Australia plans to weaken ban on illegal timber imports
“Australian consumers should not become the unwitting accomplices of forest crime”

Melbourne, October 13, 2017 – The Australian Government on October 5 released a controversial plan to weaken the Illegal Logging Prohibition Act of 2012 (ILPA). If accepted, wood products from overseas certified by the Forest Stewardship Council (FSC) or the Program for Endorsement of Forest Certification (PEFC) would immediately be accepted for import, and be exempt from critical information gathering requirements to prove they were legally harvested.

“The ILPA is already weaker than the international standard set through laws in the United States and Europe”, said Susanne Breitkopf of the Washington-based Environmental Investigation Agency, “and the Australian Government hasn’t even begun yet to fully enforce it. Now Australia proposes to increase loopholes for illegal timber to enter the Australian market. While the rest of the world is moving towards increased traceability in supply chains, Australia shouldn’t move backwards”.

“Voluntary timber certification cannot replace legal compliance. Experience in many countries shows that private certification does not guarantee legality”, said Dr Mark Zirnsak, social justice spokesperson for the Uniting Church in Victoria. “The Australian Parliament must stand firm and reject the provision under which certified products are automatically deemed to comply with the law.”

Both PEFC and FSC have repeatedly proven unable to exclude illegally sourced timber from supply chains. They do not provide transparent traceability and buyers do not need to know the exact origin of a product, which makes these schemes susceptible to fraud. EIA investigators have been offered fraudulently labeled wood on multiple occasions, notably in China. The case of a large Austrian timber processor who has been knowingly buying and processing illegal timber in Romania for many years, while carrying both the FSC and PEFC certifications, illustrates the problems that arise when private certification is considered proof of legality. Both the United States and the European Union have determined that private certification schemes are not sufficient to comply with the law.

In its own “Regulation Impact Statement,” the Australian Government recognizes that “both systems [PEFC and FSC] continue to face challenges in dealing with deliberate fraudulent activity,” and that a deemed-to-comply arrangement for these schemes “moves away from the principle that importers and processors need to understand their supply chains.” However, the Government has ignored these findings in making this new proposal, citing potential cost savings the measure would generate for the industry.
“The Government’s report itself concedes that the potential 4.2 million in savings might be overstated,” said Breitkopf. “In any case, any such savings would be dwarfed by the estimated AUD 800 million annual illegal timber imports into Australia. Australia consumers should not become the unwitting accomplices of forest crime.” Illegal logging has been ranked the world’s third largest transnational crime after counterfeiting and drug trafficking, generating estimated criminal proceeds between AUD 65 billion and AUD 196 billion.

Earlier this year, 60 organisations from across the globe called on the Australian Government not to water down the regulations and to keep existing requirements in place.

“Laws in importing countries can significantly reduce trade in illegal timber, but they depend on consistency, implementation, and enforcement by governments to improve sourcing practices of the private sector,” said Melissa Blue Sky of the Center for International Environmental Law. “The proposal on certification sends the wrong signals to the international market.”

In its press release, the government also announced it would clarify the current due diligence requirements by obliging companies to carry out risk assessments that “must be ‘reasonable’ and supported by evidence,” a move that could strengthen due care efforts and was welcomed by the Environmental Investigation Agency, Uniting Church in Victoria, and the Center for International Environmental Law. Australia is scheduled to finally begin full enforcement of the ILPA in January 2018.

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