



# MediaRelease

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## Standard offers consistent forest valuation

Consistent reporting on the changing value of commercial forest assets as part of a company's profit and loss statement has proven difficult in the past because of different interpretations of the Australian Accounting Standards.

However, the Association of Consulting Foresters of Australia (ACFA) has developed a new Australian Standard for Valuing Commercial Forests and an accompanying handbook, which provides a practical guide to applying the standard. The new valuation standard and handbook were developed with funding from Forest and Wood Products Australia (FWPA).

FWPA Managing Director Dr Glen Kile said they would be an important reference for all forest owners (and their financial advisors) who were required to report changing forest values under the Corporations Act.

"There are some aspects of forestry which are an important part of the valuation process but which may not be widely recognised by those outside the industry," Dr Kile said. "These include, for instance, long periods of discounting, fallow areas, or new land acquisition, which are normally considered when estimating the transaction value of an ongoing forest estate.

"The new standard and handbook will help address issues like these, and help ensure that there is a consistent approach to forest valuation across Australia.

"It is important there is greater understanding of these issues, particularly as forestry is becoming a more widely recognised investment in its own right. Forest valuation is also necessary for other reasons, including buying and selling, lending, taxation, inheritance, insurance and simply for good financial management purposes."

Extensive consultation was undertaken in preparing the valuation standard and handbook, in response to the issuing of Australian Accounting Standard AASB 141, including discussion with the Australian Valuation and Property Standards Board.

The new 'Australian Standard for Valuing Commercial Forests' is mandatory for all ACFA members, and is recommended for others reporting the changes in forest valuations as required under the Corporations Act.

The standard and accompanying handbook are available from the ACFA website [www.australianconsultingforesters.org](http://www.australianconsultingforesters.org).

## FURTHER INFORMATION:

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