



Submission No 6

Inquiry into Illegal Logging Prohibition Bill 2011

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Committee Secretary
Joint Standing Committee on Foreign Affairs, Defence and Trade
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Canberra ACT 2600
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Re: Inquiry into the Illegal Logging Prohibition Bill 2011

Kimberly-Clark Australia Pty Ltd (KCA) continues to be broadly supportive of the thrust of the Illegal Logging Prohibition Bill 2011.

KCA is a signatory to the Common Platform on Eliminating Illegal Forest Products between a range of Companies, NGO's and Industry Bodies (Attachment). This Common Platform clearly describes the result that KCA is looking for from the Legislation and the contents of Legislation that are required for it to be effective and will not be repeated here.

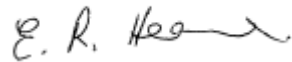
Specific comments on the reference of this draft Bill to this Committee:

- The US has had a similar law operating since 2008 (The Lacey Act) and the European Union has passed laws which will be implemented next year. For exporting countries such as those expressing concern, compliance should be no more difficult or onerous than that existing now for US imports.
- The issue of breaching WTO rules on Trade was well canvassed in the original Senate Enquiry into the Bill in the Submission from the University of Sydney's, Sydney Centre for International Law. This concluded that, framed correctly, this Bill would not breach Trade Agreements.
- Broadly, it is not against the spirit of free trade or WTO rules to prohibit something that is illegal. Examples such as the trade in illegal drugs, child labour prevention or wildlife trafficking are normal restrictions on trade. Illegal logging causes well documented social and environmental harm abroad and also undermines the legal trade in Australia. Irrespective of the problem magnitude no one would argue that these issues should not be regulated and this concern applies to illegal timber product imports,

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including paper products. Illegal timber product sourcing can have flow-on impacts to competitiveness for companies such as Kimberly-Clark who maintain sourcing policies that do not allow such material to be used in its products.

Thank you for considering this submission.



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Attachment



Common
Platform.pdf



Eliminating Illegal Forest Products in Australia

COMMON PLATFORM

A joint forest industry, wood product sector and civil society position

The following parties, who have been prominent in promoting an end to the importation and trade of illegal timber and wood products by advocating action from industry, consumers and the Federal Government, reaffirm the 2009 Joint Statement for the Elimination of Illegal Timber Imports and commit to this more detailed Common Platform.

We congratulate the Federal Government and the opposition parties for committing to measures that would ban the importation and trade of illegally procured timber and wood products. We also welcome requirements for importers to demonstrate due diligence.

We recommend the following elements be part of the Federal Government's approach, particularly in formulating the legislation. We urge that industry and civil society continue to be involved in formulating the laws.

Recommended Elements for Effective Laws

1. Objective of the Legislation

Eliminating illegal logging is a critical first step towards achieving sustainable forestry globally. The Act include, within its object clauses, an objective to help promote ecologically sustainable and socially just timber and wood products and to eliminate other forms of timber and wood products.

2. Definition of Illegal Timber & Wood Products

The term 'illegal timber and wood products' be defined broadly to capture all situations where timber has been harvested and traded in contravention of the laws of the country of origin or treaties in force in the country of origin or Australia.

3. Declaration of Timber & Wood Products

The laws contain a requirement for importers to disclose specified information at the point of importation. This information could be supplied electronically or included within existing customs forms. Such information would include the species, country of origin, quantity or value and any supporting

documentation of legal verification or certification where available.

4. Enforcement & Monitoring

The Federal Government enforce the prohibition and due diligence requirements and not leave this responsibility to industry. Enforcement and monitoring should be substantially resourced.

5. Penalties

Appropriate penalties be applied to provide an effective deterrent against those who knowingly or negligently break the law or fail to show due diligence.

6. Risk Assessment

The Federal Government provide support to industry by commissioning an independent risk assessment program that considers risk levels of timber and wood products from export countries or regions. The risk assessment must remain independent of government and be updated as required.

7. Public Standing

The Act include a provision allowing any interested party to take action against a breach under the Act.

8. Review / Sustainability

A review of the efficacy of the laws within 5 years from the commencement of the Act. The review should examine and make recommendations on how to move the required standard towards sustainability.

9. Industry Assistance

The Federal Government provide resources to industry to assist with compliance.

10. Harmonisation

To the extent possible, the laws should be harmonised with the US Lacey Act and EU Timber Regulations.

11. Government Procurement Policy

The parties below also urge the Federal Government and other arms of government to take a leadership role in moving towards sustainable timber by adopting and implementing procurement policies that go beyond one requiring legal verification. Such procurement policies should be built on criteria that are consistent with and supportive of forest management and chain-of-custody certification and social justice.

