

6-May-11

Committee Secretary
Senate Rural Affairs and Transport References Committee
PO Box 6100
Parliament House
Canberra ACT 2600

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

SUBMISSION FROM AUSTRALIAN FORESTRY STANDARD LIMITED

Dear Secretary,

The AFSL Board and our Stakeholders are keen to support the progress of introducing legislation, and more so on assisting in providing an efficient and business capable solution for the take-up and implementation of this legislation by Australian businesses.

The Australian Standard for Sustainable Forest Management (AS-4708) has addressed legality within the Forest Management System since it was first implemented in 2003; The Australian Standard for Sustainable Forest Management Chain of Custody (AS-4707) has addressed legality within the Forest Management System since it was first implemented in 2004; further revision of these Standards has continued to strengthen this approach.

AFSL is a member of The Programme for the Endorsement of Forest Certification schemes (PEFC) and the Australian Standards are aligned and endorsed by PEFC for international recognition. PEFC has completed a two year revision process of their International Standard Requirements for certification schemes for Sustainable Forest Management (PEFC ST 1003:2010); published in November 2010 the meta-standard has introduced enhanced criteria for legality verification;

PEFC ST 1003:2010 Criterion 5.7: Compliance with legal requirements provides the basis for compliance to international requirements for legality at the source applicable to forest management issues including forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for indigenous people; health, labour and safety issues; and the payment of royalties and taxes.

The Australian Standard for Forest Management AS 4708, and the Australian Standard for wood and wood products chain of custody AS 4708, are currently in revision. The criteria for legality is being enhanced and brought into line with international benchmarks and guidelines.

As an accredited Standards Setting Body, recognised by the Australian Government as the peak non-government Standards body in Australia under the Standards Australia model, AFSL has the scope to develop Standards in Forestry and wood and wood products supply. The AFSL proposes for the Committees consideration the development of the processes and guidelines for implementation is integrated with the revision of the Australian Standards, with development of supplementary guides providing a Stage 1 implementation of Chain of Custody certification to address legality. The cost and timeframe for implementation of compliance by Australian businesses would be greatly reduced, and address the Governments 2007 election commitment:

- Develop and support certification schemes for timber and timber products sold in Australia.

AFSL is also a joint signatory in the submission from Greenpeace of the 'Common Platform' developed by industry partners and submitted to the Federal Government in relation to the Act. The elements of the Common Platform include:

- A requirement for importers to disclose information at the point of importation
- Federal Govt enforcement and monitoring and appropriate penalties
- Assistance to industry for compliance and assessing the risk of illegal timber imports
- Harmonisation with other international laws against illegal timber imports
- Open standing to allow individual citizens and NGOs to take action against illegal timber importers
- A Govt procurement policy that preferences timber from sustainable sources

While this legislation is rightfully targeted at importation, the prohibition does not extend to other links along the supply chain. Section 6(a) of the Bill must be amended so the prohibition covers any trade and not just importation.

Market-based mechanisms like forest certification offer assurances about the legality of forest products to customers throughout the supply chain.

AFS Chain of Custody certification, including its requirements on non-controversial sources, is designed to prevent illegal wood from entering the production chain. Third party auditing to verify system integrity provides assurances that AFS-certified products entering the marketplace are not from illegal wood sources.

The recognition and use of Forest Certification Schemes provides DAFF with four solutions;

1. Verification of legality for imports
2. Verification of legality for exports
3. Ensures timely implementation for Australia to meet global requirements
4. Address the 2007 election promise to support the development of certification schemes

Yours sincerely
Kayt Watts
Chief Executive Officer