



Submission to: Senate Rural Affairs and Transport Legislation Committee

Inquiry into the exposure draft and explanatory memorandum of the *Illegal Logging Prohibition Bill 2011*

5 May 2011

1.0 Objective of submission

The objective of the Australian Timber Importers Federation Inc (ATIF) in preparing this submission is to ensure that the Senate Rural Affairs and Transport Legislation Committee is appreciative of key issues identified by ATIF so that the proposed legislation will not only be *seen* to work to restrict illegal logging, but *actually* serve to arrest such activity whilst *supporting* the trade of timber products derived from legal sources.

This submission therefore seeks to address key issues and related challenges that include:

1. The Australian economy increasingly needing to be able to freely trade and import timber products to assist economic growth. The proposed legislation needs to complement, rather than restrict this objective.
2. A recognition that Imported timber products are essential because of their cost and utility benefits, or because there is simply no Australian produced substitute products. The proposed legislation needs to support rather than diminish the development of an effective timber product importing sector.
3. Timber importers accept that they will be required to bear the costs of maintaining due diligence, documentation, auditing and accreditation control systems. However, it is asserted that where elements of such systems do not exist sufficient to meet the requirements of the proposed legislation and need therefore to be developed the Government must fund such development to give effect to their broader illegal logging policy goals.
4. To assist in maintaining trade in essential imported timber products from legal source supplier country capacity building, notably in Indonesia and Papua New Guinea (PNG), needs to continue to be supported by the Government.

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2.0 Scope of submission

This submission sets out matters and concerns related to the exposure draft and explanatory memorandum of the *Illegal Logging Prohibition Bill 2011* identified and outlined herein by ATIF.

The submission sets out:

1. A commentary on timber importing industry, including its contribution to the Australian economy in relation to housing and jobs; the predicted costs of the measures contained in the proposed legislation to the industry; probable impacts on markets for timber and government funding responsibilities related to the implementation of the proposed legislation.
2. Specific comments on the detail of the exposure draft of the Bill.

3.0 Australian Timber Importers Federation Inc

The ATIF is the peak national body representing the business interests of timber product importing companies. More broadly ATIF represents and advocates for the importing sector of the timber industry in national fora. The ATIF is governed by a constitution, code of ethics and board of directors.

ATIF company members collectively handle a substantial percentage of the solid timber products (sawn timber, panel products, plywood, engineered wood products, componentry and veneer) imported into Australia.

The volume of solid timber products imported by the importing sector of the timber industry in 2009-10 was about three quarters of a million cubic metres. With a value of \$430 million this represents less than a quarter of the wood-based products imported into Australia each year. Further the product is the most transparent and regulated of all categories of wood-based products imported and less likely to contain illegally logged timber than complex manufactured and paper-based products.

The ATIF broadly supports the Commonwealth Government's actions directed at restricting the import of illegally logging timber products into Australia and has been working constructively with the Department of Agriculture, Fisheries and Forestry (DAFF) and successive ministers to develop the government's policy position.

Further, in conjunction with other relevant timber industry entities ATIF would be willing and able to act as a timber industry certifier under Section 9 of the Bill. ATIF,

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along with other timber industry technical bodies has the requisite technical skills and experience to fulfil the responsibilities of the role competently.

However, before ATIF would be willing to be appointed as a timber industry certifier there would need to be a satisfactory resolution of Government funding commitment to assist with timber industry certifier tasks listed in Section 12 and elsewhere in the Bill.

4.0 Summary of submission key points

The key points of this submission are:

4.1 *Timber product imports expanding*

1. Imported timber products are growing in significance and will be central to the performance of the Australian building and construction industries in the future. This reality will include keeping housing affordability under check and supporting thousands of building and construction industry jobs.
2. The value of timber imports increased by 6.0% to almost \$430 million and volumes increased by 19% to 748 000 cubic metres in 2009-10.
3. It is noted that the medium term prospects for expanding the domestic production of timber products in categories like structural pine, panel products and hardwood boards are limited. This has increased the focus on the importance of an efficient and strong timber product importing sector in the Australian economy.
4. If Australia is going to deal not only with its housing construction backlog, but with new housing starts that are predicted by the HIA to exceed 180,000 dwellings a year timber product importers will be key players.

4.2 *Cost of legality verification compliance*

5. The Bill runs the risk of making timber products less competitive against other building products that are less environmentally friendly. The Bill and supporting memorandum are silent about the cost impacts of the measures contained in the Bill on timber product imports.
6. It is estimated that the cost to Australian importers, as a percentage of the imported wholesale value, of timber products, assuming an efficient legality verification compliance mechanism in Australia would be in the order of 2.5-4.5%.

4.3 Government not supporting supplier country capacity building or providing intelligence gathering capability

7. A major political imperative behind the Government's illegal logging policy and proposed legislation is addressing illegal logging activity, poor governance and corruption in perceived high risk countries in the Asia-Pacific region.
8. Among the challenges in implementing the Government's illegal logging policy is the lack of government and timber industry-related intelligence notably in Indonesia. This means that the Australia Government has a reduced capacity to understand the development of pertinent Indonesian policy; be informed about actions initiated by the Indonesian Government to improve legality verification, and better understand and contribute to the development of Australian Government sponsored initiatives to address aspects of illegal logging.
9. A continuation of a lack of intelligence gathering capacity is unsatisfactory, especially during the period when the Australia Government is seeking to enact its illegal logging legislation and to ensure that legality verification measures in higher risk supplier countries and by Australian importing companies meets the requirements of the government's policy goals and legislation.

4.4 Government avoidance of funding obligations

10. While it can be argued that the ongoing operational costs associated with the Act should be borne by the industry, the considerable setup costs and initial implementation costs must be met by the Commonwealth Government. The Government must commit funding to the set up costs related to the requirements and obligations of timber industry certifiers are prescribed in Sections 9,11,12,13 and 14 of the Bill.
11. In addition the Government should provide funding for:
 - A timber products supply chain and consumer advocacy program.
 - Providing timber product supplier country financial support.
 - Follow the lead of the EU, US and Japan in assisting to improve intelligence gathering and capacity building in perceived high risk countries, notably Indonesia.

4.5 Comments on the exposure draft of the *Illegal Logging Prohibition Bill 2011*

12. The Bill sets up a mechanism for appointing timber industry certifiers who will be required to do the 'heavy lifting' in terms of developing the mechanisms and procedures to give effect to the Act and to approve individual timber product importers and ensure they 'toe-the-line'.
13. With its appointment of timber industry certifiers the bill effectively passes the buck for timber product legality verification to the industry. It does this without any accompanying funding support to do the measures set out particularly in Sections 12 and 14.
14. The Bill essentially puts the onus for ensuring the effectiveness on the industry's side of the court. Such an approach will have notable resourcing, workload and funding implications for the timber industry.
15. It would send a more positive signal if the title of the Bill was altered to appear less punitive. A title like: *Timber Product Legality Verification Bill 2011* would send a more appropriate signal to the timber product importing industry and to consumers.
16. The implementation timing arrangements set out in Section 2 (that provide for a period of 6 months from the Proclamation of the Act before some parts of the Act, including the capacity to prosecute a person under the provision of Section 6) would commence, plus a 2 year transitional period for acting contrary to Sections 7 and 8 (that relate to importing regulated timber products without being approved), are supported. The ATIF notes that these transitional measures they are similar to those in the US *Lacey Act*.
17. The Bill relies on the term *regulated timber products*. However, regulated timber products are not defined. This is a critical element aspect of the Government's illegal logging policy as a product type equity undertaking has been given and will need comprehensive attention so that it is prescribed in subsequent regulations correctly.
18. The penalty under Section 6 of 5 years imprisonment for importing timber products made from or including illegally logged timber is interpreted as meaning up to a maximum of 5 years imprisonment. The ATIF suggests this penalty may be excessive and also notes that the penalty for processing raw logs under Section 8 is a 100 penalty points. The substantial difference between these two penalties may be contrary to World Trade Organisation 'rules' that prescribe equity in the treatment of imported and domestic products of the same category.

19. Section 13 of the Bill is ambiguous and confusing. Section 13(1)(a) refers to importing regulated timber products *of a particular kind*. Similarly Section 13(3)(a) specifies *different classes of kinds of imported timber products*. This wording indicates that regulated timber products will be of particular kinds or classes. This suggests a hierarchy of regulated timber products and if this is the case it may be contrary to the intention of the Government's to treat for all types of imported timber products in a similar fashion. The ATIF considers that this section of the Bill needs to be clarified.
20. Bill needs to be explicit about the reality that costs related to the implementation and operation of the Bill will be passed onto timber product importers and subsequently to consumers.
21. The Bill should prescribe that costs incurred by timber industry certifiers acting pursuant to Sections 12, and elsewhere, may be recouped on a fee-for-service basis from importers and processors. It is recommended that an additional clause be included as Section 12(3) that specifies that timber industry certifiers can recover costs:
22. The potential liability and insurance requirements of timber industry certifiers if importers approved by such certifiers are subsequently found to have imported illegally logged timber or in other ways be in breach of provisions of the Act needs to be clarified.
23. It is unclear if importers can avoid prosecution if they are approved by timber industry certifiers and are subsequently found to have imported illegally logged timber.

4.6 Timber industry certifier role

24. In conjunction with other relevant timber industry entities ATIF would be willing and able to act as a timber industry certifier and approved in that role under Section 9 of the Bill by the Minister. Before ATIF would be willing to be appointed as a timber industry certifier there would need to be a satisfactory resolution of Government funding commitment to assist with timber industry certifier tasks listed in Section 12 and elsewhere in the Bill.

5.0 Timber product imports expanding

The prospect of a continuing strong Australian dollar together with increasing manufacturing and importing sophistication is likely to see imported timber products grow in significance and be central to the performance of the domestic building and

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construction industries into the future. This reality will include keeping housing affordability under check and supporting thousands of building and construction industry jobs.

This is a critical element of the timber industry if the country is going to work its way out what is shaping up to be a substantial housing shortage - not been helped by the devastating floods in Queensland and elsewhere.

The *Australian forest and wood products statistics* that sets out timber production and consumption trends for timber and wood-based products for 2009-10, published by the Australian Bureau of Agricultural and Resource Economics and Bureau of Rural Sciences (2010) indicates that the value of timber imports increased by 6.0% to almost \$430 million and volumes increased by 19% to 748 000 cubic metres in 2009-10.

This coupled with data from the Housing Industry Association (HIA) indicating that total dwelling commencements are likely to increase by about 25% this year after declining by 17% in 2008-09, but rebounding in 2009-10, has major implications for the timber products industry.

This is especially so when it is noted that the medium term prospects for expanding the domestic production of timber products in categories like structural pine, panel products and hardwood boards are limited. This has increased the focus on the importance of an efficient and strong timber product importing sector in the Australian economy.

It is becoming even more apparent that the timber products importing sector will have an increasingly important role to play in meeting the country's future solid wood product needs.

If Australia is going to deal not only with its housing construction backlog, but with new housing starts that are predicted by the HIA to exceed 180,000 dwellings a year timber product importers will be key players.

6.0 Cost of legality verification compliance

The Bill runs the risk of making timber products less competitive against other building products that are less environmentally friendly. The Bill and supporting memorandum are silent about the cost impacts of the measures contained in the Bill on timber product imports.

It is difficult to be precise about likely timber product legality verification compliance costs of the Bill without knowing the specifics of the regulations yet to be drafted and against which timber product importers would be required to comply. However, the literature, plus experience with compliance against various certification systems in Australia provides some guidance to the likely quantum of these costs.

Further, legality verification compliance costs, expressed as a percentage of business turnover, is affected by the volume of timber product imports and/or sales. This has been an issue for Forest Stewardship Council (FSC) and the Australian Forestry Standard (AFS) chain of custody certification where merchants 'down' the supply chain with modest demand/sales of certified products have to bear disproportionately high licensing, administration and audit costs. This is a matter that has been recognised by certification bodies and is presently under review.

The costs of legality verification or other types of certification are regarded by industry companies as an important factor to consider in relation to competitiveness of timber products relative to other building products. The compliance costs incurred by companies relate to:

1. The initial one-off costs required to implement verification or other compliance systems and associated administration, storage and logistics costs.
2. The ongoing costs of licensing, maintaining internal administration and management systems, due diligence assessments, reporting, external audit and rectification.

The costs of legality verification compliance are also likely to be influenced by:

1. Considerations related to whether or not supplier countries are above a predetermined illegal logging risk assessment ranking.
2. The extent to which companies along the supply chain have due diligence and/or other procurement practices already in place.

European Union-sponsored studies suggest that statutory options for imposing legality verification due diligence obligations on companies as a market entry prerequisite based on delivered (to sawmill) log prices would increase the per cubic metre prices between 0.5% increasing to about 2% for small business enterprises.

Translating these to sale figures for timber products it is estimated that it would result in an increased sales price of 1-2%. Separately, in an impact assessment of the European Union's proposed timber industry due diligence options Chatham House assessed estimated costs related to import legality 'tests' would be in the order of 3.7% of imported value.

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A 2008 New Zealand study related just to merbau timber products indicated that the cost of legality verification is expected to add about 3% to prices.

Similar costs could be anticipated for Australia companies. However, it should be noted that individual company costs will vary depending on the verification system adopted, as well as issues of scale and the 'certification' requirements of other customers in the supply chain. For example, because the costs of fully verified legal logs in Indonesia can be double that of non-verified logs there are obvious consequences for the price of products manufactured from such logs imported into Australia (or elsewhere).

It is apparent that larger timber product companies in Australia generally already have legality verification and/or certification procedures in place together with staffing and other resources already available to dedicate to the necessary training, auditing and other costs. In many cases small and medium-sized companies do not have the capability or resources to devote to auditing of legality unless they have specific markets for which they gain a premium or unless it is a market access issues.

It is estimated that the cost to Australian importers, as a percentage of the imported wholesale value, of timber products, assuming an efficient legality verification compliance mechanism in Australia would be in the order of 2.5-4.5%.

If could be argued that a increase in cost of this magnitude might be something that, based on current market conditions and currency exchange values, timber product companies could 'absorb' without unduly impacting on their competitive position. However, it needs to be stressed that any notable reduction in the value of Australian currency relative to Australia's major trading partners could quickly impact on imported timber and wood-based product prices and their competitive position.

7.0 Government not supporting supplier country capacity building or providing intelligence gathering capability

A major political imperative behind the Commonwealth Government's illegal logging policy and proposed legislation is addressing illegal logging activity, poor governance and corruption in the Indonesia and PNG timber industries.

The Australian Government and timber importing industry has limited capacity to improve its understanding of government policies, trends and illegal logging-related matters in perceived high risk countries, especially in Indonesia.

Australian timber importers consider that the industry has a reasonable understanding of the situation in PNG through its contacts with the PNG Forest

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Industry Association, timber product auditors, individual timber product supply companies and government agencies. However, this is not the situation in Indonesia that in terms of risk assessment and volume of trade is higher on the radar than PNG in relation to the Australian Government's illegal logging policy.

Australia's limited capacity to gather government and timber industry-related intelligence in Indonesia compares poorly with other countries also buying Indonesian timber products. It is understood that the US, EU, UK and Japan all have some government supported capacity within Indonesia to provide independent intelligence feed back to governments to assist in making more informed decisions related to policy development, risk assessment, and legality verification matters. For example, in addition to providing substantial funding for capacity building directed at strengthening forest and timber trade administration, law enforcement and governance, the EU and UK fund a timber industry expert group based in Jakarta.

This semi autonomous group provides independent feed back to governments as well as working with Indonesian timber product suppliers to ensure that they understand and meet the standards required when legality verification laws are enacted in the EU and UK. Australia does not have this capacity. Its absence is considered to be a major deficiency given the intention of the government to introduce illegal logging legislation and the central position of Indonesia in relation to allegations of illegal timber product trading activity.

The present lack of government and timber industry-related intelligence in Indonesia means that the Australia Government has a reduced capacity to:

1. Understand the development of pertinent Indonesian policy and related government instruments.
2. Be informed about actions initiated by the Indonesian Government in association with the timber industry and other stakeholders to improve legality verification, such as the development, implementation and effectiveness of the SVLK scheme in meeting legality assurance requirements under proposed Australian legislation.
3. Better understand and contribute to the development of Australian Government sponsored initiatives to address aspects of illegal logging.
4. Identify areas where Australia might more precisely contribute to timber industry capacity building through mechanisms such as the Asia Pacific Forestry Skills and Capacity Building Program and Aus Aid projects.

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This lack of intelligence gathering capacity weakens the Australia Government's ability to identify and recommend areas of improvement in Indonesia aimed at restricting illegal logging, enhancing governance and law enforcement, and improving forest management practice.

Mainly through relationships between importers and their suppliers, and between the Australian Timber Importers Federation (ATIF) and some consumer representatives, the Australian timber industry attempts to maintain some understanding of the changing circumstances in Indonesia. However, to a large degree this information gathering network relies on the provision of information and advice on a voluntary, free basis.

A continuation of this situation is unsatisfactory, especially during the period when the Australia Government is seeking to enact its illegal logging legislation and to ensure that legality verification measures in higher risk supplier countries and by Australian importing companies meets the requirements of the government's policy goals and legislation.

8.0 Government avoidance of funding obligations

While it can be argued that the ongoing operational costs associated with the Act should be borne by the industry, the considerable setup costs and initial implementation costs must be met by the Commonwealth Government. The If the Government is serious about progressing its illegal logging policy it must commit funding to the set up costs related to the requirements and obligations of timber industry certifiers are prescribed in Sections 9,11,12,13 and 14 of the Bill.

In addition the Government should provide funding for:

1. A timber products supply chain and consumer advocacy program.
2. Providing timber product supplier country financial support, including reinstating the deferred Stage 2 (\$12.1 million) of the Asia Pacific Forestry Skills and Capacity Building Program.
3. Follow the lead of the EU, US and Japan in assisting to improve intelligence gathering and capacity building in perceived high risk countries, notably Indonesia.

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9.0 Comments on the exposure draft of the *Illegal Logging Prohibition Bill 2011*

In simple terms, the Bill (Sections 9-14) sets up a mechanism for appointing timber industry certifiers who will be required to do the 'heavy lifting' in terms of developing the mechanisms and procedures to give effect to the Act and to approve individual timber product importers and ensure they 'toe-the-line'.

This approach essentially puts the onus for ensuring the effectiveness of the Bill on the industry's side of the court. Such an approach will have notable resourcing, workload and funding implications for those timber industry entities appointed as timber industry certifiers.

With its appointment of timber industry certifiers the Bill effectively passes the buck for timber product legality verification to the industry. It does this without any accompanying funding support to do the measures set out, particularly in Sections 12 and 14.

It is clear that much of the 'how to' aspects of the legislation will need to be developed during the drafting of the regulations to the Act.

9.1 Title

It would be a more positive move if the title of the Bill was altered to appear less punitive. A title like: *Timber Product Legality Verification Bill 2011* would send a more appropriate signal to the timber product importing industry and to consumers.

9.2 Part 5 Officers and officers' powers

Much of the Bill (Part 5, Sections 18-42) being 21 of the total of 36 pages are taken up with matters related to officers and officers powers. On the advice of DAFF this part of the Bill is relatively generic and deals with the role of officers (appointed by the Government) to monitor compliance of legal logging requirements and to investigate alleged breaches. Similar provisions can be found in other resource-focussed Commonwealth Government legislation.

How officers appointed under Part 5 would get the intelligence that would cause them to activate the powers of entry and seizure (and other provisions) powers they will enjoy under the Bill is another matter. Advice from DAFF suggests that this component of the Bill is similar to other Acts and less critical than are the initial parts of the Bill.

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The connection (if any) between the roles of officers appointed under Part 5 of the Bill and timber industry certifiers (see below) is unclear.

9.3 Parts 1-4 Essential aspects of Bill

The focus of attention in reviewing the Bill by industry is on Parts 1-4. That is essentially the first 12 pages of the Bill.

9.3.1 Timing aspects

Section 2 sets out implementation timing arrangements for the Act and provides for a period of 6 months from the Proclamation of the Act before some parts of the Act, including the capacity to prosecute a person under the provision of the Act (Section 6) would commence.

The Bill also provides for a 2 year transitional period for acting contrary to Sections 7 and 8 that relate to importing regulated timber products without being approved (and processing logs without being approved).

The ATIF supports these transitional measures and notes that they are in line with the US *Lacey Act*.

9.3.2 Regulated timber products

The Bill relies on the term *regulated timber products*. However, regulated timber products are not defined. This is a critical element aspect of the Government's illegal logging policy is a product type equity undertaking has been given and will need to be prescribed in subsequent regulations. Section 13(3) makes it clear that there will *be different classes of kinds of imported regulated timber products*.

ATIF is of the view that this will be an aspect of the regulations that will need comprehensive and careful attention.

9.3.3 Penalty for importing illegally logged timbers

The penalty under Section 6 of 5 years imprisonment for importing timber products made from or including illegally logged timber is interpreted as meaning up to a maximum of 5 years imprisonment.

The ATIF suggests this penalty may be excessive and also notes that the penalty for processing raw logs under Section 8 (that is within Australia) is a 100 penalty points. The substantial difference between these two penalties may be contrary to World Trade Organisation 'rules' that prescribe equity in the treatment of imported and domestic products of the same category.

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9.3.4 Appointment and role of timber industry certifiers

A central plank of the Bill is the appointment of *timber industry certifiers* under Sections 9-14 of the Bill. These sections contain the key provisions of the Bill. Appointed timber industry certifiers will have the authority to approve persons (companies) to import timber products and ensure they meet the (legal logging) requirements subsequently set out in the Bill.

The requirements and obligations of timber industry certifiers are prescribed in Sections 9, 11, 12, 13 and 14 of the Bill.

In attempting to suggest matters that may be included in meeting *legal logging requirements* Section 14 provides suggestions including:

- Undertake risk assessment and appropriate risk management measures.
- Complying with a code(s) of conduct.
- Operate under a complaints resolution process
- Produce records
- Undergo audits [presumably by a third party] and provide reports
- And other matters similar to those prescribed as the duties of timber industry certifiers under Section 12.

Under Section 12 *timber industry certifiers* may need to:

- Develop and implement codes of practice
- Develop and implement a complaints resolution process
- Set up and administration apparatus
- Undergo audits
- Product reports
- Provide relevant training
- Initiate remedial action

The Bill gives powers to the Minister to appoint (and cancel) of timber industry certifiers. While appointed timber industry certifiers subsequently authorise and approve importers (and processors) Section 15 includes the capacity for the Minister to independently directly approve importers.

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The ATIF supports the procedures set out in Sections 12 and 14 subject to the Government addressing the funding concerns details in this submission.

9.3.5 Legal logging requirements

As it standings Section 13 of the Bill is ambiguous and confusing. Section 13(1)(a) refers to importing regulated timer products *of a particular kind*. Similarly Section 13(3)(a) specifies *different classes of kinds of imported timber products*.

This wording indicates that regulated timber products (to be prescribed by regulations) will be of particular kinds or classes. This suggests a hierarchy of regulated timber products and if this is the case it may be contrary to the intention of the Government's to treat for all types of imported timber products in a similar fashion.

The ATIF considers that this section of the Bill needs to be clarified.

9.3.6 Cost recovery

The Bill needs to be explicit about the reality that costs related to the implementation and operation of the Bill will be passed on to timber product importers and subsequently to consumers.

The Bill should prescribe that costs incurred by timber industry certifiers acting pursuant to Sections 12, and elsewhere, may be recouped on a fee-for-service basis from importers and processors. It is recommended that an additional clause be included as Section 12(3) that specifies that timber industry certifiers can recover costs. For example:

- (3) A timber certifier will have the authority to recover reasonable costs from importers or processors in carrying out the tasks specified in (1)

9.4 Other timber products importing industry issues

- A potential liability may be attached to timber industry certifiers if an importer approved by a particular timber industry certifier is subsequently found to have imported illegally logged timber or in other ways to be in breach of provisions of the Act. If this interpretation is likely result in the imported taking legal action against the approving timber industry certifier, certifiers will need to professional indemnity of other insurance cover.
- What is the requirement, mechanism or legal obligations of timber industry certifiers to supply of intelligence on possible breaches of the Act to enforcement officers?

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- It is unclear if importers can avoid prosecution if they are approved by timber industry certifiers and are subsequently found to have imported illegally logged timber.
- There is likely to be issues relating to the supply of confidential company information by timber industry certifiers on breaches/potential breaches to enforcement officers.

10.0 Timber industry certifier role

In conjunction with other relevant timber industry entities ATIF would be willing and able to act as a timber industry certifier under Section 9 of the Bill. ATIF has been involved in the development of the Government's illegal logging policy and along with other timber industry technical bodies has the requisite technical skills and experience to fulfil the responsibilities of the role competently.

Before ATIF would be willing to be appointed as a timber industry certifier there would need to be a satisfactory resolution of Government funding commitment to assist with timber industry certifier tasks listed in Section 12 and elsewhere in the Bill.

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