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### **Submission on the Framework for Assessing High Conservation Values in Controlled Wood Risk Assessments in Australia.**

Thank you for the opportunity to provide a submission on the Framework for Assessing High Conservation Values (HCV) in Controlled Wood Risk Assessments in Australia (Framework).

The Australian Plantation Products and Paper Industry Council (A3P) is the national industry association representing the interests of all segments of the plantation-based wood products and paper manufacturing industry. A3P member's employ more than 13,500 people in plantation management, sawmills, panel board, and paper manufacturing plants, mainly in rural and regional areas. Each year A3P members create and sell more than \$4 billion of products, produce more than 12 million cubic metres of logs, 3 million cubic metres of sawn timber and more than 2 million tonnes of paper. A list of A3P members and statistics on their operations are available at [www.a3p.asn.au](http://www.a3p.asn.au).

A3P members represent all components of the wood fibre supply chain, including forest growers and managers, wood processors, and paper manufacturers. A3P members have a significant current and historical role in forest and land management, and rural economic health in the various states of Australia with a key focus on triple bottom line outcomes (ie maximising social, environmental and economic values), and sustainability.

- ***A3P and Certification***

A3P is a member of both the Forest Stewardship Council (FSC) Australia and the Australian Forestry Standard Limited (AFS). A3P has encouraged its members to seek independent sustainable forest management or chain of custody certification (CoC) to demonstrate the sustainability aspects of their forest management or timber sourcing to governments, the general public and the marketplace. Australia's plantation products and paper industry has always taken its economic, environmental and social responsibilities seriously. To this end there has been considerable uptake of CoC by companies that represent all points along the supply chain. Effective environmental stewardship is not just critical for the continued business success – it underpins the sustainable future to which our society aspires.

A3P has developed and implemented a Sustainability Action Plan (SAP). The SAP is the result of consultation with A3P's member companies, and representatives from ENGOs in Australia whose contribution was invaluable. The SAP adopts a product stewardship approach which recognises that growers, manufacturers, importers, governments, and consumers all share responsibility for the environmental impact of a product throughout its full life cycle. The SAP includes a commitment to increasing levels of forest certification to 70 per cent of members and 70 per cent of hectares by 2015.

Certification is seen by A3P as a vehicle to ensure that sustainable forest management (with biodiversity as a key environmental issue) is adopted, practiced, and is the culture of forest and plantation managers across Australia.

- ***A3P Interest in the draft Framework for Assessing High Conservation Values in Controlled Wood Risk Assessments in Australia***

A3P's coverage across Australia, understanding of the whole supply chain, and demonstrated support of certification underpins our understanding of the importance of FSC being a credible and successful sustainable forest management certification scheme for forest growers, timber processing and the timber market in Australia.

The ability of processors of that product along the supply chain to supply certified and/or controlled wood is an important market opportunity and a strong sign of sustainability to consumers. A3P seeks a process (or recognition of existing processes and legislation) that is consistent, streamlined, simple, clear and unambiguous, efficient and incorporates existing regulations and frameworks, in order to achieve the desired outcomes at the lowest cost, maximum effectiveness and certainty, and will judge the proposed Framework on that basis.

- ***Comments on the draft Framework***

*Existing Processes and Legislative Requirements*

There are existing comprehensive science-based consultative processes and legislative requirements in place in Australia for defining and meeting the controlled wood risk assessment criteria, and in particular the High Conservation Values (HCV) criteria. Science-based consultative processes and legislative requirements include State based legislation, Codes of Practice, planning and development controls, and the Australian Forestry Standard (AFS). The principles underpinning, and aspects of the definition and terminology of, HCV and High Conservation Values Forests (HCVF) are contained and effectively handled in existing processes and legislative requirements in Australia.

The FSC Controlled Wood Risk Assessment Team (CWRAT) reviewed submissions and the existing processes and legislative requirements in place and in response stated "it was clear from the submissions and their reference to numerous examples, that the test of wide stakeholder acceptance was not met." As a result CWRAT has proposed the draft Framework and requested stakeholder comment.

A3P expresses concern and disappointment of the basic premise of the draft Framework, as it creates another level of complexity and process over existing legislative requirements and controls for very limited potential improvement in forest management principles and practice.

*Existing High Conservation Values Forests Definition Compared to Framework*

The definition of High Conservation Values Forests (HCVF) is set out in the "STANDARD FOR COMPANY EVALUATION OF FSC CONTROLLED WOOD FSC-STD-40-005 (V2-1) EN" as follows:

***HCVF*** are those that have one or more of the following attributes:

- forest areas containing globally, regionally or nationally significant: concentrations of biodiversity values (e.g. endemism, endangered species, refugia); and/or large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance;*
- forest areas that are in or contain rare; threatened or endangered ecosystems;*
- forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control); and*
- forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health) and/or critical to local communities' traditional cultural identity (areas of cultural,*

*ecological, economic or religious significance identified in cooperation with such local communities.*

The draft Framework goes well beyond this definition as follows:

- **HCV 1: Forest Areas containing habitat for national or state-listed threatened species/ecosystems or species/ecosystems of high significance at the bioregional level (defined as IBRA)**

This definition encompasses a) and b) above, however goes well beyond the definition by referring to any listed species, rather than “concentrations,” thereby introducing a significantly lower threshold. The introduction of the IBRA bioregional level is also a significant lowering of thresholds, with the international definition clearly indicating by its hierarchy a region of potential supra-national extent (ie between global and national), and not the very detailed bioregional context proposed. All native forests areas in Australia maybe captured by the definition as they all contain listed species, and there is no basis on which “high significance” can be ascertained.

- **HCV 2: Forest areas containing globally (includes World Heritage), nationally or bioregional significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance.**

Again the threshold has been lowered by reference to bioregional level. The notes refer to “large” encompassing >10,000 ha for intact forest landscapes. The CW Standard defines “intact forest landscapes” as:

*An intact forest landscape is a territory within the forest zone, which contains minimally disturbed by human economic activity forest and non-forest ecosystems with an area of at least 500 sq. km and with a minimal width (diameter of the inscribed circle) of 10 km.*

On this basis “large” should be at least 50,000ha, and a minimal width of 10 kms.

The inclusion of “mosaics” and “refugia” less than 10,000 ha is inconsistent with the focus on “large” forest landscapes, and the intent seems to be adequately dealt with under HCV 1. The reference to “remnant” vegetation is also confusing in the context of this value.

- **HCV 3: Forest areas that provide basic services of nature in critical situations**

This seems consistent with the international definition. Carbon is a potential consideration in all forests, and it is unclear whether it is being proposed that it should form a basis of recognition of HCVF. If so, what are the criteria? The inclusion of carbon at this stage is not consistent with current standards, and should await clarification at that level and not pre-empted in subsidiary documentation.

- **HCV 4: Forest areas fundamental to meeting basic needs of local communities**

This seems consistent with international definition, however the intent to include “interested parties” into this criterion goes well beyond any reasonable interpretation of “basic” needs in an Australian context where recreational, amenity and related needs are well catered for in national, state and local land-use planning. It is considered that this criterion has limited application within an Australian context, and ought not to be a determinant of HCVF.

It may be appropriate for these matters to be considered in the broader context of certification, but not as part of HCVF. Compliance with legislation would seem to be sufficient to verify the management of this HCV in all States of Australia.

- **HCV 5: Forest Areas critical to local communities' traditional cultural identity (both indigenous and post colonisation).**

This seems consistent with international definition, and it is considered that compliance with legislation should be sufficient to verify the management of this HCV in all States of Australia.

#### *Concerns with proposed definition of HCVF*

As a general comment, HCVF should be defined to have exceptional values within or associated with those forest areas, and if these are identified then priority managed by the forest manager. Of critical importance in defining HCVF is the identification of these exceptional values, especially when different stakeholders have different views of what constitutes exceptional values, which invariably occurs. A3P is concerned that the HCV definition proposed in the framework is too expansive, broadening out: the coverage; potential capture of forest areas; and effect of the original definition.

An additional concern is the disconnect between the application to developing countries (often exhibiting unstable Governments, poor regulations and enforcement regimes, increased corruption indices etc) of the HCV criteria such as basic needs, human wellbeing being applied via the proposed draft Framework to Australia - a developed country (with stable Government, planning and development protocols, good enforcement, negligible risk of illegal logging). It seems that some of these HCV criteria have little relevance to Australia, and adherence to existing legislative requirements should satisfy compliance.

The proposed Framework does not detail a process that is consistent, streamlined, simple, clear and unambiguous, efficient, that achieves the desired outcomes at the lowest cost, maximum effectiveness and certainty to potential users. It defines another level of complexity and process for no discernible potential improvement in forest management principles and implementation.

#### *Uncertainty of Outcomes*

A3P understands the draft Framework incorporates a 'tools not rules' approach to identifying and subsequently managing HCVF. The proposed approach gives little guidance to potential applicants seeking to gain controlled wood accreditation for their timber. Further it enshrines continued uncertainty as it prescribes a process of 'local' stakeholder decision making or process rather than more clearly defining if a forest area contains HCV attributes, and whether a management action appropriately addresses the identified attributes.

#### *Disputes Process*

The proposed dispute resolution process (under the draft Framework) can be activated if stakeholders don't agree on the appropriate definition of, or associated management of, 'High Conservation Value' areas. The certification body is the initial judge as to the appropriateness of the tools used. If this judgement or decision is disputed there is recourse to the FSC dispute resolution process (firstly to the certification body and then to Accreditation Services International (ASI)). Potentially FSC Australia will make the original committee available as arbitrators if ASI requests it.

This again seems to be a cumbersome and uncertain process with potential for conflicts of interest that leads to increased cost, uncertainty and potentially perverse outcomes in the assessment and dispute resolution process. To make a process like this workable ultimately the accredited certification body has to make a decision. While stakeholder input should be sought and encouraged no stakeholder should have a absolute and permanent veto.

## *'Controlled Wood Standard' or 'Forest Certification Standard'*

A3P understands from the Public Consultation Document that the CWRAT intended the draft Framework to apply both to the Controlled Wood Standard and broader to the development of the draft National Forest Certification Standard. This dual intent, coupled with the 'tools not rules' approach, has unfortunately added to the complexity and cumbersome nature of the draft Framework. A controlled wood assessment should be a separate (and different) process to full certification. The draft HCV framework expands the scope of HCVF as defined in the relevant FSC Standard to the point where it is virtually a full certification process in its own right. There are separate FSC principles and criteria which cover biodiversity, social, cultural and economic values.

In regard to the Controlled Wood Standard, likely applicants would be current or potential purchasers (sawmills, timber processors or pulp and paper manufacturers) of the timber who desire to source controlled wood. As an example the purchaser may source from many forest growers and, as such has limited capacity to address stakeholder views about the forest management systems implemented by the particular forest grower. The lack of easily defined HCV's and stakeholder engagement would make a result difficult to achieve.

Forest growers (depending on size, location, and sophistication) are probably more suited to implementing a process described by the draft Framework. They are however already adhering to existing legislative requirements, engaging stakeholders and managing for environmental and social outcomes so again it seem to be duplicative and defines another level of complexity and process for no discernible potential improvement in forest management principles and implementation. There is potentially a matrix of large purchasers from many suppliers or small purchasers from a large supplier and all the range between, again adding complexity.

### *Consultation and Engagement*

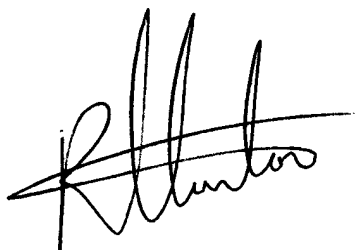
Any proposed Framework needs to be comprehensively reviewed by stakeholders who will implement the Framework, such as purchasers of controlled wood, forest growers, auditors. Potentially external parties (international) that have had experience in these issues could also be further engaged. Additionally consultation and engagement needs to incorporate the size/scale range of forest growers (all sizes) and potential timber purchasers (all sizes and complexity).

- **Conclusion**

The draft Framework does not propose a process that is consistent, streamlined, simple, clear and unambiguous, efficient, and that achieves the desired outcomes at the lowest cost, maximum effectiveness and certainty to potential users. It defines another level of complexity and process for no discernible potential improvement in forest management principles and implementation.

A3P looks forward to further working constructively with FSC Australia on progressing this Framework and other aspects of the FSC system in Australia.

Yours sincerely



Richard Stanton  
**Chief Executive Officer**