



Australian Government
Department of Agriculture
and Water Resources

Australia's Illegal Logging Laws



Webinar 1 - Overview

August 2018

This webinar

- Why you have received the letter from the Department of Agriculture and Water Resources regarding Australia's illegal logging legislation
- What is regulated under the laws – so you can see what you have imported that has triggered the letter
- Briefly introduce the due diligence process – you need to understand this to comply with the laws
- Next webinar – focusing on due diligence in more detail



Australia's illegal logging laws

Illegal Logging Prohibition Act 2012

- Prohibits importing any products made from illegally logged timber
- Penalties of up to 5 years imprisonment or AU\$105,000 fine
- Commenced November 2012

Illegal logging Prohibition Regulation 2012

- Sets due diligence requirements for a defined list of regulated timber products
- ~AU\$12,000 fine for each failed element in an importers due diligence process
- Commenced November 2014



Combatting illegal logging and associated trade

Global value of illegal logging – up to US\$100 billion per year

- Representing up to **30%** of global timber trade

Australia is a net timber importer from a range of countries

- Australia's imports are exposed to illegal logging risk
- Up to 10% of Australia timber imports may comprise of illegally harvested wood

Australia is taking action to promote the trade in legal timber products





Defining Illegal Logging

Illegal logging defined in the Act:

‘illegally logged, in relation to timber, means harvested in contravention of laws in force in the place (whether or not in Australia) where the timber was harvested.’

Regulated Timber Products

Importers must undertake due diligence on 'regulated timber products'

- These products are defined by their HS tariff codes
- 48 regulated tariff codes – wood, pulp, paper and furniture

Exemptions from due diligence:

- Products with no wood content
- Total value of the regulated timber product in a consignment is <\$1000
- Made of recycled materials

Chapter 44

Sawnwood, veneers, particleboard, fibreboard, barrels, doors

Chapter 47

Pulp for cement, for paper

Chapter 48

Newsprint, writing paper, labels, stickers, copy paper, envelopes, cartons, boxes, booklets

Chapter 94

Seats, furniture, wooden prefabricated buildings



Importer due diligence requirements

The due diligence requirements (for Australian importers) have four key parts:

1

Have a written system that sets out your due diligence process

2

Gather information on the timber product and supplier

3

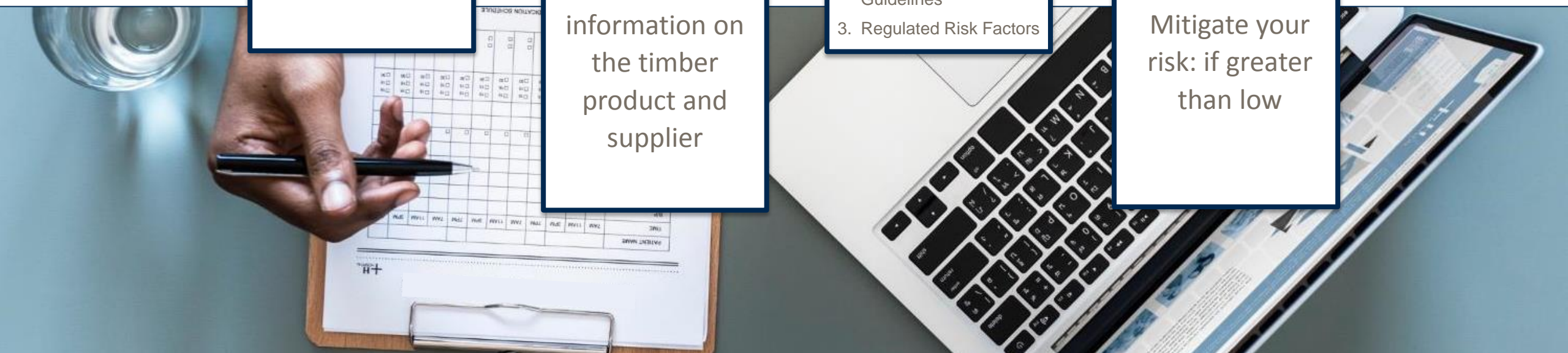
Assess your risk to illegally logged timber.

Use one of three options

1. Timber Legality Frameworks
2. Country Specific Guidelines
3. Regulated Risk Factors

4

Mitigate your risk: if greater than low



Establishing a due diligence system

1

Before importing a regulated timber product, you must establish a **written** due diligence system

- The system must list the steps you will take to minimise your risk of importing illegally logged timber and wood products

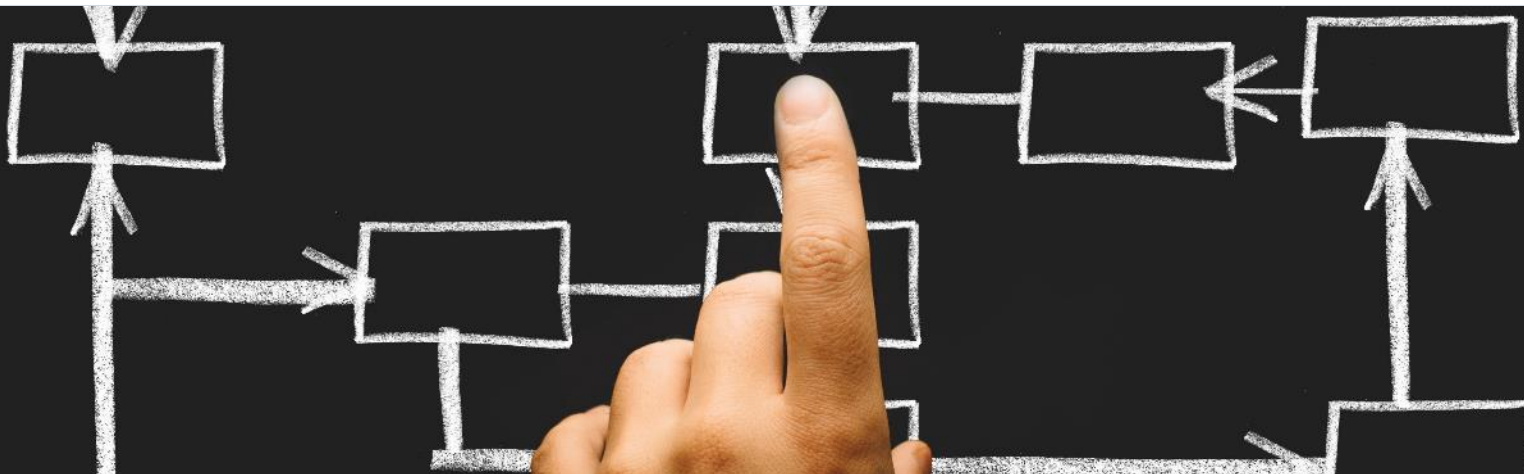
2

Your due diligence system should include:

1. Your details, including: business name (*if applicable*), street and postal address, contact number and email address
2. Your ABN/ACN and a description of your main business activity (*if applicable*)
3. Name and contact details of the person in charge of the system
4. The steps you will take to minimise the risk of importing illegally logged timber

3

You need to provide a written copy of your system to the department if audited



Gathering information

1

Importers must gather information before importing the product(s):

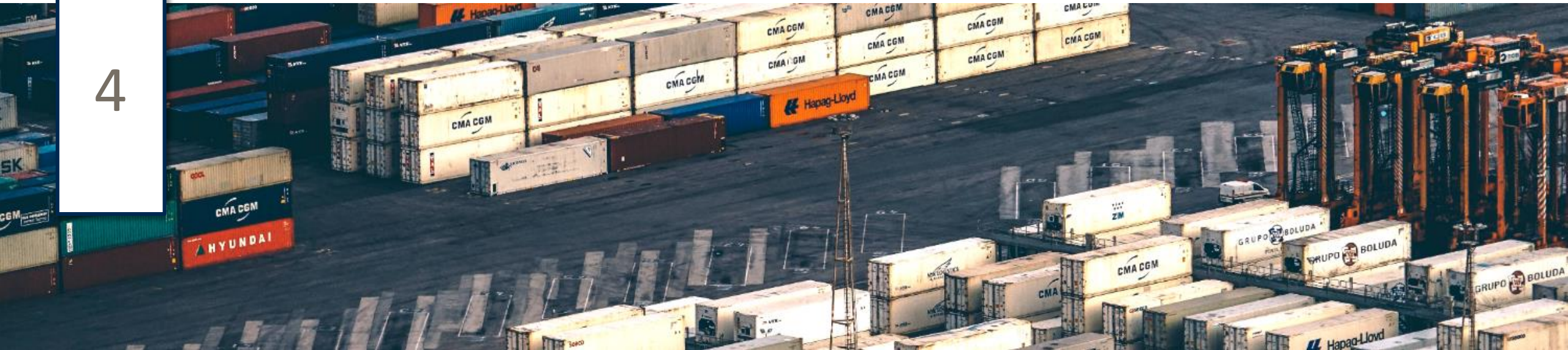
- Description of the regulated timber product
- Information about the timber within the product
 - Name of the species
 - Area of harvest
 - Evidence the timber hasn't been illegally logged
- Supplier name, contact details and location
- Country of manufacture
- Proof of purchase*

2

3

* Note: The information should be gathered before committing to import the product. Proof of purchase should be added once the importer has conducted their due diligence and chosen to acquire the product(s).

4



Risk Assessment

1

The Regulation provides three methods to conduct your risk assessment:

- Option 3A – **Timber Legality Framework (TLF)**
- Option 3B – **Country Specific Guideline (CSG)**
- Option 3C – **Regulated Risk Factors**

2

You must use one of these methods

3

You must come to a reasonable risk conclusion

4

Your risk conclusion must be supported by the information you have gathered



Timber Legality Framework: **RISK ASSESSMENT OPTION 3A**

1

The Regulation recognises forest management and chain of custody certification from:

- Forest Stewardship Council (FSC)
- Programme for the Endorsement of Forest Certification (PEFC) schemes

2

You must confirm that your product is certified

3

You need to consider any other information you are aware of that suggests the product contains illegally logged timber or wood fibre

4

Forest Management (FM) certification



Chain of Custody (COC) certification

Country Specific Guidelines: **RISK ASSESSMENT OPTION 3B**

1

CSGs help importers to understand legal frameworks that regulate logging in key supply countries:

- Describes information that can be obtained from suppliers to demonstrate legality
- Can only be used where the country of harvest and supply are the same
- Developed collaboratively by Australian and foreign governments

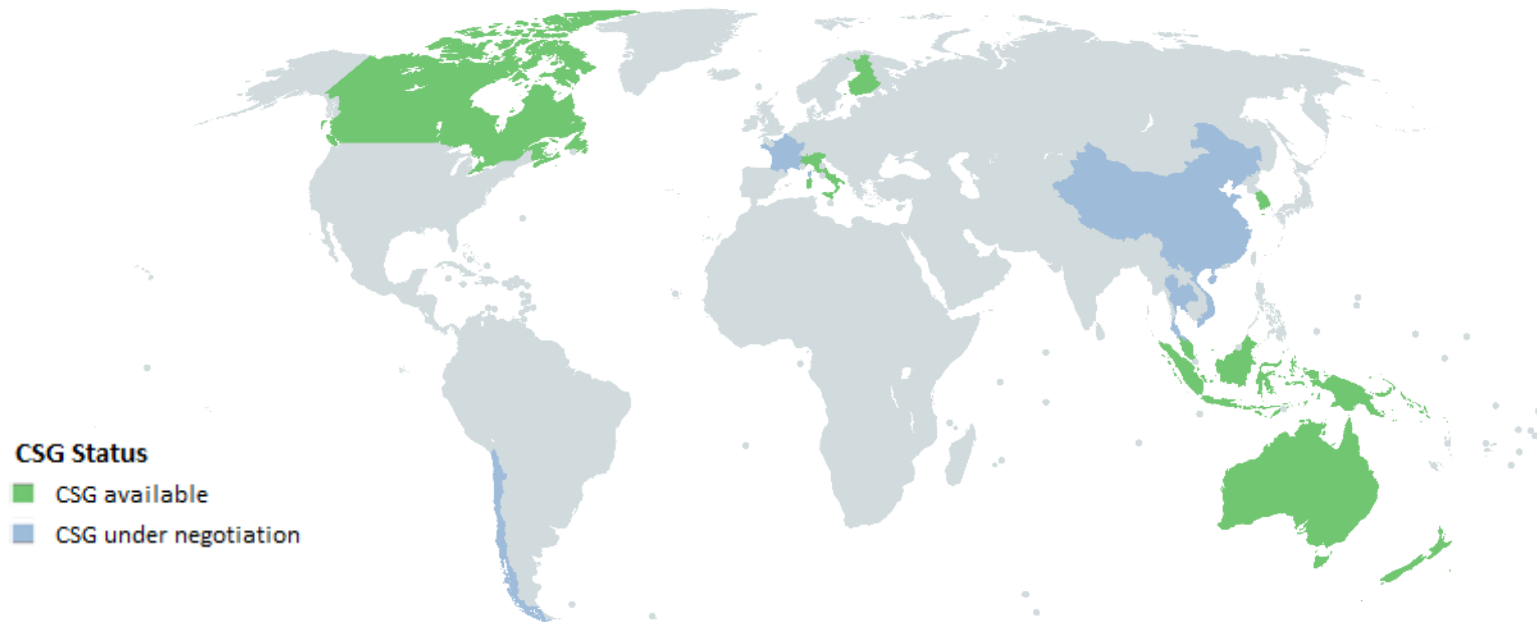
2

You need to consider any other information you are aware of that suggests the product contains illegally logged timber or wood fibre

3

Current CSGs: Canada · Finland · Indonesia · Italy · Malaysia · New Zealand
Papua New Guinea · Republic of Korea · Solomon Islands

4



Regulated Risk Factors: **RISK ASSESSMENT OPTION 3C**

Must be used when the requirements for Timber Legality Framework and Country Specific Guideline methods cannot be met

1

Five questions about risk that importers must assess:

2

The occurrence of illegal logging in the area of harvest

The complexity of the product

3



4

The occurrence of illegal logging of the timber species in the area of harvest

Occurrence of armed conflict in the area of harvest

Any other information that may indicate that the timber was illegally logged

Risk Mitigation: **IF REQUIRED**

1

If the importer finds there is **greater than low risk** – risk mitigation is required

2

Risk mitigation must be adequate and proportionate to the identified risk

3

Examples of risk mitigation:

- Obtaining further information/documents about the product
- Requesting certified products instead (Timber Legality Framework)
- Completing onsite audits of supplier/supply chain
- Acquiring different product (different species)
- Changing supplier

4



Answering the CPQ

The CPQ (Lodgement Question #510) states:

‘Has the importer complied with due diligence requirements of the *Illegal Logging Prohibition Act 2012* and associated regulations? (if the product is exempt or does not contain timber, answer yes)’

Compliance and enforcement

Primary Goal: Help importers comply with the illegal logging laws – we do this by:

- Educating importers on their legal responsibilities (website, webinars, e-update)
- Undertaking regular compliance assessments and audits

If chosen for an audit we will ask:

- For information about your due diligence system; and
- How you applied it to your particular timber or wood product import.

Summary of our approach – 2018 Compliance Plan:

www.agriculture.gov.au/forestry/policies/illegal-logging/compliance-and-enforcement





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www.agriculture.gov.au/illegal-logging/