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# **WWF-Australia Statement**

## **The importation of**

## **illegally logged timber into Australia**

**March 2006**

### **Illegal logging is a global problem**

Illegal logging is widespread in many countries however it is a particular problem in developing countries with poor governance or forest law enforcement. Globally, the value of illegally logged timber is estimated to be as much as US\$22.5 billion<sup>i</sup>.

WWF defines "illegal logging" as timber harvested, transported, processed, bought or sold in violation or circumvention of national or sub-national laws<sup>ii</sup>.

Illegal logging deprives rightful owners of a resource, governments of royalties and taxes, and is the cause of severe environmental problems. In some South East Asian, African and Latin American countries, up to 80% of all trees logged are illegally taken.

WWF estimates that about 65% of WWF's Global 200 ecoregions<sup>1</sup> that are forested – or approximately 60 ecoregions - are threatened by illegal logging<sup>iii</sup>.

By its very nature illegal logging is uncontrolled and as a result is, on a worldwide basis, a cause of severe environmental problems including de-forestation and landclearing, water pollution, nutrient loss and biodiversity loss. Illegal logging often targets National Parks and other reserves.

Illegal logging is also opening up previously untouched areas, including the Congo basin and the Amazon, providing access points for illegal bushmeat trade and mining.

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<sup>1</sup> WWF defines an ecoregion as a "large unit of land or water containing a geographically distinct assemblage of species, natural communities, and environmental conditions". WWF has compiled a list of 238 ecoregions of global importance – the Global 200 ecoregions – where WWF's aim is to ensure that the full range of ecosystems are represented within regional conservation and development strategies, so that conservation efforts around the world contribute to a global biodiversity strategy. Of a total of 238 ecoregions, 93 are classified as forests.



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As well as causing deforestation, illegal logging provides an unfair advantage in the marketplace, as illegal timber competes with legally sourced timber products, where producers have met or exceeded regulatory requirements.

## **Australia is a market for illegal timber**

A report commissioned by the Australian Government reveals the extent of illegally logged timber imports into Australia. The Jaakko Poyry report, ***Overview of Illegal Logging<sup>iv</sup>***, estimates that each year about \$450 million of illegally logged timber is imported in Australia, representing about 9% of Australia's timber imports<sup>2</sup>.

The report reveals that imported timber products with the highest suspect of illegal component are wooden furniture (22% of volume valued at \$214 million), miscellaneous products such as doors, flooring and mouldings (14% of volume valued at \$83 million), and wood based panels (11% of volume valued at \$23 million).

Indonesia and Malaysia are major potential sources of illegal timber imports. For example, Indonesia is Australia's largest supplier of doors and mouldings, and third largest supplier of wooden furniture. Australia's largest source of wooden furniture is China, where it is reasonable to assume some of the timber originates from countries in the region where illegal logging is a problem.

## **Action required by the Australian Government, Timber Importers and Businesses to stop the importation and use of Illegal Timber**

WWF is recommending four key actions for the Australian Government, timber importers and Australian business, to stop the importation and use of illegally harvested timber.

### ***1. Australian Government commitment to end the importation of illegally harvested timber***

The Australian Government cannot permit ongoing importation of illegally harvested timber. It is within the authority of the Australian Government to ensure that products imported into Australia are legally procured.

Within 18 months, the Australian Government should require timber importers to provide independently verified documentation that the timber has been legally sourced. The documentation must independently verify the concession or forest from which the timber has been sourced and include a chain of custody system that can trace the timber through the supply chain back to its source.

This approach provides the timber importers with a realistic timeframe for them to implement measures to demonstrate their imports are legal.

### ***2. Australian Government assistance to strengthen forest management in producer countries with problems with illegal logging***

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<sup>2</sup> 2003/2004

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The Australian Government should be taking an active role in assisting countries such as Indonesia, Papua New Guinea, Malaysia and the Solomon Islands, to improve forest management and law enforcement. As a priority, the Australian Government should be ensuring that its development aid related to forest management addresses illegal logging.

Priorities for funding include:

- implementing systems for the verification of legal compliance (including tracking of timber through the supply chain), especially in countries where forest certification will take some time to develop;
- improving transparency and enforcement of existing laws. Where necessary, support the amendment or drafting of new legislation and measures to improve compliance with forest laws;
- providing technical assistance and aid to address the root causes of forest crime (including poverty alleviation); and
- building human resource and institutional capacity to plan and manage the forest estate (protected areas, production forests and community-managed forests).

### ***3. Timber importers to verify legality of imports***

An Australian Government commitment to end importation of illegal logged timber provides the timber importers 18 months to work with their suppliers in the country of origin, to secure independently verified documentation that the timber is legally sourced.

The requirements for demonstrating legality should be:

- an independent auditor's assessment of the timber concession and statement that all on-site regulatory requirements have been met;
- auditor's statement that all royalties, taxes and other payments arising from the harvesting and timber processing have been paid; and
- an audited timber tracking system (or audited chain of custody), to verify that the timber has been tracked from concession through the supply chain.

Systems and certification systems already exist that can verify legality of timber, so it is reasonable to expect the timber importers to work with their suppliers to implement these within 18 months.

For example, the Forest Stewardship Council (FSC) can verify that the timber is legal and from well-managed forests or plantations. As a step towards full FSC certification, the FSC also conducts Controlled Wood assessments that provide assurance that the timber is **not** sourced from forests that are:

- areas where traditional and civil rights are violated;
- uncertified forests where high conservation values are threatened;
- forest areas which have been illegally harvested;



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- natural forest cleared for plantation or other use;
- or genetically modified trees.

The FSC Controlled Wood is an existing measure which if combined with an audited chain of custody, can demonstrate that the timber is legally harvested.

As a matter of priority, Australian timber importers should be requesting that their suppliers implement measures, such as a Controlled Wood assessment, that can verify legality.

#### **4. Australian businesses to develop and implement an environmentally responsible timber and paper purchasing policy**

All Australian businesses can take practical steps to verify that the timber and paper they buy comes from legal and well-managed sources. A responsible timber and paper purchasing policy and action plan will enable Australian businesses to progressively move to using timber and paper that comes from well-managed forests and plantations, and/or from recycled fibre.

A responsible timber and paper purchasing policy and action plan should aim to eliminate as quickly as possible timber and paper from illegal or unsustainable sources, and to progressively increase the proportion of product they source from forests or plantations that are independently certified as well-managed.

WWF is assisting businesses to develop timber and paper purchasing policies. For further information, contact Jana Blair on (03) 9669 1305 or [jblair@wwf.org.au](mailto:jblair@wwf.org.au)

For Further Information:

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<sup>i</sup> Seneca Creek Associates, LLC & Wood Resources International, LLC 2004, "Illegal" Logging and Global Wood Markets: The competitive Impacts on the US Wood Products Industry'

<sup>ii</sup> Illegal Logging and Forest Crime, WWF-International Position Paper, April 2002

<sup>iii</sup> WWF. For the complete list of WWF's Global 200 Ecoregions, go to [http://www.panda.org/about\\_wwf/where\\_we\\_work/ecoregions/ecoregion\\_list/index.cfm](http://www.panda.org/about_wwf/where_we_work/ecoregions/ecoregion_list/index.cfm)

<sup>iv</sup> Overview of Illegal Logging, prepared for the Australian Government, Jaakko Poyry Consulting, September 2005