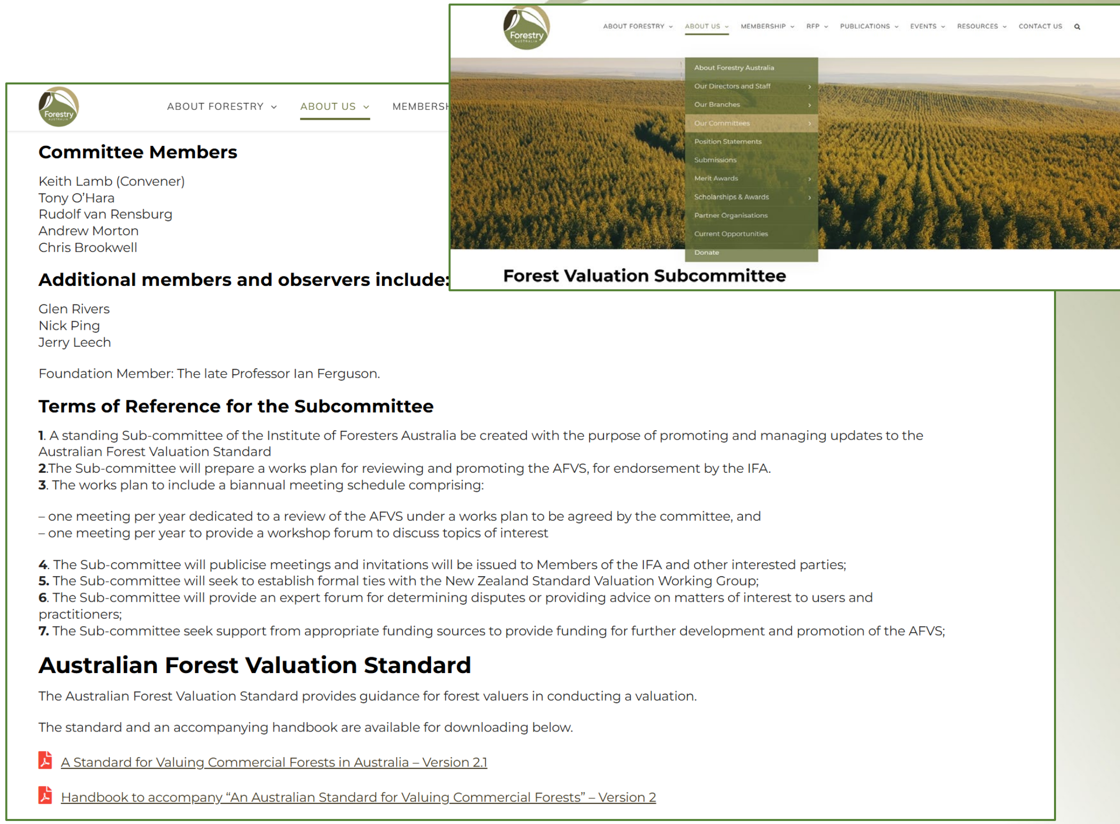
- **Judgements**

- Codes of Ethics/Conduct
- Guidance Documents

Forest Valuation Governance: Take Aways

Good Governance

- Matters of governance take into account the whole process around valuations
- Guidance documents tend to reflect on the duties of the valuer
- The Forestry Australia Forest Valuation Committee addressed this in part through the Forest Fundamentals On-line Learning Program 2022.
- The Forestry Australia Forest Valuation Committee could build on this to provide written guidance on good governance under its TOR Clause 6.



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