



Australian Government
Department of Agriculture

Promoting the trade in legally harvested timber

Forests and Wood Products Australia (FWPA) Webinar Event

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Taking action on illegal logging

- The trade in illegally harvested timber is a significant international problem - up to USD\$100 billion p.a.
- Disadvantages Australia – undercuts markets, threatens local investment, profitability and jobs.
- Australia is contributing to global efforts – laws complement existing EU and US efforts.



Australia's illegal logging laws

- Two key elements:
 - *Illegal Logging Prohibition Act 2012 (the Act)*
 - Establishes legal framework.
 - Prohibition – intentional, knowingly or recklessly.
 - *Illegal Logging Prohibition Amendment Regulation 2013 (the Regulation)*
 - Commences on 30 November 2014.
 - Sets out due diligence requirements.



What are we trying to achieve?

- Restrict entry of illegal timber into the Australian market.
 - *Prohibition* - discourages active trafficking into Australia.
 - *Due diligence requirements* - encourages businesses to ask questions about the timber they are sourcing.
- End goal –only timber products that are of little or no risk of having been illegally logged are imported into Australia or processed.
- Builds on US and EU systems –> advantages for both suppliers and importers.



Who is regulated?



- Two key groups directly regulated:
 - **Processors** of domestically grown raw logs
 - Transformed into things other than a raw log e.g woodchips, sawlogs, pulp or other products.
 - Only applies to some business types – constitutional corporations + businesses trading with other countries, across state borders or in a territory.
 - **Importers** of certain regulated timber products
 - Regulations specify what is regulated – does **not** include all timber products.
- **Not** directly regulated:
 - Customs brokers – but will play an important role.
 - Overseas businesses – but will supply information.

What are the regulated timber products? (1)

Chapter 44

- 44.03 Wood in rough
- 44.07 Wood sawn or chipped lengthwise
- 44.08 Sheets for veneering
- 44.09 Continuously shaped wood
- 44.10 Particleboard
- 44.11 Fibreboard of wood
- 44.12 Plywood
- 44.13 Densified wood
- 44.14 Wooden frames
- 44.16 Casks, barrels
- 44.18 Builders' joinery, doors

Chapter 47

- 47.01 Mechanical wood pulp
- 47.02 Chemical wood pulp, dissolving grades
- 47.03 Chemical wood pulp, soda or sulphate
- 47.04 Chemical wood pulp, sulphite
- 47.05 Mechanical or chemical wood pulp



What are the regulated timber products? (2)

Chapter 48

- 48.01 Newsprint
- 48.02 Uncoated writing paper
- 48.03 Toilet or facial tissue
- 48.04 Uncoated kraft paper & paperboard
- 48.05 Other uncoated paper & paperboard
- 48.06 Glazed/translucent papers
- 48.07 Composite paper and paperboard
- 48.08 Corrugated paper and paperboard
- 48.09 Carbon and self-copy paper



Chapter 48 – cont.

- 48.10 Coated paper and paperboard
- 48.11 Paper products coated/surfaced
- 48.13 Cigarette paper
- 48.16 Carbon and self-copy paper (other than 48.09)
- 48.17 Envelopes, letter cards
- 48.18 Toilet paper, tissues, serviettes
- 48.19 Cartons, boxes made of paper
- 48.20 Paper booklets
- 48.21 Paper labels
- 48.23 Other paper

Chapter 94

- 94.01 Seats
- 94.03 Other furniture
- 94.06 Prefabricated buildings

Exclusions and exemptions.

- If outside chapters 44, 47, 48 and 94 – **not** a regulated timber product.
- Specific exemptions:
 - Products made of recycled materials;
 - Any content of a product made of recycled materials;
 - Combined value of regulated products is < AUD\$1,000.
- Doesn't include materials used to support, protect or carry another product.
- If product doesn't include timber elements, eg some furniture and prefab buildings under chapter 94, then also not captured by laws.

The Community Protection Question.

- Importers will need to make a declaration to Customs.
 - In form of a new Community Protection (CP) Question.
 - Part of the usual import declaration process.
 - Usually answered by customs brokers on clients behalf.
- CP Question: (LQ ID = 510)
“Has the importer complied with the due diligence requirements of the Illegal Logging Prohibition Act 2012 and associated regulations? (If product is exempt or does not contain timber, answer yes.)”
- Regardless of answer – goods will **not** be held up at the border.
 - But may lead to follow up action by the Department.



What is due diligence?



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What is due diligence?



So what next?

- ✓ Some businesses are already operating in this way.
- ✓ Businesses can use existing systems, processes and practices to comply.
- ✓ 18 month period - there is time to transition to the new requirements.
- ✓ Importers need to start thinking about the new requirements now.



For more information

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Thank you!

