



Australian Government

Department of Agriculture,  
Fisheries and Forestry

# Australia's illegal logging legislation:

*Existing laws and proposed reforms*

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Department of Agriculture, Fisheries and Forestry



# Illegal Logging Impacts

## In Australia:

- Cases of high-value Australian timber illegally logged
- Estimates of up to 10% of annual timber imports may be illegally logged:
  - Total imports valued at US\$3.5 billion in 2020-21
  - Therefore ~US\$350 million of imports may be illegally logged
- Trade in illegal imports reduces price of legal timber on Australian market by 7-16%



# Australian Prohibition Laws

## Laws aim to:

- Reduce environmental, economic & social impacts of illegal logging
- Promote legal trade & strengthen Australia's reputation as supplier of legal & sustainable timber
- Protect Australian market from negative impacts of illegally logged timber
- Facilitate market access for Australian timber exports

## Laws apply to:

- Imported timber products and Australian grown raw logs
- 20,000 importers and 300-400 domestic processors
- US\$5.3 billion in regulated trade each year across 1-2 million product lines





# Legal Requirements

## **Our laws establish:**

- Prohibition on importation / processing of illegally logged timber
- Requirements on importers and processors to undertake a risk assessment or 'due diligence' on potential illegality

## **Regulated entities must:**

- Gather information on the regulated timber / product & supplier
- Assess & determine risk of illegality before import / processing
- Mitigate risk if deemed greater than 'low'
- Provide information to administrators (government) if requested within 28 days



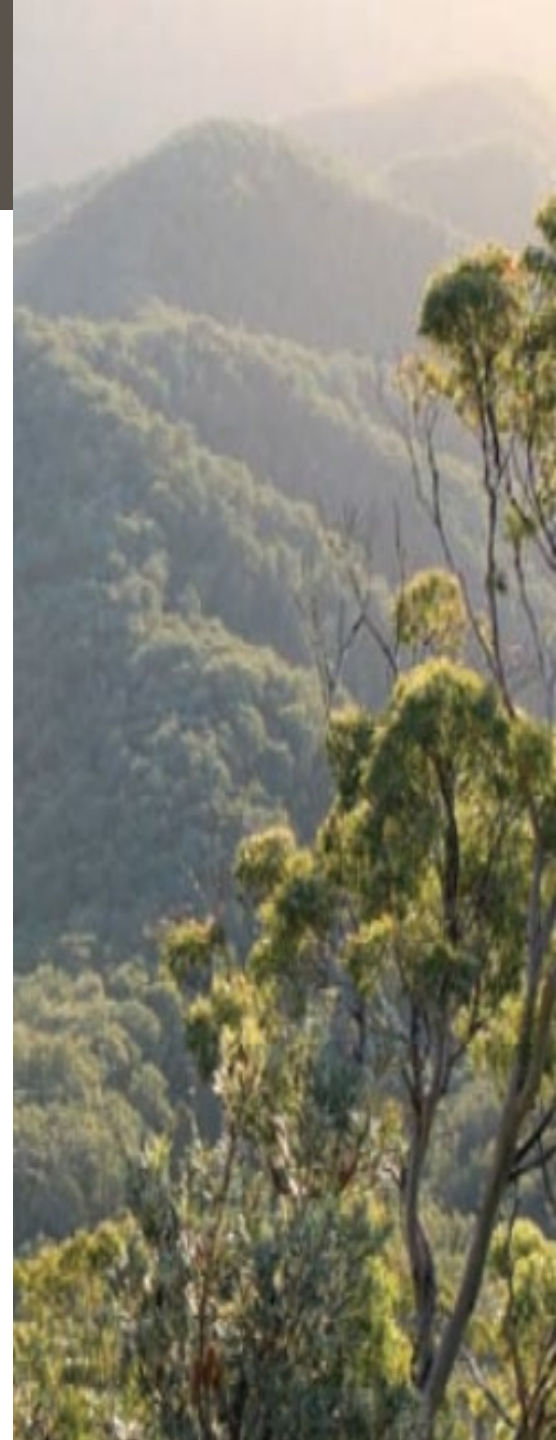
# Domestic Challenges Experienced

## **Compliance & enforcement:**

- Hard to establish that timber was both illegally logged & knowingly imported / processed
- Limited mechanisms to obtain, analyse & verify risk assessments on broad scales
- Hard to reach smaller businesses / entities & maintain knowledge of obligations
- Risk-based approach to compliance assessments

## **Increased activity recently:**

- Recent campaign to target due-diligence non-compliance
  - 18 compliance assessments completed in 2022, 11 more still in progress
  - 15 entities have been referred for investigation



# Opportunities to Improve

## ‘Sunsetting’ review:

- Laws scheduled to automatically cease or ‘sunset’ on 1 April 2023
- Review performed to determine if still fit-for-purpose before being remade
- Public consulted on potential changes to strengthen laws, streamline regulation & reduce compliance costs
- Seeking to extend sunseting date by 2 years (to 1 April 2025) to provide enough time to implement proposed reforms



# Opportunities to Improve

## Reforms considered:

- Require entities to provide key information (species, provenance, DD findings) before imports arrive (i.e. Lacey Act declarations), so we can intervene earlier
- Add injunctions & enforceable undertakings to provide more flexible enforcement options for regulators & stakeholders
- Reduce regulatory burden where duplication exists or risks are low through changing thresholds or broadening exemptions
- Enable officers to seize, sample & detain timber to check legality claims of regulated products using **timber testing technologies**
- Add further products to regulated list (musical instruments, printed articles)
- Better defining 'illegal logging' & 'processing' to further clarify when laws apply





# Progress to Date

## International engagement:

- Consulted with international experts when developing proposed reforms, including:
  - Scientists in Europe on timber testing technologies
  - International NGOs
  - Foreign government officials including Germany, UK, US & NZ
- Continued engagement in APEC's EGILAT
  - Useful insight into what works and does not work for other countries
  - Presents opportunities for engagement on illegal logging with industry and key allies
  - Cooperation with the US & other trading partners across Asia Pacific
- Australia's laws will soon benefit from these collective experiences





# Progress to Date

## Public consultation:

- Invited feedback from the public & targeted engagement at those with close interest in the laws

 **20**  
written submissions

 **30**  
survey submissions

 **53**  
webinar attendees

### Who participated:



industry  
representatives/  
associations



timber  
importers



customs  
brokers



non-government  
organisations



other  
interested  
parties



foreign  
governments

### Timeline



**Consultation paper  
and summary  
released for feedback**

6 July 2021



**Webinar on the Illegal  
Logging Sunsetting  
Review**

31 August 2021



**Survey on  
consultation paper  
closed**

30 September 2021

# Feedback Received

## Key messages:

- Broad support for most proposed legislative reforms
- Details available here:  
[haveyoursay.agriculture.gov.au/illegal-logging-sunseting-review](https://haveyoursay.agriculture.gov.au/illegal-logging-sunseting-review)
- Focus on Timber ID testing & gathering more information before importation (similar to Lacey Act declarations)
- Support to broaden enforcement options by adding injunctions & enforceable undertakings
- Preference for purpose-built system to collect import information, importers to enter this – not brokers
- Support to reduce requirements for repeated imports of identical product line (i.e. check that nothing has changed), but not for infrequent importers
- Need more targeted consultation around adding further products
- Clarity on application of laws welcomed through improved definitions



# Work Ahead

## Upcoming work on the laws:

- Seek new government's decision on regulatory reform options (Regulation Impact Statement)
- Develop legislation for introduction into Parliament in 2023
  - Undertake significant reworking of provisions & penalties to improve enforceability
- Support work to trial timber testing technologies & scope IT platform options
- Conclude legislative reforms well ahead of Sunsetting date of 1 April 2025
  - In interim, give effect to revised State-Specific Guidelines after updates finalised recently
- Consider findings from ongoing contracted studies into effects of current laws on trade





# Timber Testing Technologies

## Proposed use will:

- Help government & industry manage compliance by verifying claims of timber species & origin
- Support education & outreach with regulated community
- Promote legal trade

## Potential methods:

- **For species / genus ID**
  - Wood anatomy analysis
  - Mass spectrometry
- **For origin**
  - Stable isotope testing
  - Trace element analysis
- **For both species ID & origin**
  - DNA/ genetic analysis



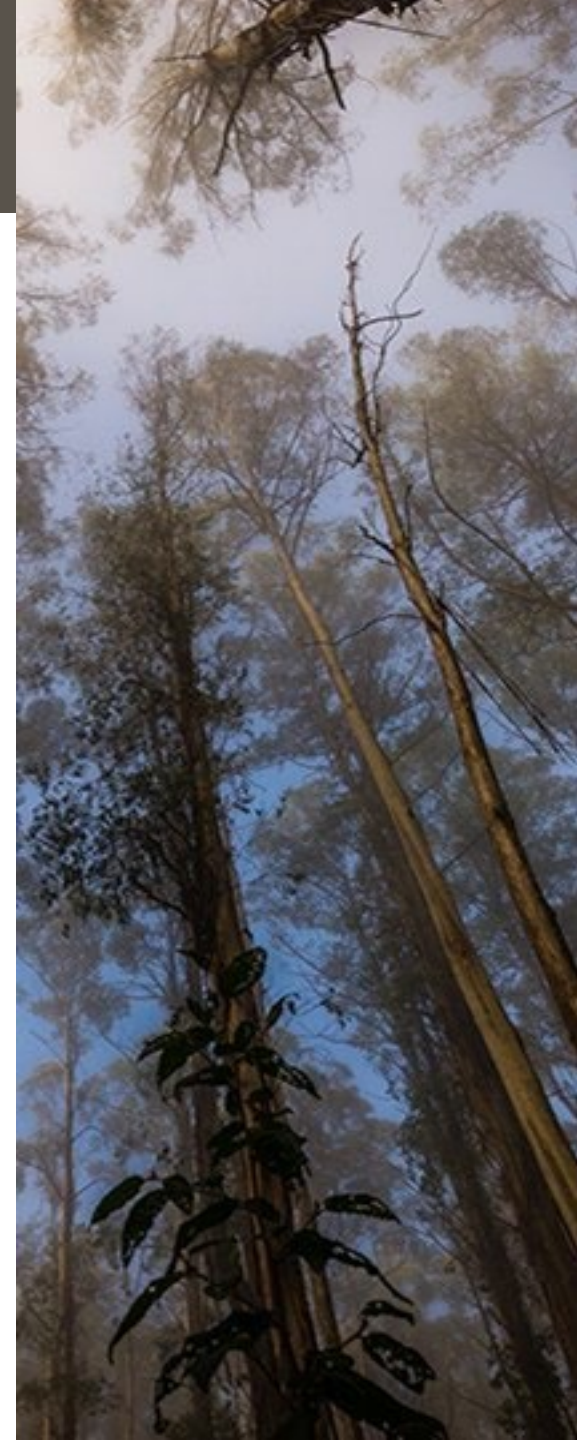
# Timber Identification Trials

## Previous trials:

- Revealed that up to 40% of timber purchased from retailers in Australia was misrepresented, through DNA testing
- Suggests there are systematic issues that could be addressed by introducing new technologies at the border

## Next steps:

- Future work will consider
  - More trials using timber ID technologies
  - Best ways to implement various methods available
  - Resourcing & training requirements
- Future work to build on studies underway into Australian market's exposure to illegally logged timber & impacts on industry



# Timber Identification Trials

## Further trials will aim to:

- Investigate available timber ID methods to:
  - Assist tracking & tracing illegally logged timber
  - Expose misrepresented timber in the Australian market
- Build capacity of private sector to use technologies
- Develop competency of government officers to:
  - Sampling timber
  - Produce training materials & resources
  - Map processes for future use
- Identify costs & complexities of implementing a comprehensive timber testing scheme in Australia





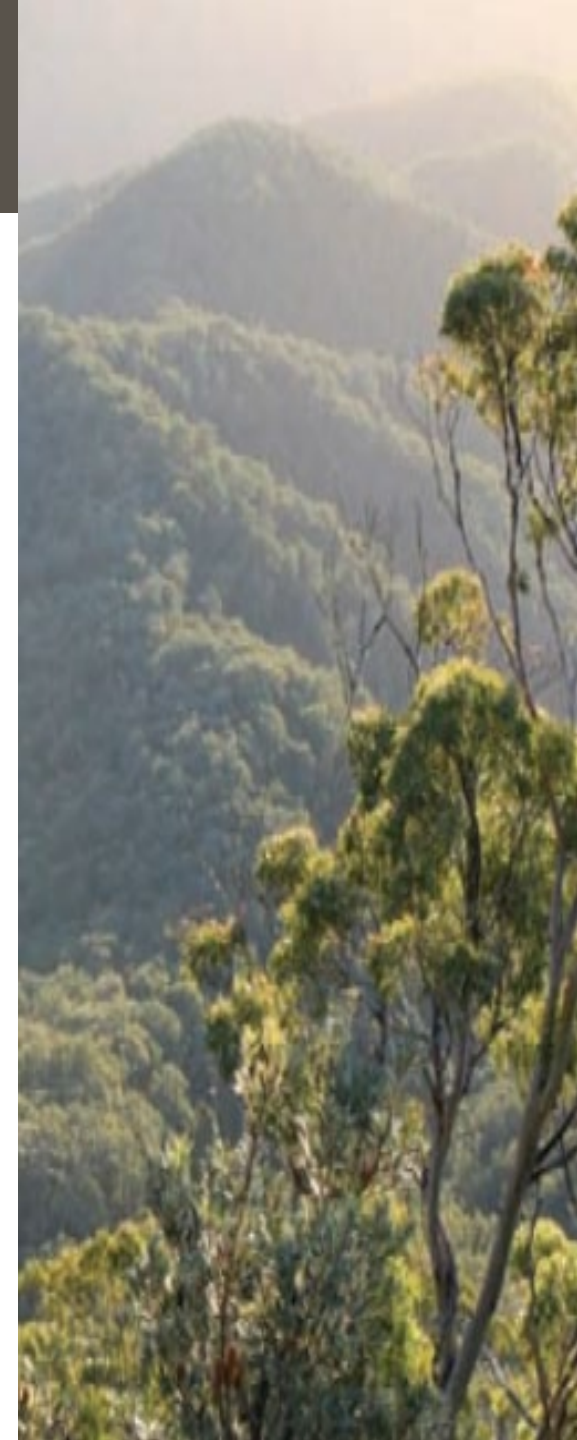
# Long Term Vision – Technology

## Reference databases:

- Essential to implement proposed timber testing compliance activities
- Trials will support existing Australian timber ID labs to expand databases & cover high-risk species
- Intention for datasets created to be available to international databases (World Forest ID), & accessible by global compliance and scientific communities
  - Building global map of timber samples to provide chemical, genetic & anatomical signature for reference
  - Data to be used by prosecutors around the world

## Laboratories

- Will be supported to gain accreditation & better support prosecutions
- Expect that industry will fund their own voluntary timber testing
- Anticipate Australian labs will evolve to be highly-developed and accessible as has occurred in the EU, UK and US



# Long Term Vision – Regulation

## Reduced regulatory burden:

- Successful timber testing scheme in Australia could lead to further reforms involving a lighter-touch regulatory pathway
  - Involve government working with industry to develop a 'tick of approval' for businesses that can demonstrate product origin & sustainability
- Businesses conducting own testing could benefit from reduced regulatory pathway
- Timber testing could also significantly reduce regulatory burden of typical 'paper trail' due diligence process





**Australian Government**

**Department of Agriculture,  
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**Thank you**



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