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Dear Ms Pina Gervassi

Re: Submission on the Forest Stewardship Council (FSC) Draft Interpretation Principle 5.6 (Sustainable Yield) in a potential FSC Australian National Standard.

Thank you for the opportunity to provide a submission on the Draft Interpretation of Principle 5.6 (Sustainable Yield) in a potential FSC Australian National Standard.

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.

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 (i.e. maximising social, environmental and economic values), and sustainability. A3P members have considerable expertise in, and a long history of, sustainable yield calculation and regulation in plantations and native forests.

A3P and Forest Management Certification

A3P is a member of both the Forest Stewardship Council (FSC) Australia and Australian Forestry Standard Limited (AFS). A3P has encouraged its members to seek independent sustainable forest management and/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 the market place rewards sustainable forest management so that it is adopted, practiced, and is the culture of forest and plantation managers across Australia.

A3P Interest in the Draft Interpretation of Principle 5.6 (Sustainable Yield) and a potential FSC Australian National Standard

A3P's coverage across Australia, understanding of the whole supply chain, and demonstrated support of certification, underpins our understanding of the importance of FSC developing a credible forest management certification scheme and being a credible and successful scheme manager, for forest growers and the entire wood and paper products supply chain.

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 FSC definition of Sustainable Yield and FSC Australian National Standard on that basis.

General comments on the development of a draft FSC Australian National Standard

A3P supports the development of a draft FSC Australian National Standard that reflects Australian conditions, in order to provide forest growers with a single, consistent national standard to apply to their operations when, and if, they seek FSC certification of their forest estate and their forest management practices. A project plan is urgently needed for the development of a draft FSC Australian National Standard. This plan should scope the full task, including: establishment of a correctly constituted 'Standards Development Group', engagement of all stakeholders, and evaluation of the resources needed.

A3P understands from the Draft Interpretation document that the FSC Board intends the resulting interpretation of Criterion 5.6 to apply within a draft FSC Australian National Standard (yet to be developed). However, it is not clear why this process is being undertaken for Criterion 5.6 in isolation, where it fits with the other Criteria, nor how it meets the FSC's own requirements for standards development.

The current adhoc process does not seem to be consistent with FSC International's existing standards for the development of National Standards which may in turn undermine stakeholder engagement processes, and the validity and acceptance by FSC International and stakeholders of any resulting draft Australian national standard.

A3P recommends that a project plan for the development of a draft FSC Australian National Standard is a necessary first step and should be prepared by FSC Australia and presented to all stakeholders for consideration as soon as possible.

FSC international definition of Sustainable Yield

The definition of Sustainable Yield is set out in the "FSC PRINCIPLES AND CRITERIA FOR FOREST STEWARDSHIP FSC-STD-01-001 (V4-0) EN" under Principle #5 (Benefits from the forest):

"Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits."

And Criterion 5.6 (Sustainable Yield):

"The rate of harvest of forest products shall not exceed levels which can be permanently sustained."

Comments on the Draft Interpretation of Criterion 5.6 (Sustainable Yield)

The Draft Interpretation seeks to propose some assumptions on a spectrum of forest classes with respect to regrowth periods and rotations for feedback and consultation. A3P makes the following comments below in response:

- *Forest Classification:* The proposed Criterion segregation into forest classes is arbitrary, confusing, not comprehensive, and not consistent with terminology and classification commonly used in Australia. The definition of Sustained Yield should not be complicated by classification into further forest types or past silvicultural or land-use history. The criterion's attributes should be flexible enough to cover the broad range of forestry operations and forest areas that are in Australian forestry without having to stipulate each separately in the first layer of definition.
- *Sustainable Yield Versus Sustained Yield:* It is suggested that a definition should distinguish between the concept of sustained yield, which means that the level of forest products could not vary over time, and the broader concept of sustainable yield which would recognise the spatial and temporal variability that is inherent in Australian plantations and native forests, and where the key concept is to prescribe levels of 'forest products' that can be maintained for periods of time without reducing the long-term productive capacity of the plantation/forest. It is important that the definition recognises that sustainable yield is dependent on a particular management regime, or a mix of management regimes.
- *'Forest Products':* To fit better with the intent of the FSC International structure, the definition of Criteria 5.6 should be isolated to the production of forest products, not a broader interpretation that covers environmental and social products. These other products are more appropriately dealt with under other criteria within a draft FSC Australian National Standard (such as 5.1 and 5.5). That is the interpretation of Sustainable Yield in this case should be limited to maintaining the productive capacity for forest products of the specific forest area that is to be certified. 'Forest Products' should focus on 'tangible/traditional' products such as wood (sawlogs, pulplogs, poles, firewood) and some non-wood products (honey, extractive materials, grazing). Other services can be dealt with under other Criterion.
- *Differentiation between Criteria:* The interpretation of Sustainable Yield should detail a clear process separate from those other services (such as watershed or carbon emissions) which can in turn be dealt with under other Criterion within the draft Standard. The proposed Draft Interpretation expands the scope and complexity of the original definition of Criterion 5.6 detailed in the FSC International Standard. This seems to have the effect of defining broadly each individual 'building block' (i.e. Criterion), where it seems more effective and efficient that the full draft National Standard should be the full 'structure' made up of those 'building blocks' in order to holistically evaluate and review sustainable forest management.
- *Prescription of Rotation Lengths:* The direct prescription of rotation lengths is not a practical way of defining a sustainable yield of forests products, as it may actually work against the intent of the Criterion by being too prescriptive and potentially entrenching a management regime that isn't sustainable. The process should be more flexible allowing the inherent variations of different forest areas and management to be taken into account.

- *Uncertainty of approach:* The Draft Interpretation proposes a mix of direct definition and 'tools not rules' approach to identifying and subsequently managing Sustainable Yield in different forest types. The proposed approach gives some guidance to potential applicants but still entails continued uncertainty as it broadens out the intent of Sustainable Yield and prescribes additional decision making or process rather than clearly defining if a forest area is managed for sustainable yield, and whether a management action appropriately addresses the identified aspect.
- *Stakeholder Engagement:* In order to progress the Draft Interpretation a balanced representation of interest stakeholders being engaged and providing quality input is necessary, including the input from forest management experts.

A3P is concerned that the Draft Interpretation does not detail an approach that is simple, clear and unambiguous, efficient, that achieves the desired outcomes at the lowest cost, maximum effectiveness and certainty to potential users. It defines increasing complexity for no discernible improvement in forest management principles and implementation. In effect it is contrary to the original flexible FSC International definition.

Suggested Interpretation of Criterion 5.6.

A3P suggests that consideration of the following proposed aspects would result in a more flexible, equitable and effective interpretation of Principle 5.6 for application within a draft FSC Australian National Standard. This would apply to 'forest products' harvested or utilised from all types of forests (and forestry) and specifically to the function of Criterion 5.6. Other Principles and Criterion contained within a comprehensive National Standard may lead to further modification of harvesting or utilisation of certain areas regardless of Criterion 5.6.

Under the heading of Criterion 5.6 "*The rate of harvest of forest products shall not exceed levels which can be permanently sustained.*" The following aspects could be included (and expanded on) to provide further guidance, these include:

- *Initial Identification* - identification by the forest manager of existing productive uses of the specific forest area to support the maintenance of the land's long-term productive capacity and ensure it is not compromised by the production of forest products. This may include the development and maintenance of: a statement of intent for productive forest uses; recognition of relevant site productivity factors; and implementation of a site productivity measure over time.
- *Planning* - planning of forest operations by the forest manager to ensure long-term productive capacity considering such issues as :
 - forest growth and forest products yield estimates;
 - future land use intentions;
 - rotation/cutting cycle program;
 - scale, intensity and timing of operations;
 - expected markets; and
 - development and maintenance of infrastructure.
 - Including selection of plantation species
 This may include the development and maintenance of: forest inventory system (growth plots); records on growth and yield; and forest management strategies and plans. Planning of forest operations should address identified risks to the productive capacity.
- *Silvicultural Systems* – evaluation, planning and utilisation by the forest manager of appropriate silvicultural systems. Silvicultural systems that are scientifically based and properly implemented so that the productivity, health and function of the forest are sustained.

This may include the development and maintenance of: silvicultural manual or guides; records on silvicultural assessments; and assessing new techniques. Planning of forest operations should address identified risks to the productive capacity. Practices should be reviewed over time and assessed for continued use.

- *Regeneration and Establishment* - the forest manager ensuring that the regeneration of native forests and establishment of plantations is effective and timely – with measures of effective stocking. This may include the development and maintenance of: specifications for effective stocking; assessment processes; regeneration and establishment plans with timing; and contingency plans. Practices and stocking should be reviewed over time and assessed for continued use or effectiveness.
- *Feedback Systems* - These aspects may be underpinned by a document-based evaluation and field verification.

Conclusion

The Draft Interpretation does not propose a process that is 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 improvement in forest management principles and implementation.

A3P recommends that a project plan for the development of a draft FSC Australian National Standard is a necessary first step and should include input from forest management experts.

In addition A3P urges the consideration and adoption of the suggested interpretation framework detailed above as the suggested aspects underpin a definition/process of Sustainable Yield that is more flexible, equitable and effective in an Australian situation.

A3P looks forward to working constructively with FSC Australia on progressing the interpretation of Criterion 5.6 (Sustainable Yield) and developing a draft FSC Australian National Standard.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Richard Stanton', written in a cursive style.

Richard Stanton
Chief Executive Officer