



Australian Government
Department of Agriculture, Fisheries and Forestry

13 November 2008

Dr Kathleen Dermody
Committee Secretary
Senate Foreign Affairs, Defence and Trade Committee
Parliament House
CANBERRA ACT 2600

Dear Dr Dermody

I refer to Dr O'Connell's letter of 15 October 2008 providing a submission from the Department of Agriculture, Fisheries and Forestry (DAFF) to the Senate Standing Committee on Foreign Affairs, Defence and Trade Inquiry into the economic and security challenges facing Papua New Guinea and the island states of the southwest Pacific.

DAFF would like to provide a supplementary submission to articulate clearly the Australian Government's illegal logging initiative. The submission replaces the first three paragraphs of section 5.5 *Forestry* under the heading Illegal logging on page 14 of the submission. Please contact me on 6272 2306 if you have any queries.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Ross', written over a horizontal line.

Paul Ross
General Manager
Bilateral Trade (Americas, South East Asia,
Subcontinent, New Zealand and the Pacific)
Trade and Market Access Division

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Department of Agriculture, Fisheries and Forestry supplementary submission to the Senate Standing Committee on Foreign Affairs, Defence and Trade Inquiry into the economic and security challenges facing Papua New Guinea and the island states of the southwest Pacific

The following text replaces the first three paragraphs in Section 5.5 *Forestry* on page 14 of DAFF's submission of 15 October 2008

Illegal logging

As part of its 2007 election commitments, the Australian Government committed to work with regional governments and industry to reduce illegal logging and to encourage the sourcing of forest products from sustainable forest practices. The government, through DAFF, is developing an illegal logging policy to:

- (i) build capacity within regional governments to prevent illegal harvesting;
- (ii) develop and support certification schemes for timber and timber products sold in Australia;
- (iii) identify illegally logged timber and restrict its import into Australia;
- (iv) require disclosure at point of sale of species, country of origin and any certification; and
- (v) argue that market-based incentives aimed at reducing emissions from deforestation and forest degradation should be included in a future international climate change agreement.

DAFF is progressing the first four of these commitments. Piloting global carbon market incentives (election commitment (v) above) is being progressed through government programs administered by the Department of Climate Change, supported by DAFF.

Regional capacity building to improve the governance and sustainable forest management framework in developing countries is being delivered through the Asia-Pacific Forestry Skills and Capacity Building Program. Further support is provided through Australia's overseas development assistance programs administered by AusAID. Support for the development of certification systems will be delivered by working with regional governments, industry and certifying organisations, with the aim to extend certification domestically and in the region.

Implementing the trade restrictions and product disclosure elements of the policy will require careful consideration and consultation before they can be given effect. The department is working with other agencies, industry and regional governments to identify and develop policy options to meet these commitments, consistent with Australia's trade and foreign policy obligations. To date, significant consultation and preliminary work has been undertaken on identifying possible options for implementing the election commitments.

Increased support to address the problems of illegal logging and promote sustainable forest management in the Asia-Pacific region is also being sought through other intergovernmental forums. Australia, through DAFF as the lead agency, supports the European Union's Forest Law Enforcement, Governance and Trade (FLEGT) process in the region both bilaterally and through multilateral fora. FLEGT has the potential to significantly impact on the forest industries in the Pacific region.