# Chapter 3

# International trade control framework

- 3.1 This chapter considers international efforts to implement domestic trade controls for ivory and rhino horn items. The chapter then considers in more depth the UK framework, which was identified by a significant number of stakeholders as a model of best practice.
- 3.2 Since 2016, the United States (US), China and Hong Kong, Taiwan, France and the United Kingdom (UK) have all announced, or implemented domestic trade bans for ivory. Other nations, such as those in the European Union, Thailand and Japan are reviewing or strengthening existing measures.
- 3.3 Supporters of the UK framework urged the Commonwealth government to use this framework as a model for its own domestic trade ban. Each of the exemptions specified in the UK framework are discussed in this chapter, together with compliance, enforcement, offences and sanctions measures.
- 3.4 Finally, the chapter concludes with consideration of the *Australian Constitution*, and how best to proceed with a domestic trade ban in Australia.

### **International efforts**

3.5 Since the 2016 Conference of the Parties (CoP17) of CITES, several countries have implemented or announced the closure of their domestic markets for the commercial trade in ivory. A summary of a number of these countries is provided in the following sections.

#### The United States

3.6 The US Fish and Wildlife Service (FWS) instituted a 'near-total' domestic trade ban of ivory in June 2016 to reduce the movement of ivory within US borders. The ban fulfilled the 2013 restrictions announced by former President Barack Obama as part of his executive order to combat wildlife trafficking, in response to criminal investigations that revealed the legal ivory market was serving as a cover for the illegal ivory trade.

US Fish and Wildlife Service, 'Administration Takes Bold Step for African Elephant Conservation: Completes Near-Total Elephant Ivory Ban to Cut Off Opportunities for Traffickers', *Press release*, 2 June 2016, <a href="https://www.fws.gov/news/ShowNews.cfm?ref=administration-takes-bold-step-for-african-elephant-conservation%3A-&\_ID=35686#.V1BhTjFIG2Q.twitter">https://www.fws.gov/news/ShowNews.cfm?ref=administration-takes-bold-step-for-african-elephant-conservation%3A-&\_ID=35686#.V1BhTjFIG2Q.twitter</a> (accessed 16 May 2018).

The White House, 'Executive Order – Combating Wildlife Trafficking', *Executive Order*, 1 July 2013, <a href="https://obamawhitehouse.archives.gov/the-press-office/2013/07/01/executive-order-combating-wildlife-trafficking">https://obamawhitehouse.archives.gov/the-press-office/2013/07/01/executive-order-combating-wildlife-trafficking</a> (accessed 16 May 2018).

<sup>3</sup> US Fish and Wildlife Service, 'Revisions to the Endangered Species Act (ESA) Special Rule for the African Elephant', *Questions and Answers*, 6 June 2016, <a href="https://www.fws.gov/international/pdf/questions-and-answers-african-elephant-4d-final-rule.pdf">https://www.fws.gov/international/pdf/questions-and-answers-african-elephant-4d-final-rule.pdf</a> (accessed 16 May 2018).

- 3.7 The rules implemented by the FWS 'limits the imports, exports and sales of African elephant ivory across state lines', whilst allowing for activities such as the:
  - ...movement of ivory for law enforcement and bona fide scientific purposes, and the non-commercial movement of certain items, such as museum specimens and musical instruments containing antique ivory or ivory removed from the wild prior to the listing of African elephants under [CITES].<sup>5</sup>
- 3.8 The rules implemented a number of exemptions, including: a 100 year rolling ban that allows ivory items older than 1918 to be sold, with the cut-off year rising annually; a de minimus exemption for items that contain less than 200 grams of ivory and comprising less than 50 per cent ivory by value and volume; and an exemption for musical instruments containing ivory.<sup>6</sup>
- 3.9 The US government's domestic ban only applies to trade across state borders (due to it being a federated system); however, some state governments have since implemented their own bans on the sale of ivory items, including New York State, New Jersey, California and Hawaii. A consequence of the US system is that regulations differ between federal and state jurisdictions. For example, the 50 per cent de minimus threshold at a federal level is different to threshold amounts at a state level, which takes priority. Subsequently the US has de minimis thresholds 'between five and 20 per cent de minimis level, depending on which state you're in'. Mr David Cowdery of International Fund for Animal Welfare (IFAW) commented that the US approach has made 'a very confusing system'.
- 3.10 There have been significant declines in the trade of ivory items since federal and state bans were implemented. Import data between the UK and the US shows 3526 pieces entered the US from the UK in 2010, and in 2015 that number reduced to just 17 items. <sup>10</sup> Further, ivory vendors and ivory items sold in both New York State and California have significantly declined, as demonstrated in Table 7. <sup>11</sup>

<sup>4</sup> US Fish and Wildlife Service, 'Administration Takes Bold Step for African Elephant Conservation: Completes Near-Total Elephant Ivory Ban to Cut Off Opportunities for Traffickers', *Press release*, 2 June 2016, <a href="https://www.fws.gov/news/ShowNews.cfm?ref=administration-takes-bold-step-for-african-elephant-conservation%3A-& ID=35686#.V1BhTjFIG2Q.twitter">https://www.fws.gov/news/ShowNews.cfm?ref=administration-takes-bold-step-for-african-elephant-conservation%3A-& ID=35686#.V1BhTjFIG2Q.twitter</a> (accessed 16 May 2018).

US Fish and Wildlife Service, 'Revisions to the Endangered Species Act (ESA) Special Rule for the African Elephant', *Questions and Answers*, 6 June 2016, <a href="https://www.fws.gov/international/pdf/questions-and-answers-african-elephant-4d-final-rule.pdf">https://www.fws.gov/international/pdf/questions-and-answers-african-elephant-4d-final-rule.pdf</a> (accessed 16 May 2018).

<sup>6</sup> UK government, Submission 47, p. 28.

<sup>7</sup> International Fund for Animal Welfare (IFAW), Submission 65, p. 17.

<sup>8</sup> Mr David Cowdrey, IFAW, *Proof Hansard*, 9 July 2018, p. 64.

<sup>9</sup> Mr Cowdrey, IFAW, *Proof Hansard*, 9 July 2018, p. 64.

<sup>10</sup> Environmental Investigation Agency (EIA), Submission 33, p. 6.

<sup>11</sup> EIA, *Submission 33*, p. 7.

Table 7: Number of ivory vendors and ivory items, New York and California:

New York State		
Date	Ivory vendors	Ivory items
2008	124	11 376
2016	41	224
California		
2008	147	4864
2015	107	1250
2016	59	265

### China and Hong Kong

- 3.11 At the end of 2017, China had fully implemented a ban on all ivory trade and processing activities, which included all international trade into and out of China (except for pre-CITES specimens) and the closure of all domestic workshops. <sup>12</sup> The ban also extended to online sales and souvenirs purchased abroad. <sup>13</sup>
- 3.12 There are several exemptions to China's domestic trade ban. For example, it still permits 'the transport, gifting and display of ivory', as well as the auction of ivory relics (defined as 'valuable works of art and handicraft articles dating from various historical periods'). The ban does not specify cut-off dates. Museums and private collectors of ivory antiques are exempted. The ban does not specify cut-off dates.
- 3.13 The Chinese ban has succeeded in undermining the price of ivory in both China and Hong Kong. In 2015 ivory was \$1322 per kilo, and in October 2016 it dropped to \$750 per kilo.<sup>17</sup> In early 2018, a sale of tusks weighing 204 kilograms recorded a record low of \$400 per kilo.<sup>18</sup> According to the Xinhua News Agency, the

<sup>12</sup> Department of the Environment and Energy (DoEE), Submission 30, p. 19.

Agence France-Presse, 'All ivory dealing now illegal in mainland', *The Standard*, 2 January 2018, <a href="http://www.thestandard.com.hk/section-news.php?id=191245&story\_id=50003534&d\_str=20180102&sid=3">http://www.thestandard.com.hk/section-news.php?id=191245&story\_id=50003534&d\_str=20180102&sid=3</a> (accessed 3 May 2018).

<sup>14</sup> UK government, Submission 47, p. 28.

<sup>15</sup> UK government, Submission 47, p. 28.

Lisa Movius, 'Antique ivory not affected by China's complete trade ban', *The Art Newspaper*, 6 February 2018, <a href="https://www.theartnewspaper.com/news/complete-ban-on-ivory-trading-comes-into-force-in-china">https://www.theartnewspaper.com/news/complete-ban-on-ivory-trading-comes-into-force-in-china</a> (accessed 3 May 2018).

<sup>17</sup> Mr Cowdrey, IFAW, *Proof Hansard*, 9 July 2018, p. 62.

<sup>18</sup> Mr Cowdrey, IFAW, *Proof Hansard*, 9 July 2018, p. 62.

ban had resulted in an 80 per cent decline in seizures of ivory imported into China, and before its total ban, the price of raw ivory had decreased by 65 per cent. <sup>19</sup>

3.14 In Hong Kong, the Protection of Endangered Species of Animals and Plants (Amendment) Ordinance 2018 came into effect on 1 May 2018. This amendment is the first step in a three-part plan to bolster regulations on the import and export of ivory and elephant hunting trophies, along with the domestic ivory trade in Hong Kong. The next phase of the plan, which commenced on 1 August 2018, saw a ban on importing and re-exporting of pre-CITES ivory, and implemented licensing controls for 'commercial possession of pre-Convention ivory in local markets'. The final phase will ban the commercial possession of all ivory in Hong Kong, excluding antique ivory, by 31 December 2021.

# The European Union and France

- 3.15 In 2016, the European Union (EU) voted in support of a global ban on ivory trade, which included the commencement of a consultation process on proposed legislative action.<sup>23</sup>
- 3.16 The French government implemented an ivory and rhino horn trade ban in France and all overseas French territories in May 2016. The ban permits the sale of worked ivory as late as 1 July 1975 when an item is supported by CITES documentation.<sup>24</sup>

## Taiwan, Thailand and Japan

3.17 Taiwan, Thailand and Japan have announced measures to restrict the domestic trade in ivory. The Taiwan government has reportedly determined that 'the most prudent course of action would be an outright ban for its domestic trade', <sup>25</sup> and the Japanese government has announced a plan to introduce a registration system for the domestic ivory trade. <sup>26</sup>

19 Agence France-Presse, 'All ivory dealing now illegal in mainland', *The Standard*, 2 January 2018, <a href="http://www.thestandard.com.hk/section-news.php?id=191245&story\_id=50003534&d\_str=20180102&sid=3">http://www.thestandard.com.hk/section-news.php?id=191245&story\_id=50003534&d\_str=20180102&sid=3</a> (accessed 3 May 2018).

Author undisclosed, 'SAR to phase out ivory trade, increase penalties for illicit endangered species trade from May', *The Standard*, 23 April 2018, <a href="http://www.thestandard.com.hk/breaking-news.php?id=106217&sid=4">http://www.thestandard.com.hk/breaking-news.php?id=106217&sid=4</a> (accessed 3 May 2018).

- Author undisclosed, 'SAR to phase out ivory trade, increase penalties for illicit endangered species trade from May', *The Standard*, 23 April 2018, http://www.thestandard.com.hk/breaking-news.php?id=106217&sid=4 (accessed 3 May 2018).
- Author undisclosed, 'SAR to phase out ivory trade, increase penalties for illicit endangered species trade from May', *The Standard*, 23 April 2018, <a href="http://www.thestandard.com.hk/breaking-news.php?id=106217&sid=4">http://www.thestandard.com.hk/breaking-news.php?id=106217&sid=4</a> (accessed 3 May 2018).
- The Jane Goodall Institute Australia, *Submission 38*, p. [11].
- The Jane Goodall Institute Australia, *Submission 38*, p. [11].
- Born Free Foundation, Submission 62, p. [5].
- 26 Mr Paul Murphy, DoEE, response to Question on Notice, pp. 1–2, (received 3 August 2018).

3.18 Thailand, once believed to have had the largest unregulated market in the world, has since 2014 transitioned to a well-regulated ivory market. This transition has been achieved through the revision of wildlife crime laws to criminalise the import, export and sale of African elephant ivory, and the introduction of the *Elephant Ivory Act 2015* to regulate the domestic market, including a national register of ivory stocks. Evidence of its success was supported by a June 2016 survey that revealed a 96 per cent drop in the amount of ivory being openly sold by retailers in Bangkok.<sup>27</sup>

# The United Kingdom: a model of best practice?

- 3.19 Whilst acknowledging the considerable efforts of the international community to implement domestic ivory trade bans, the committee heard overwhelming support for the United Kingdom (UK) government's proposed framework.
- 3.20 On 6 October 2017, the UK government announced it would impose a ban on the sale of elephant ivory. At that time, the UK Secretary of State for Environment, Food and Rural Affairs, the Honourable Michael Gove MP, declared that '[i]vory should never be seen as a commodity for financial gain or a status symbol' and for that reason, the UK government will 'introduce one of the world's toughest bans on ivory sales to protect elephants for future generations' and demonstrate the UK government's 'belief that the abhorrent ivory trade should become a thing of the past'. <sup>28</sup>
- 3.21 The initial announcement noted that the ban would cover ivory items of all ages, not just those created after a certain date, and proposed four exemptions: musical instruments; items containing only a small proportion of ivory (de minimis exemption); items of 'significant historic, artistic and cultural value'; and sales to and between museums. <sup>29</sup> At the time of the announcement, regulations concerning ivory prohibited the trade of raw ivory and allowed 'worked ivory items produced after 3 March 1947 to be sold with a certificate, with no restrictions at all on worked ivory produced before that date'. <sup>30</sup>
- 3.22 As part of this announcement, the UK government initiated a 12-week consultation process to work with conservationists, the arts and antique industries, and other interested parties to determine how the exemptions would be defined,

28 UK government, 'Government confirms UK ban on ivory sales', *Press release*, 3 April 2017, <a href="https://www.gov.uk/government/news/government-confirms-uk-ban-on-ivory-sales">https://www.gov.uk/government/news/government-confirms-uk-ban-on-ivory-sales</a> (accessed 17 September 2018).

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<sup>27</sup> United Nations Office on Drugs and Crime (UNODC), Submission 71, p. 13.

<sup>29</sup> UK government, *Government sets out plans for ivory ban*, 6 October 2017, <a href="https://www.gov.uk/government/news/government-sets-out-plans-for-ivory-ban">https://www.gov.uk/government/news/government-sets-out-plans-for-ivory-ban</a> (accessed 7 May 2018).

<sup>30</sup> UK government, *Government sets out plans for ivory ban*, 6 October 2017, (accessed 7 May 2018).

implemented and enforced.<sup>31</sup> This consultation process generated over 70 000 responses, with over 88 per cent of respondents supporting a domestic trade ban.<sup>32</sup>

- 3.23 In April 2018, the UK government released a summary of responses to the government's proposal to ban UK sales of ivory, along with its policy response. The UK government confirmed that it would proceed with the ban 'on commercial activities<sup>33</sup> concerning ivory in the UK that could directly or indirectly fuel the poaching of elephants'. The response noted that the ban would not impact on the 'right to own, gift, inherit or bequeath ivory where that is currently allowed'. Further, the report included the details of five proposed exemptions for commercial activities (considered in more detail at paragraph 3.38):
- **de minimis** is to include items with an ivory content of less than 10 per cent by volume, and made prior to 1947;
- **musical instruments** are excluded if they have an ivory content of less than 20 per cent, and were made prior to 1975;<sup>36</sup>
- **portrait miniatures**<sup>37</sup> that were produced 100 years prior to the ivory ban coming into force;

31 UK government, *Government sets out plans for ivory ban*, 6 October 2017, (accessed 7 May 2018).

- DEFRA, Banning UK sales of ivory: Summary of responses and government response, April 2018, p. 23.
- DEFRA, Banning UK sales of ivory: Summary of responses and government response, April 2018, p. 23.
- The UK government stated that it had opted for a later date (1975) than that applied to de minimis (1947) is in recognition that many instruments, in particular pianos and violin bows, continued to be made using ivory into the late 20<sup>th</sup> century, and in use by professional musicians. See DEFRA, *Banning UK sales of ivory: Summary of responses and government response*, April 2018, p. 24.
- Portrait miniatures contain a small amount of ivory, often painted, and are not valued for their ivory content. Portrait miniatures were primarily created between the 17<sup>th</sup> and 19<sup>th</sup> centuries. The UK government supported stakeholders' view that the sale of portrait miniatures would not 'fuel, directly or indirectly, the continued poaching of elephants'. See DEFRA, *Banning UK sales of ivory: Summary of responses and government response*, April 2018, p. 24.

Her Excellence Menna Rawlings CMG, British High Commissioner to Australia, *Proof Hansard*, 9 July 2018, p. 16.

Commercial activities is defined as: buying, selling or hiring ivory; offering or arranging to buy, sell or hire ivory; keeping ivory for sale or hire; exporting ivory from the UK for sale or hire; and importing ivory into UK for sale or hire. See Department for Environment, Food & Rural Affairs (DEFRA), *Banning UK sales of ivory: Summary of responses and government response*, April 2018, p. 23, <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/696474/banning-ivory-consult-sum-resp.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/696474/banning-ivory-consult-sum-resp.pdf</a> (accessed 7 May 2018).

- rare and most important items of their type<sup>38</sup> that contain ivory, are considered 'outstandingly high artistic, cultural or historical value' and are 'the rarest and most important item of their type'; and
- **accredited museums** and their commercial activities which include sales, loan and exchanges of items to, or between, museums will be permitted. These accredited museums will also be permitted to sell to, or buy from, non-UK museums that are recognised by the International Council of Museums. <sup>39</sup>
- 3.24 To ensure compliance with these new measures, the UK government announced that the Animal Plan and Health Authority (APHA) would implement and administer an online registration of ivory items in the UK. This online database will be accessible by the government, the regulatory body and the UK Police. <sup>40</sup>
- 3.25 The UK government also announced a new registration system for the sale of ivory items. If an owner of an ivory item intends to sell such an item, then that person will need to apply for an exemption through APHA and provide provenance documentation. If the seller believes the item would qualify for the rarest and most important items exemption, then an institution with a recognised specialist will need to assess the validity of the claim. <sup>41</sup>
- 3.26 With regard to CITES, the UK government stated the new measures would build upon, rather than replace, current CITES rules<sup>42</sup> and:

No item that cannot be sold now, will be permitted to be sold after the ban is implemented. Items that currently need a certificate to be sold, imported or re-exported under the EU Wildlife Trade Regulations will continue to require one. This will be in addition to having to comply with the ban. 43

3.27 The UK government will delegate enforcement responsibility to an existing regulatory body that will work with the UK Police, a wildlife crime unit and the UK Border Force. This regulatory body will be provided powers to enable the detection

The UK government advised that a 'limited amount of institutions, such as selected museums' would be required to provide advice to a governing body 'on whether an item should be exempted under this category'. The UK government will also 'provide statutory guidance to participating advisory institutions on the criteria that items falling under this exemption must meet'. Eligibility for exemption is only available for items produced at least 100 years prior to the ivory ban coming into force. See DEFRA, *Banning UK sales of ivory: Summary of responses and government response,* April 2018, pp. 24–25.

<sup>39</sup> DEFRA, Banning UK sales of ivory: Summary of responses and government response, April 2018, pp. 24–25.

<sup>40</sup> DEFRA, Banning UK sales of ivory: Summary of responses and government response, April 2018, pp. 24–25.

DEFRA, Banning UK sales of ivory: Summary of responses and government response, April 2018, p. 26.

DEFRA, Banning UK sales of ivory: Summary of responses and government response, April 2018, p. 26.

DEFRA, Banning UK sales of ivory: Summary of responses and government response, April 2018, p. 26.

and pursuit of illegal sales and instances of non-compliance, along with the power to issue civil penalties to those who breach the ivory sales ban. <sup>44</sup> Police and customs officers will use their powers to investigate and charge breaches of the ban. <sup>45</sup>

- 3.28 The Ivory Bill 2017–19 (the UK Ivory Bill) will introduce new offences. These offences include civil<sup>46</sup> or criminal<sup>47</sup> sanctions, dependent on the nature of the breach.<sup>48</sup> The three categories of offences that apply to the commercial use of ivory are:
- engaging in commercial activity without meeting an exemption;
- improperly or falsely registering an item for exemption from sale; and
- causing or facilitating the sale of ivory or other commercial activities.
- 3.29 British High Commissioner to Australia, Her Excellency Menna Rawlings, informed the committee that the UK Ivory Bill was introduced to the UK Parliament on 23 May 2018. Once passed, there will be a six-month period before the Act enters into force to ensure adequate time for people to prepare for its introduction and application. <sup>50</sup>

# Exemptions and their application within an Australian framework

- 3.30 The committee heard overwhelming support for the UK framework and its limited exemptions for commercial trade. Support for the UK framework was expressed by a range of stakeholders, many of whom advocated for implementation of a similar framework in Australia.
- 3.31 IFAW opined that the UK framework 'was a very well thought-through piece of legislation as a whole' and recognised the purpose of the exemptions is to 'remove the value of ivory...so you're not celebrating ivory or putting a price tag on it'. <sup>51</sup> The

DEFRA, Banning UK sales of ivory: Summary of responses and government response, April 2018, p. 26.

DEFRA, Banning UK sales of ivory: Summary of responses and government response, April 2018, p. 27.

Civil sanction will consist of: stop notices, monetary penalties, enforcement undertakings and enforcement cost recovery notices. Non-compliance with a civil sanction could result in a criminal prosecution. See DEFRA, *Banning UK sales of ivory: Summary of responses and government response*, April 2018, p. 27.

Criminal sanctions will align with existing offences concerning for ivory under the UK Control of Trade in Endangered Species Regulations. See DEFRA, *Banning UK sales of ivory:*Summary of responses and government response, April 2018, p. 27.

DEFRA, Banning UK sales of ivory: Summary of responses and government response, April 2018, p. 27.

<sup>49</sup> DEFRA, Banning UK sales of ivory: Summary of responses and government response, April 2018, p. 27.

Her Excellency Rawlings CMG, British High Commissioner to Australia, *Proof Hansard*, 9 July 2018, p. 17.

<sup>51</sup> Mr Cowdrey, IFAW, *Proof Hansards*, 9 July 2018, p. 64.

Animal Defenders Office (ADO) commented that the UK framework seemed 'reasonable and limited', and thought it sound for there to be similar exemptions should a domestic ban exist in Australia. <sup>52</sup> Even the Australian Border Force (ABF) commented that '[c]ertainly from a supply-and-demand perspective, if there's no demand domestically, it'd be less likely that things are actually brought in through the border'. <sup>53</sup>

- 3.32 However, support for specific exemptions varied. Whilst a majority of submitters called for exemptions similar to the UK framework, others expressed caution, and warned that there is a risk of ongoing laundering if exemptions are not heavily monitored and enforced.
- 3.33 Nature Needs More raised this concern. It supported an Australian framework with exemptions for ivory items (specifically supporting the musical instruments and museum exemptions), however:

If these exemptions exist, the key thing is that we would like to know that they're being heavily regulated so there's no opportunity for laundering—no loopholes for laundering new product into the market.<sup>54</sup>

3.34 The Thin Green Line Foundation, which called for a complete ban, expressed a similar view:

...we certainly appreciate and understand the calls for exemptions for musical instruments and other artefacts of cultural value; but, from our evidence in the field and our perspective, the more exemptions that you have, the greater the loophole there is for laundering the illegal products through that trade. We do understand why those exemptions are being asked for, and...there would need to be a heavily regulated and accountable process if those exemptions were brought into force. <sup>55</sup>

- 3.35 This concern was shared by Professor Grant Pink, who argued 'the fewer [exemptions] the better from law enforcement's perspective because the more exemptions that exist the more challenging it is' when determining whether an item is legally or illegally traded. <sup>56</sup>
- 3.36 A number of submitters highlighted the importance of carefully defined exemptions. The Environmental Investigation Agency (EIA) supported three of the exemptions included in the UK framework (de minimis, musical instrument and museums) but urged Australia to ensure exemptions are 'as narrow and tightly-focused as possible and limited to domestic trade (i.e. any exempt items should not be allowed to be imported/exported)'. This view was shared by Gordon Consulting, which

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<sup>52</sup> Mr Scott Dempsey, Animal Defenders Office (ADO), *Proof Hansard*, 9 July 2018, p. 3.

<sup>53</sup> Mr Erin Dale, Australian Border Force (ABF), *Proof Hansard*, 9 July 2018, p. 45.

Dr Lynn Johnson, Nature Needs More, *Proof Hansard*, 4 July 2018, p. 11.

Ms Clair Overy, The Thin Green Line Foundation, *Proof Hansard*, 4 July 2018, p. 33

Professor Grant Pink, *Proof Hansard*, 9 July 2018, p. 5.

<sup>57</sup> EIA, *Submission 33*, p. 8.

added that these narrowly defined 'exemptions should not contribute to poaching or illegal trade'.  $^{58}$ 

- 3.37 Dr Rebecca Johnson from the Australia Museum and Museums and Galleries Australia called for a domestic ban, but explained the ongoing threat to elephant and rhino populations means exemptions should only be applied to 'collecting institutions such as museums', and 'any exemptions be made only on the basis of rigorous science being applied to validate those claims as the exemption', such as radiocarbon dating.<sup>59</sup>
- 3.38 Each of the exemptions found in the UK framework are discussed in the following sections. The UK framework is explicitly designed for ivory, and for this reason, the commentary is focused on ivory items and excludes rhino horn.
- 3.39 The UK government advised the committee that it had recently strengthened its measures to protect rhinoceros. For example, since 2010 the UK no longer issues CITES permits for people wanting to re-export rhino products, unless they meet a strictly limited criteria. These measures were adopted by the EU in 2014. <sup>60</sup>

#### De minimis

- 3.40 The de minimis exemption, as defined under the UK framework, applies to items made prior to 1947, which contain an ivory content of less than 10 per cent of its total volume. The UK government stated that a 10 per cent threshold is both strong and practical to enforce; whilst the 1947 date threshold aligns with the current pre-CITES date threshold for ivory items established under EU Wildlife Trade Regulations. 62
- 3.41 The UK Ivory Bill specifies that the ivory content must be 'integral' to the item, meaning that it cannot be 'removed from the item without difficulty or without damaging the item'. 63
- 3.42 Several civil society organisations supported the de minimis exemption.<sup>64</sup> IFAW called for Australia to adopt the de minimis exemption with a 10 per cent threshold.<sup>65</sup> IFAW's Mr David Cowdery advised the committee that it was a good idea because 'it removes all solid ivory items from the market'.<sup>66</sup>

Dr Rebecca Johnson, Australia Museum, Museums and Galleries Australia, and the Council of Heads of Australian Faunal Collections, *Proof Hansard*, 9 July 2018, p. 26.

64 For example see: Mr Gabriel Fava, Born Free Foundation, *Proof Hansard*, 3 July 2018, p. 26.

<sup>58</sup> Gordon Consulting, Submission 48, p. [4].

Her Excellency Rawlings CMG, British High Commissioner to Australia, *Proof Hansard*, 9 July 2018, p. 17.

<sup>61</sup> UK government, Submission 47, p. 23.

<sup>62</sup> UK government, Submission 47, p. 24.

<sup>63</sup> UK Ivory Bill, section 6, p. 5.

Ms Rebecca Keeble, IFAW, *Proof Hansard*, 3 July 2018, p. 5.

<sup>66</sup> Mr Cowdery, IFAW, *Proof Hansard*, 9 July 2018, p. 65.

- 3.43 Whilst the UK's de minimis threshold was supported by many submitters, others argued in favour of either a higher or lower ivory content threshold. For example, the Born Free Foundation submitted that the Californian de minimis threshold should be considered, with an exemption for antique items that contain 200 grams or less of ivory and an ivory content of less than five per cent. <sup>67</sup> By contrast, the Australian Antique & Arts Dealers Association (AAADA) called for the ivory content threshold to be slightly increased 'because it would exclude a lot of items'. <sup>68</sup>
- 3.44 Bloomsbury Antiques supported the UK framework. Its manager, Therese Howard informed the committee that she agreed with the exemptions found in the UK framework, and thought the date thresholds were quite generous.<sup>69</sup>
- 3.45 Leonard Joel reported that its self-imposed de minimis principle applied to items 'where the ivory component is integral but so insignificant that it cannot be meaningfully contributing to maintaining the value or trade in ivory', with the aim to disrupt the value in ivory while respecting the incidental, ancillary or insignificant use of ivory within the decorative arts'. Leonard Joel's de minimis principle is defined under the term 'incidental ivory' as:
- an item with ivory content that is fixed or an integral component(s) of a larger manufactured or handcrafted item, which the ivory is not its primary source of value, 'that is, the ivory does not account for more than 50 [per cent] of the value of the item';
- an item that does not include raw ivory;
- an item not made wholly or primarily of ivory, and that the ivory content does not account for more than 50 per cent of the item by volume; and
- the total weight of the ivory in the item is less than 200 grams.<sup>71</sup>
- 3.46 Jane Raffan from the Auctioneers and Valuers Association of Australia (AVAA) raised the issue of different threshold being legislated in different jurisdictions, and advised that different thresholds are 'potentially problematic and large for the antiques industry'; however, AVAA supported the:

...main principle, which is to devalue ivory. The UK's Ivory Bill ensures that the value for decorative arts and other material being traded is not tied to the ivory component because of its strict de minimis ratio. Devaluing

<sup>67</sup> Born Free Foundation, *Submission 62*, p. 6.

Dawn Davis, Australian Antique & Arts Dealers Association (AAADA), *Proof Hansard*, 4 July 2018, p. 38.

<sup>69</sup> Ms Therese Howard, Bloomsbury Antiques, *Proof Hansard*, 5 July 2018, p. 10.

<sup>70</sup> Leonard Joel, Submission 51, Attachment 1, p. 11.

<sup>71</sup> Leonard Joel, *Submission 51*, Attachment 1, p. 5.

ivory through restricting trade is a significant benchmark of conservation efforts and the AVAA supports this endeavour. 72

3.47 The importance of devaluing ivory was highlighted by the Australia Museum, which informed the committee that since July 2017 a national framework for valuation of collections was adopted by the Council of Australasian Museum Directors. This framework prevents ivory and rhino horn being valued to address the 'perception in the sector that valuing that material basically encourages trade in that material'.

#### Musical instruments

- 3.48 A range of musical instruments have used ivory material: namely piano keys, violin bows and bagpipes. In recognition of their use, the UK framework establishes a separate exemption for musical instruments. The ivory content threshold is set at 20 per cent by volume, and applicable for instruments made prior to 1975. The UK government's submission clarified that the 20 per cent ivory content threshold covered 'the vast majority of commonly used and traded instruments'. <sup>75</sup>
- 3.49 The musical instrument date threshold of 1975 differs from the de minimis threshold 'in recognition that many instruments, such as pianos and violin bows, continued to be made using ivory into the late 20<sup>th</sup> century'. Further, the UK government acknowledged that many of those instruments are still in use by professional musicians.<sup>76</sup>
- 3.50 The UK Ivory Bill excludes items that may be used as a musical instrument but were 'not made primarily for that purpose'. The exemption includes 'a bow, plectrum and other things made for playing a musical instrument'.<sup>77</sup>
- 3.51 The committee heard from representatives of the music industry about the exemption for musical instruments. Overall, music industry stakeholders supported a domestic trade ban but called for an exemption for musical instruments that contain ivory. The Australian Music Association (AMA) advised that many heritage instruments contain a small amount of ivory and that these instruments do not get discarded or thrown away. Instead, these instruments grow in value and are exchanged between musicians.<sup>78</sup>

Jane Raffan, Auctioneers and Valuers Association of Australia (AVAA), *Proof Hansard*, 3 July 2018, p. 35.

<sup>73</sup> Mr Cameron Slatyer, Australian Museum, Museums and Galleries Australia, and the Council of Heads of Australian Faunal Collections (Australia Museum), *Proof Hansard*, 9 July 2018, p. 32.

<sup>74</sup> Mr Cameron Slatyer, Australia Museum, *Proof Hansard*, 9 July 2018, p. 31.

<sup>75</sup> UK government, Submission 47, p. 24.

<sup>76</sup> UK government, Submission 47, p. 24.

<sup>77</sup> UK Ivory Bill, section 8, p. 5.

<sup>78</sup> Mr Robert Walker, Australian Music Association (AMA), *Proof Hansard*, 4 July 2018, p. 1.

- 3.52 The ivory content of these items is typically minuscule. Pianos used approximately 200 grams of ivory to cover the piano keys, whereas violins used a small amount of ivory on the faceplate of a bow. The AMA stated that the exemption proposed in the UK framework would sufficiently cover both pianos and violin bows, and the de minimis exemption, with a threshold amount of 200 grams:
  - ...would cover the vast majority of musical instruments; however, there are a few extremely rare, ancient instruments that would exceed this limit, but have huge historic, artistic and cultural importance. They, perhaps, require special protection. 81
- 3.53 For example, a larger volume of ivory is commonly used in pipe instruments, such as bagpipes. The Celtic Piping Club explained that some pipes have traditionally used ivory mounts and ferrules, which prevent the cracking and splitting of wooden drones and chanters. Although this ivory is a decorative element, it is also integral to the functions of the instrument. <sup>82</sup> The Celtic Piping Club added that these bagpipes are relatively rare, and the use of ivory:
  - ...has no effect on present elephant populations; it is practically impossible to engage in trade of illegal ivory by attaching it to a historic musical instrument. Any ban on domestic trade of pre-CITES musical instruments containing ivory would have nil effect on eliminating global trade in illegal ivory, but it would have catastrophic and irreversible consequences for the historic, cultural, and artistic legacies they represent. <sup>83</sup>
- 3.54 Another consideration is the industry's use of 'recycled ivory'. This occurs when an older piano is discarded: its ivory content is stripped and reused as spare parts for other pianos.<sup>84</sup> In these cases, Pianos Recycled submitted that it 'can reasonably identify and authenticate the age of piano ivory and does already provide a heritage certificate for an unwanted piano'.<sup>85</sup>
- 3.55 Music industry representatives did not object to the 1975 date proposed in the UK framework. Pianos Recycled submitted that the 1975 date is 'meaningless as no manufacturer of any repute has produced an ivory-covered keyboard on a piano since then', and that pianos as early as the 1870s used cellulose-nitrate instead of ivory coverings. The AMA noted that the industry has not used ivory in making new instruments for over 40 years. <sup>87</sup>

<sup>79</sup> Mr Brent Ottley; Mr Alex Grant, Alex W Grant Violins; *Proof Hansard*, 4 July 2018, pp. 3–4.

<sup>80</sup> Mr Walker, AMA, *Proof Hansard*, 4 July 2018, p. 3.

<sup>81</sup> AMA, Submission 32, p. [3].

<sup>82</sup> Celtic Piping Club, Submission 83, p. 1.

<sup>83</sup> Celtic Piping Club, Submission 83, p. 3.

<sup>84</sup> Mr Ottley, *Proof Hansard*, 4 July 2018, p. 4.

<sup>85</sup> Pianos Recycled, Submission 81, p. [3].

<sup>86</sup> Pianos Recycled, Submission 81, p. [1].

<sup>87</sup> AMA, Submission 32, p. [2].

### Portrait miniatures

- 3.56 Portrait miniatures were highly popular items between the 17<sup>th</sup> and 19<sup>th</sup> centuries, and contain a small sliver of painted ivory. Once existing in large numbers, portrait miniatures were eventually replaced with a synthetic substitute and with the advent of photography.<sup>88</sup>
- 3.57 The UK government has included an exemption for portrait miniatures because their continued sale would not fuel the continued poaching of ivory, and because they are valued for their artistry, rather than there ivory content. This exemption permits the commercial sale of portrait miniatures 'produced prior to 100 years before the coming into force of the UK ivory ban'. The UK Ivory Bill establishes a pre-1918 date threshold.
- 3.58 The AAADA advocated for the inclusion of portrait miniatures as an exemption because these items are 'culturally and highly definitive social items of the time'. <sup>92</sup> The committee did not receive any objections to this exemption.

The rarest and most important items of their type

3.59 The UK framework establishes an exemption for the 'rarest and most important items of their type'. This exemption was based on a recognition that there is a small:

...number of ivory items that are of outstandingly high artistic, historic or cultural significance and that may be assessed as being rare and important examples of their type e.g. in their particular category of function, artistic or historical period etc. We do not believe that such items contribute directly or indirectly to the continued poaching of elephants. 93

- 3.60 According to British High Commissioner, an assessment will be done through a limited number of independent advisory institutions to confirm the validity of an item's eligibility for this exemption. The High Commissioner expected that the bar for this exemption would be set quite high and that the items are 'valued not for their ivory content but because they are of wider importance and therefore the trading of them will not fuel the poaching of elephants'. 94
- 3.61 The UK government did not consider items eligible for this exemption would contribute directly or indirectly to the continued poaching of elephants, and would

<sup>88</sup> UK government, Submission 47, p. 19.

<sup>89</sup> UK government, Submission 47, p. 20.

<sup>90</sup> UK government, Submission 47, p. 24.

<sup>91</sup> UK Ivory Bill, Section 6, p. 5.

<sup>92</sup> Dawn Davis, AAADA, *Proof Hansard*, 4 July 2018, p. 38.

<sup>93</sup> UK government, Submission 47, p. 25.

<sup>94</sup> Her Excellence Rawlings CMG, British High Commissioner to Australia, *Proof Hansard*, 9 July 2018, p. 18.

only apply for items 'produced at least 100 years prior' to the sales ban coming into force (the year 1918). 95

3.62 The UK's inclusion of this exemption was not fully supported, in particular by the EIA and IFAW, who engaged in the UK consultation process. The EIA informed the committee that it was 'strongly opposed' to this exemption because:

We believed it would be extremely difficult to produce adequate guidance to ensure the exemption did not become unworkable and that it provided a potential loophole for the continued illegal trade. <sup>96</sup>

- 3.63 Further, the EIA argued that it would be difficult to determine with accuracy what would be covered by this exemption. 97
- 3.64 IFAW commented that the UK government had originally anticipated between 70 and 150 items per year being granted this exemption; however, argued the bill itself had included vague terms like 'outstandingly valuable' and these 'very vague definitions' provide an opportunity for abuse 'and for the ivory trade to continue in some form or another'. 98
- 3.65 Despite their concerns, both the EIA and IFAW highlighted the importance of having experts from museums:
  - ...to provide the highest possible standard and have no vested interest in a commercial trade to make a decision about whether infact it is absolutely the highest and the rarest and the most important of their type. <sup>99</sup>
- 3.66 Gordon Consulting was concerned that this exemption will maintain the monetary value of ivory, and certain items in this category would only further fuel demand for, and the monetary value of, the ivory items. <sup>100</sup>
- 3.67 The Australia Institute (TAI) acknowledged that a domestic ban would result in the decline in the financial value of ivory and rhino horn goods, including items valued for their artistic, historic and cultural worth. However, TAI argued these items' value is not diminished by a domestic trade ban; instead, its owners 'can continue to enjoy them, the only change is that the artistic, historic, cultural values cannot be exchanged for money'. <sup>101</sup> Further:

The artistic or cultural value of the piece isn't lost just because you can't trade it. The ability to change it for money is lost. And so, strictly by the economics textbooks, that value isn't actually lost; it's that the owner of the piece loses the ability to trade it. If such a policy were given a decent

97 Mr Brown, EIA, Proof Hansard, 9 July 2018, p. 59.

<sup>95</sup> UK government, Submission 47, p. 25.

<sup>96</sup> EIA, *Submission 33*, p. 8.

<sup>98</sup> Mr Cowdrey, IFAW, *Proof Hansard*, 9 July 2018, p. 59.

<sup>99</sup> Mr Cowdrey, IFAW, *Proof Hansard*, 9 July 2018, p. 59.

<sup>100</sup> Gordon Consulting, Submission 48, p. 1.

<sup>101</sup> The Australia Institute (TAI), Submission 78, p. 8.

amount of promotion and a reasonable phase-in time, it gives people who are in that position—who do own a culturally and historically significant piece of ivory that they see real value in—an opportunity to say, 'I'd rather have the money' or, 'I really value this and I'd like to keep it.' <sup>102</sup>

3.68 Both the AAADA and AVAA supported this exemption. <sup>103</sup>

#### Museums

3.69 The commercial activities of accredited museums are also exempted under the UK framework. These museums will be permitted to continue commercial activities, such as sales, loans and exchanges to, and between accredited museums. In addition, accredited museums will be allowed 'to sell to, or buy from, non-UK museums that are accredited by the International Council of Museums'. The UK government outlined its position on this exemption, stating it did:

...not intend, through our ban on ivory sales, to affect the display of historic, artistic and cultural items to members of the public by accredited museums. Accredited museums play a vital role in protecting the nation's cultural heritage, and in making our heritage accessible to the public, and as such will be permitted to purchase items that do not meet any of the listed exemptions, but are in line with their acquisitions and ethical policies. Museums accredited...must abide by strict codes of ethics and standards of governance, including acquisitions policy. <sup>105</sup>

3.70 The committee did not receive any objections to museums being exempted under an ivory and rhino horn trade ban in Australia and such an exemption was largely supported by supporters of a domestic ban. Representatives from the Australia Museum declared their support for a domestic trade ban with limited exemptions 'for collecting institutions such as museums' because 'these materials provide essential scientific specimens that also act as a reference materials for casework and training'. <sup>106</sup> The Australia Museum stated it is:

...strongly supportive of the continued ability of museums, in particular, to be able to lend ivory and rhino horn materials to other CITES-registered institutions—that those protocols are followed by a number of institutions around the world. 107

3.71 Ms Slatyer added that it is important for museums to 'preserve important elements of cultural heritage into the future'. However, an ethical consideration 'is whether museums and galleries should be in a position where they can trade in that material'. <sup>108</sup> Ms Slatyer explained that the trade between CITES-registered museums

105 UK government, Submission 47, p. 25.

<sup>102</sup> Mr Roderick Campbell, The Australia Institute (TAI), *Proof Hansard*, 16 August 2018, p. 4.

<sup>103</sup> See Dawn Davis, AAADA, *Proof Hansard*, 4 July 2018, p. 41;

<sup>104</sup> UK government, Submission 47, p. 25.

<sup>106</sup> Dr Johnson, Australia Museum, *Proof Hansard*, 9 July 2018, p. 26.

<sup>107</sup> Mr Slatyer, Australia Museum, *Proof Hansard*, 9 July 2018, p. 27.

<sup>108</sup> Mr Slatyer, Australia Museum, *Proof Hansard*, 9 July 2018, p. 33.

and galleries is not typically a commercial transaction; instead, it occurs if an institution has multiple assets of one particular item, and trades items in order to increase its collection. 109

- 3.72 Ms Slatyer advised that the movement of ivory and rhino horn items between CITES-registered institutions is closely monitored, both nationally and internationally, with 'a lot of attention paid to the provenance of that material', and that the sector 'sees the continuation of that as being fundamental to the core purpose of museums'. 110
- 3.73 Various stakeholders also called for museums and galleries to be permitted under a domestic trade ban to receive donated items that are deemed culturally significant ivory and rhino horn items. For example, John Albrecht argued that Leonard Joel's ivory and rhino horn policy did not seek to destroy those items:
  - ...nor seize them: it merely seeks to remove them from circulation and advocates for their retention by the holder or donation to a public museum, if that is deemed significant enough. 111
- 3.74 The AVAA commented that if Australia's 'domestic ivory trade is banned, there will still be museums the world over that'll showcase the finest examples of carving from human history'; the Australia Museum advocated, rather than destroying ivory and rhino horn items, for them to be:
  - ...deposited securely in a collection such as one of the state or territory museums so that it, too, becomes available for scientific study, on the proviso that a secure collection storage space can be provided. 113
- 3.75 The Australia Museum confirmed that it accepts donated ivory and rhino horn items, which is frequently done by those who have a collection. These donations are valuable as reference material for the museum's wildlife forensic work and training purposes. The Australia Museum informed the committee that these items are kept under secure conditions. 114

#### Other measures

3.76 In addition to the proposed exemptions, the UK framework specifies new compliance, enforcement, offence and sanction measures. Each of these are briefly considered below.

#### **Compliance**

3.77 The UK government announced that it intends to implement a compliance system based on a registration model administered by the Animal Plan and Health

<sup>109</sup> Mr Slatyer, Australia Museum, *Proof Hansard*, 9 July 2018, p. 33.

<sup>110</sup> Mr Slatyer, Australia Museum, *Proof Hansard*, 9 July 2018, p. 27.

John Albrecht, Leonard Joel, *Proof Hansard*, 3 July 2018, p. 45.

Jane Raffan, AVAA, *Proof Hansard*, 3 July 2018, p. 36.

<sup>113</sup> Dr Johnson, Australia Museum, *Proof Hansard*, 9 July 2018, p. 26.

<sup>114</sup> Dr Johnson, Australia Museum, *Proof Hansard*, 9 July 2018, p. 30.

Authority (APHA) (the UK CITES Management Authority). This includes a new online system and database to register ivory items. In order to sell an ivory item, the seller must register that an item meets an exemption criteria. It will be illegal to sell an exempt ivory item that is not registered with the APHA. Specific requirements will be applicable for each exemption. 115

- 3.78 For items deemed the rarest and most important items of their type, the UK government will introduce a certificate system with a select number of advisory institutions permitted to evaluate an item's eligibility and issue a certificate. 116
- 3.79 The UK government stated that the new compliance framework will build upon existing CITES measures, and items that currently need a certificate to be sold, imported or re-exported under the EU Wildlife Trade Regulations will continue to do so. 117

### Enforcement

- 3.80 An existing regulatory body will be nominated to enforce the UK ivory ban and work closely with the UK National Wildlife Crime Unit and Border Force. This regulatory body will be given the power to detect and pursue illegal sales and noncompliance, and to issue civil penalties for breaches of the ban. It will also work with the antiques industry and others most affected by the ban in order to ensure they comply with the ban and avoid breaches. 118
- 3.81 Enforcement provisions included in the UK Ivory Bill are:
- power to stop and search persons, vehicles (including vessels and aircraft), and enter and search premises;
- search warrant provisions;
- powers of examination;
- power to require the production of documents; and
- powers concerning the seizure of ivory items. 119

# Offences and sanctions

3.82 New offences are proposed under the UK ivory ban. A person who is found to have breached the ban could receive either a civil or criminal sanction. If issued a civil

<sup>115</sup> UK government, Submission 47, p. 25.

<sup>116</sup> Department for Environment, Food and Rural Affairs, *Ivory Bill Factsheet*, *Compliance*, 29 June 2018, p. 3, <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/721456/ivory-bill-factsheet-compliance.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/721456/ivory-bill-factsheet-compliance.pdf</a> (accessed 21 August 2018).

<sup>117</sup> UK government, Submission 47, p. 25.

<sup>118</sup> UK government, Submission 47, pp. 26–27.

<sup>119</sup> AVAA, Submission 49, Attachment 2, pp. 8–15.

sanction, a person could still be subjected to criminal prosecution if they do not comply with the terms of the civil sanction. <sup>120</sup> The three categories of offences are:

- engaging in commercial activity without meeting an exemption;
- improperly or falsely registering an item for an exemption; and
- causing or facilitating the sale of an ivory item or other commercial activities. 121
- 3.83 Those found guilty of a criminal offence may be liable to either a fine and/or a maximum prison sentence of up to five years. Civil sanctions will depend on the type and severity of the offence and consist of: stop notices, monetary penalties, enforcement undertakings and enforcement cost recovery notices. 122
- 3.84 In developing the provisions of the UK ivory bill, IFAW advised that the UK government had consulted with a range of stakeholders, including law enforcement agencies. 123

### **Constitutional considerations**

3.85 The application of a domestic trade ban on ivory and rhino horn items is complicated in Australia due our federated system. The Commonwealth, under section 51(i) of the *Australian Constitution* (trade and commerce with other countries, and among the states) already regulates and restricts the import and export of ivory and rhino horn items entering Australia. However, the Commonwealth government is unable to legislate a domestic trade ban within state and territory jurisdictions. The Animal Defenders Office (ADO) stated that the division of powers between the federal, state and territory parliaments is a key point of difference between the UK and Australia, and for this reason:

It's very difficult for the federal parliament to pass the same sort of ban without consulting the states and territories. It has been suggested the federal government can do a lot of it on its own, and that's undoubtedly true, but there would still be loopholes. It would still be impossible, for example, for you and I to meet outside this room as natural persons and engage in an oral contract for a particular piece of ivory or rhino horn and, if I agree to drop it off at your house afterwards, that would be completely legal under the unilateral model because it would escape any law that could be passed under the corporations power or the communications power. That's why we've really emphasised the need to get the states and territories involved and that's why we've pushed for a national agreement. 125

<sup>120</sup> UK government, Submission 47, p. 27.

<sup>121</sup> UK government, Submission 47, p. 27.

<sup>122</sup> UK government, Submission 47, p. 27.

<sup>123</sup> Mr Cowdrey, IFAW, *Proof Hansard*, 9 July 2018, p. 59.

<sup>124</sup> IFAW, Submission 62, Attachment 2, p. [1].

<sup>125</sup> Mr Scott Dempsey, ADO, *Proof Hansard*, 9 July 2018, p. 6.

- 3.86 Legal advice provided by the ADO, on behalf of IFAW, outlined constitutional considerations and legislative options available to the Commonwealth government. Although the Commonwealth government is unable to implement a domestic ban within the states and territories, section 51(i) of the *Australian Constitution* provides the legislative power for the Commonwealth government to regulate trade and commerce 'among the States'. <sup>126</sup> This means the trade in ivory and rhino horn between state and territory jurisdictions could be banned. <sup>127</sup> This option would be similar to the approach taken by the US government.
- 3.87 The ADO also noted that section E(c) of the *Intergovernmental Agreement on Mutual Recognition* and section 9 of the *Mutual Recognition Act 1992* (Cth) prevent any federal, state or territory parliament 'unilaterally banning the sale of ivory and rhino horn without first securing an exemption to the mutual recognition principle' and an exemption of this type would first 'need to be unanimously approved by the federal government and all state and territory governments'. Subsequently, the ADO concluded that the best course of action is for:

...any legislative solution to the sale of ivory and rhino horn within Australia would have to be driven by a national agreement to ban the sale of ivory and rhino horn within Australia. 129

3.88 The ADO discussed this proposal with the committee. It confirmed that a national agreement could consist of Commonwealth, state and territory governments signing on and agreeing to implement similar legislation in their respective jurisdictions, or for the states and territories to refer their powers to the Commonwealth on this matter. It added:

We're rather agnostic on whether we go down the path of the states and territories referring their powers to the Commonwealth and passing identical legislation or whether it's the states, territories and federal government passing complementary legislation, but it's probably one or the other. <sup>130</sup>

- 3.89 The ADO recommended this process be negotiated either through the Council of Australian Governments (COAG) or between environment ministers. It added that the process would need to be co-ordinated across portfolios, such as environment, foreign affairs, trade and tourism. <sup>131</sup>
- 3.90 The committee asked whether the Nationals Firearms Agreement was a good example of how an ivory and rhino horn trade ban could be implemented. In response, the ADO agreed that it is, because of:

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<sup>126</sup> IFAW, Submission 62, Attachment 2, p. [1].

<sup>127</sup> IFAW, Submission 62, Attachment 2, p. [1].

<sup>128</sup> IFAW, Submission 62, Attachment 2, p. [1].

<sup>129</sup> IFAW, Submission 62, Attachment 2, p. [2].

<sup>130</sup> Mr Dempsey, ADO, *Proof Hansard*, 9 July 2018, p. 7.

<sup>131</sup> Mr Dempsey, ADO, *Proof Hansard*, 9 July 2018, p. 7.

- ...the way the federal government took the lead, consulted with the states and territories and achieved a very good solution. That's certainly one of the models we looked at in preparing our advice. Again, it came out of a national agreement, and they passed the complementary legislation. <sup>132</sup>
- 3.91 Finally, the ADO advised the committee that any new legislation would need to complement the existing international control framework. For example, the current pre-CITES date threshold for ivory products in 1975 would need to be maintained domestically because it:
  - ...would be absurd if a piece of ivory got into Australia and suddenly you couldn't trade any ivory no matter what the year, so certainly they need to be coordinated and complementary. <sup>133</sup>
- 3.92 Complementary legislation would also be required for offences under the national framework. Professor Grant Pink agreed that the existing penalties under the EPBC Act sufficiently recognise that trading internationally in illegal wildlife items is a serious criminal offence and that similar penalties would be required at a domestic level. <sup>134</sup>

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<sup>132</sup> Mr Dempsey, ADO, *Proof Hansard*, 9 July 2018, p. 7.

<sup>133</sup> Mr Dempsey, ADO, *Proof Hansard*, 9 July 2018, p. 8.

<sup>134</sup> Professor Pink, *Proof Hansard*, 9 July 2018, p. 7.