



Uniting Church in Australia
SYNOD OF VICTORIA AND TASMANIA

Justice and International Mission Unit
130 Little Collins Street
Melbourne Victoria 3000
Telephone: (03) 9251 5271
Facsimile: (03) 9251 5241
jim@victas.uca.org.au

Justice and International Mission Unit Synod of Victoria and Tasmania, Uniting Church in Australia

Submission to Proposed new policy on illegally logged timber, Issues Paper May 2009

The Justice and International Mission Unit, Synod of Victoria and Tasmania, Uniting Church in Australia (the Unit) welcomes this opportunity to make a written submission to the *Proposed new policy on illegally logged timber, Issues Paper* in addition to the interview conducted around the issues paper.

The Uniting Church's position on Illegal Logging and Corruption

The Unit welcomed the Government's commitment in the lead up to the last Federal election that it would ban the importation and sale of illegally logged timber into Australia. The Synod of Victoria and Tasmania also supports such a policy outcome from three perspectives:

- That the policy will strengthen global efforts to stop local impoverished communities from having their forest resources taken illegally from them, and thus losing the resource without any compensation;
- That the policy will contribute to more sustainable management of global forest resources, noting that deforestation currently contributes in the order of 20% of greenhouse gas emissions globally; and
- That the policy is consistent with Australia's obligations under international treaties to assist in the global efforts to eliminate corruption.

In 2004, as part of a broad resolution on forestry, the annual meeting of representatives of the Synod of Victoria and Tasmania resolved:

(v) *To call on the Australian Government to:*

- *Work with other governments in the Asia-Pacific region (especially those of Indonesia, Papua New Guinea and Malaysia) to end illegal logging activities;*
- *only allow the importation of certified timber and wood products, certified under internationally recognised schemes such as that of the Forest Stewardship Council or the Pan-European Forestry Council;*

The Justice and International Mission Unit believes there is a need to combat corruption, which is a factor in efforts to eradicate poverty globally. The Uniting Church in Australia at its Inaugural Assembly in 1977 stated that in response to the Christian gospel:

We pledge ourselves to seek the corrections of injustices wherever they occur. We will work for the eradication of poverty and racism in our society and beyond.

The 2007 annual meeting of representatives of the Synod of Victoria and Tasmania passed a resolution acknowledging "*there is a need to address corruption within developing countries to work towards the eradication of poverty*" and "*some wealthy countries continue to maintain*

laws and practices that foster, reward and allow them to benefit from corruption in developing countries". The resolution commended the Australian Government for the steps it had taken to combat corruption globally and urged that a number of further measures be taken. It also lamented that church members had been the beneficiaries of corruption in developing countries largely through the purchase of goods at lower prices due to corruption being involved in their production.

In March 2008, the Justice and International Mission Unit published a report on global corruption, *From Corruption to Good Governance*, which outlined Australia's performance in tackling corruption and what further actions could be taken. The report was endorsed by TEAR Australia, the Christian World Service of the National Council of Churches in Australia and Transparency International Australia.

The Unit would prefer a ban on the sale of all timber and wood products that have not been sustainably logged. However, the Unit realises that from a scientific perspective there is no clear definition of 'sustainable' forest management at this point in time. Defining sustainability is complicated by the need to balance conflicting social, environmental and economic demands. Thus, defining sustainable forest management performance thresholds would not just be a technical matter, but a social and political matter as well.

Thus, the Unit accepts that measures to ban illegally logged timber and wood products from being imported and sold into Australia is a more achievable outcome. Such a ban would need to include any timber and wood products that fit the definition of being produced from illegally logged timber in Australia, too.

In considering a ban on the sale and importation of products made with illegally logged timber, the Unit believes there is a moral and values dimension. Simply, Australia should be seeking to combat corruption and not be accepting products that are the proceeds of crime. This is different to the amoral approach that argues that Australia should not act to stem corruption in logging globally (and therefore embrace the proceeds of crime entering the Australian market) until it can be sure that the actions it takes will have a practical impact. The argument the Unit supports is that Australia should not participate in corruption, even if other countries fail to live up the same standard.

The Unit strongly supports a black letter law approach to the banning of the sale and importation of timber and wood products that have been produced from timber that has been illegally logged, whether the illegal logging has occurred in Australia or overseas. The Unit's preferred model is for a certification process with independent auditing that guarantees chain of custody to ensure the timber used was not illegally logged and corruption was not involved in the logging process. Independent auditing and regular sampling by accredited auditors are vital to have an effective scheme to detect illegal logging, given the ability to obtain forged authorisation documents or to pay bribes to get the legitimate documentation.¹

The legislation should outline the penalties for importing or selling timber or wood products that do not meet the required level of certification, with regulation being used to specify the required standard for certification schemes that would represent acceptable standards.

This submission will not attempt to address all the questions in the Issues Paper, but rather those where it has had some experience or knowledge.

¹ Saskia Ozinga and Leontein Krul (2004), 'Footprints in the forest: Current practice and future challenges in forest certification', FERN, UK, pp. 34-35.

What issues are raised by policies that try to affect behaviour in other countries and are predicated on compliance with other countries' laws?

The issue raised by policies that try to affect the behaviour in other countries and that are predicated on compliance with other countries' law is how effective the policy can be. There are plenty of examples where such policies have been effective, as will be outlined in more detail in response to other questions in the Issues Paper. Such policies are more effective when they are pursued multilaterally. However, for multilateral action to develop often some countries need to take a lead and then seek to bring other countries along.

In this case, the Unit strongly supports Australia having an effective ban in place on the sale of timber and wood products that can not be reasonably certified as not being illegally logged. However, this should not be the only action the Australian Government should be taking to address illegal logging. It should continue and enhance the efforts it is already making to assist other countries to address illegal logging and undertake sustainable logging. Addressing illegal logging should be part of Australia's efforts to combat corruption globally.

Currently, on the issue of tax havens, Australia has pursued a policy of developing tax information exchange treaties with countries that act as tax havens as a bilateral measure, while at the same time working with the OECD for a more comprehensive approach to pressuring countries acting as tax havens to end their role in assisting with tax evasion, money laundering and being channels for the financing of terrorism and other transnational criminal activities. This work has been slow, but is starting to have an impact with a number of tax haven countries agreeing to become compliant with OECD standards for banking transparency and taxation.

Global efforts to address the problems created by anti-personnel landmines saw the development of an international treaty in 1997, the Ottawa Convention. Countries like Australia took a lead and signed the treaty and introduced legislation to make it illegal for Australians to manufacture, stockpile, export or use anti-personnel landmines, despite the fact that Australia was a very minor manufacturer and user of anti-personnel landmines. The main problem with anti-personnel landmines was with countries that refused to sign the treaty, such as the US, China, Russia, Pakistan, and India. These countries remain outside of the treaty today. However, over time the treaty has gained growing support, with 156 countries now States Parties. The result has been to, over time, create a global norm in which it is unacceptable to manufacture, export and use anti-personnel landmines and this has dramatically impacted on the behaviour of countries that continue to be outside the treaty. Today there is virtually no trade in anti-personnel landmines by any country and the number of countries that maintain a capacity to manufacture anti-personnel landmines has decreased from 50 in 1997 to 13 in 2009. Of those that maintain a capacity to manufacture anti-personnel mines, a number have not done so for years, including the US and China. There is virtually no use of anti-personnel landmines anywhere in the world, except by non-state actor groups. The positive impact has been that the number of casualties from landmines and unexploded ordnance has decreased from an estimated 26,000 per year in 1997 to under 15,000 in 2008.

On the issue of addressing the importation and sale of timber and wood products produced with the involvement of illegal logging, the Unit notes that Australia would not be acting unilaterally, with the US having implemented strong legislation to tackle the issue and the European Union also taking legislative action.

How effective is such a policy approach likely to be?

As demonstrated by the success of the Ottawa Convention in reducing the trade and use of anti-personnel landmines, over time such a policy approach can be effective and may be necessary if the desired multilateral outcome is to be achieved.

The World Bank has assessed that “Strong alignment of public procurement policies – in countries such as the United Kingdom, Denmark and Japan – with legally sourced timber is also a key step in addressing the problem.”²

It sends a perverse message if on the one hand Australia argues for multilateral action to address illegal logging and corruption associated with the activity, while on the other hand refusing to put in place domestic measures that would prevent those involved in illegal logging and corruption gaining an advantage in the Australian market by being able to sell their products at a lower price due to the corruption involved in the production of the product.

Are these estimates [of levels of illegal logging] credible?

In 2006 the World Bank estimated the market value of global annual losses from illegal cutting of forests in public lands at over US\$10 billion. This equates to more than eight times the total official development assistance flows for the sustainable management of forests.³

The Unit believes the estimates quoted by the World Bank to be credible due to comparative figures in other publications.⁴

How important is the issue of ‘transshipment’ of illegal timber and the export of illegally sourced products from third countries in the global timber supply chain?

The issue of transshipment of illegal timber needs to be effectively addressed in the final policy. If it is not adequately addressed then it will open a loophole in the policy through which it will be possible to launder illegally logged timber through transshipment. The problem points to the need to seek adequate chain of custody requirements within the final implementation of the policy.

What is the extent and nature of illegal logging occurring in Australia?

It is difficult to estimate the extent of illegal logging in Australia although the Unit would concur with the view expressed in the discussion paper that “some illegal logging occurs in all countries” depending on how illegality is defined and monitored. The Institute of Criminology found there was “currently no evidence of systematic illegal logging in Australia”.⁵

The Unit is of the view that illegal logging in Australia that results in logs being taken that should not legally be taken or that involve corruption in breach of Australia’s obligations under the UN Convention Against Corruption is limited. Therefore a general and non-discriminatory ban on timber and wood products that have been produced illegally from being sold in the Australian market, as would be required by WTO rules, would be possible without

² The World Bank Group, “Combating Illegal Logging and Corruption in the Forestry Sector”, Environment Matters, 2006, p. 13.

³ The World Bank Group, “Combating Illegal Logging and Corruption in the Forestry Sector”, Environment Matters, 2006, p. 12.

⁴ Jaakoo Poyry Consulting, 2005. Overview of Illegal Logging. Prepared for the Australian Government Department of Agriculture, Fisheries and Forestry, September; Schloenhardt, Andreas (2008) ‘The Illegal trade in timber and timber products in the Asia-pacific region’ Research and Public Policy Series No 89. Australian Institute of Criminology; Seneca Creek Associates, LLC and Wood Resources International, LLC 2004, “*Illegal Logging and Global Wood Markets: The Competitive Impacts on the U.S. Wood Products Industry*”, prepared for the American Forest and Paper Association, November, Maryland, US; and Tacconi L., Obidzinski K., Agung F. 2004. Learning Lessons to Promote Certification and Control Illegal Logging in Indonesia, Report for the WWF/TNC Alliance to Promote Forest Certification and Combat Illegal Logging in Indonesia, Centre for International Forestry Research.

⁵ Andreas Schloenhardt, *The illegal trade in timber and timber products in the Asia–Pacific region*, Australian Institute of Criminology, p.79

any noticeable impact on domestically produced timber and wood products. This view is based on the previous research undertaken by the Australian Institute of Criminology that concluded that:⁶

No figures are available that identify the levels of illegal or suspicious timber consumed in Australia. Earlier analysis in this study suggests that illegal timber is more frequently found in imported timber than in timber that has been produced in Australia.

Assumptions underlying the policy rationale would appear to be:

- **Forestry laws are difficult to enforce in many countries, but, were they better enforced, there is a greater probability of better forest practices being achieved—this assumes in turn that:**
 - **Forestry laws in source countries adequately reflect the collective will of the population of the country,**
 - **Forestry laws are based on good forest management practices, aimed at balancing social, economic and environmental benefits of forestry,**
 - **Forestry laws vary between countries depending on the weightings they attach to economic, environmental and social objectives, and**
 - **Legal forestry may cause less environmental, social and economic damage than illegal logging – that is, legal logging is good, illegal logging is bad;**
- **Australia can act unilaterally and bilaterally to help other countries enforce their own laws – at least some countries acknowledge they are not enforcing their laws well now and want to help to enforce them better;**
- **Capacity building alone will not be enough to ensure enforcement, so restriction of imports is needed to provide additional incentive to reduce illegal logging;**
- **‘Illegal’ and ‘legality’ can be defined and monitored in a practical sense;**
- **Restricting imports will change behaviour in source countries and will be effective in reducing output of illegal logs and damaging forestry practices – it will not simply lead to diversion of trade between and among countries;**
- **Although a small importer, Australia can be effective by acting unilaterally in influencing direct action by producer and consumer countries;**
- **Australia can unilaterally restrict imports in a World Trade Organisation (WTO) consistent manner and can impose the same restrictions on domestic illegal logging as on imports; and**
- **The environmental, social and economic benefits that Australian residents will derive from reducing (to some extent) illegal logging in other countries will exceed the costs to Australian consumers of sourcing more expensive timber from legal sources and the costs of compliance and enforcement.**

Which assumptions underlying the policy rationale need closest scrutiny?

It will be necessary to assume that forestry laws within a country reflect the will of the sovereign government of that country. It would therefore be difficult for Australia to be highly specific about what constitutes adequate forestry law in other countries for the purposes of a regulatory ban on the importation and sale of illegally logged timber. However, at the same time there should be minimum criteria that apply in relation to internationally accepted norms. For example, the policy may regard imported timber as being illegal if it has been sourced through the payment of bribes to foreign public officials, even if such bribes were not criminalised in the country of origin. This would be consistent with the international norm set by the *UN Convention Against Corruption*. Or if the timber in question was harvested in breach of the *Convention on International Trade in Endangered Species (CITES)*, the

⁶ Andreas Schloenhardt, *The illegal trade in timber and timber products in the Asia–Pacific region*, Australian Institute of Criminology, p. 119-123.

Australian law should ban its importation and sale, regardless of the legality of the logging in the country of origin.

There are many examples of where Australia and other countries have acted unilaterally and bilaterally to help other countries enforce their own laws, some of which are outlined in other parts of this submission. The *Mutual Assistance in Criminal Matters Act 1987* is an example of legislation by which Australia assists other countries to enforce their own laws. In combination with the *Proceeds of Crime Act 2002*, it allows the Australian Government to:⁷

- register and enforce foreign proceeds of crime orders, including foreign forfeiture orders and foreign restraining orders;
- locate, restrain and seize the proceeds of crime; and
- allow funds recovered to be shared with a foreign country, which means the funds stolen through corruption can be returned in full to the country they have come from.

Acting unilaterally and bilaterally on addressing illegal logging should be strongly backed up by action at the multilateral level as well.

The Unit agrees with the World Bank that “Strong alignment of public procurement policies – in countries such as the United Kingdom, Denmark and Japan – with legally sourced timber is also a key step in addressing the problem.”⁸

It is possible to define both ‘legality’ and ‘illegality’ for the purposes of illegal logging, as outlined in suggestions given below in response to other questions.

Australia can unilaterally impose an import restriction on timber and wood products produced through illegal logging in a way that is consistent with WTO rules, as GATT part XX allows for:

Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail, or a disguised restriction on international trade, nothing in this Agreement shall be construed to prevent the adoption or enforcement of any contracting party of measures:

... (b) necessary to protect human, animal or plant life or health;

... (g) relating to the conservation of exhaustible natural resources if such measures are made effective in conjunction with restrictions on domestic production or consumption;

The 2001 WTO case of *United States – Import Prohibition of Certain Shrimp and Shrimp Products, Recourse to Article 21.5 by Malaysia*, AB-2001-4 ruled that the US shrimp importation restrictions in order to protect sea turtle species listed under the *Convention on International Trade in Endangered Species* were justified under Article XX, subject to certain requirements, including that the US continued to seek a negotiated solution to protect sea turtles.

It is possible for Australia to justify a ban on timber and wood products produced through illegally logged timber being sold on the Australian market through the desire to comply with its international obligations with treaties such as the *UN Convention Against Corruption* and *CITES*, provided the ban is implemented in a non-discriminatory way and Australia continues with its multilateral efforts to address illegal logging.

⁷ Australian Government Attorney-General’s Department, ‘A better mutual assistance system. A review of Australia’s mutual assistance law and practice’, <http://www.ag.gov.au/extraditionandma>, 2006, p. 19.

⁸ The World Bank Group, “Combating Illegal Logging and Corruption in the Forestry Sector”, Environment Matters, 2006, p. 13.

The Unit notes that Senator Faulkner stated on behalf of the Government in response to a question on notice in Parliament on 17 June 2008 that:

WTO rules do not preclude restrictions on imports of illegally logged timber. Such restrictions are permitted, for example, if they are implemented for the conservation of exhaustible natural resources in conjunction with restrictions on domestic production or consumption, or are necessary to protect human, animal or plant life or health.

Are there other assumptions underlying the policy rationale?

The policy rationale should also be about Australia meeting its international obligations on assisting in the fight against corruption. Australia is a State Party to the *UN Convention Against Corruption* (UNCAC). Action to prohibit the sale of timber and wood products that have been produced with the involvement of corruption would be compliant with a number of Articles of UNCAC. Explicitly Article 5 states:

1. *Each State Party shall, in accordance with the fundamental principles of its legal system, develop and implement or maintain effective, coordinated anti-corruption policies that promote the participation of society and reflect the principles of the rule of law, proper management of public affairs and public property, integrity, transparency and accountability.*
2. *Each State Party shall endeavour to establish and promote effective practices aimed at the prevention of corruption.*
3. *Each State Party shall endeavour to periodically evaluate relevant legal instruments and administrative measures with a view to determining their adequacy to prevent and fight corruption.*
4. *States Parties shall, as appropriate and in accordance with the fundamental principles of their legal system, collaborate with each other and with relevant international and regional organizations in promoting and developing the measures referred to in this article. That collaboration may include participation in international programmes and projects aimed at the prevention of corruption.*

Article 12 states:

1. *Each State Party shall take measures, in accordance with the fundamental principles of its domestic law, to prevent corruption involving the private sector, enhance accounting and auditing standards in the private sector and, where appropriate, provide effective, proportionate and dissuasive civil, administrative or criminal penalties for failure to comply with such measures.*

Article 23 addresses the laundering of the proceeds of crime. It can be reasonably argued that much of the illegal logging that takes place is a criminal activity and that the sale of timber and wood products from such criminal sources amounts to the laundering of proceeds of crime. In fact Article 2 of UNCAC defines "Proceeds of Crime" as "any property derived from or obtained, directly or indirectly, through the commission of an offence". This certainly makes most illegally logged timber "proceeds of crime". Article 23 states:

1. *Each State Party shall adopt, in accordance with fundamental principles of its domestic law, such legislative and other measures as may be necessary to establish as criminal offences, when committed intentionally*
 - (a) (i) *The conversion or transfer of property, knowing that such property is the proceeds of crime, for the purpose of concealing or disguising the illicit origin of the property or of helping any person who is involved in the commission of the predicate offence to evade the legal consequences of his or her action;*
 - (ii) *The concealment or disguise of the true nature, source, location, disposition, movement or ownership of or rights with respect to property, knowing that such property is the proceeds of crime;*
 - (b) *Subject to the basic concepts of its legal system:*
 - (i) *The acquisition, possession or use of property, knowing, at the time of receipt, that such property is the proceeds of crime;*

(ii) Participation in, association with or conspiracy to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the offences established in accordance with this article.

2. For purposes of implementing or applying paragraph 1 of this article:

(a) Each State Party shall seek to apply paragraph 1 of this article to the widest range of predicate offences;

(b) Each State Party shall include as predicate offences at a minimum a comprehensive range of criminal offences established in accordance with this Convention;

(c) For the purposes of subparagraph (b) above, predicate offences shall include offences committed both within and outside the jurisdiction of the State Party in question. However, offences committed outside the jurisdiction of a State Party shall constitute predicate offences only when the relevant conduct is a criminal offence under the domestic law of the State where it is committed and would be a criminal offence under the domestic law of the State Party implementing or applying this article had it been committed there;

(d) Each State Party shall furnish copies of its laws that give effect to this article and of any subsequent changes to such laws or a description thereof to the Secretary-General of the United Nations;

(e) If required by fundamental principles of the domestic law of a State Party, it may be provided that the offences set forth in paragraph 1 of this article do not apply to the persons who committed the predicate offence.

Article 31 of the Convention requires that States Parties take legal steps to confiscate the proceeds of crime and to identify and trace the proceeds of crime, stating:

1. Each State Party shall take, to the greatest extent possible within its domestic legal system, such measures as may be necessary to enable confiscation of:

(a) Proceeds of crime derived from offences established in accordance with this Convention or property the value of which corresponds to that of such proceeds;

(b) Property, equipment or other instrumentalities used in or destined for use in offences established in accordance with this Convention.

2. Each State Party shall take such measures as may be necessary to enable the identification, tracing, freezing or seizure of any item referred to in paragraph 1 of this article for the purpose of eventual confiscation.

3. Each State Party shall adopt, in accordance with its domestic law, such legislative and other measures as may be necessary to regulate the administration by the competent authorities of frozen, seized or confiscated property covered in paragraphs 1 and 2 of this article.

4. If such proceeds of crime have been transformed or converted, in part or in full, into other property, such property shall be liable to the measures referred to in this article instead of the proceeds.

5. If such proceeds of crime have been intermingled with property acquired from legitimate sources, such property shall, without prejudice to any powers relating to freezing or seizure, be liable to confiscation up to the assessed value of the intermingled proceeds.

6. Income or other benefits derived from such proceeds of crime, from property into which such proceeds of crime have been transformed or converted or from property with which such proceeds of crime have been intermingled shall also be liable to the measures referred to in this article, in the same manner and to the same extent as proceeds of crime.

7. For the purpose of this article and article 55 of this Convention, each State Party shall empower its courts or other competent authorities to order that bank, financial or commercial records be made available or seized. A State Party shall not decline to act under the provisions of this paragraph on the ground of bank secrecy.

8. States Parties may consider the possibility of requiring that an offender demonstrate the lawful origin of such alleged proceeds of crime or other property liable to confiscation, to the extent that such a requirement is consistent with the fundamental principles of their domestic law and with the nature of judicial and other proceedings.

9. The provisions of this article shall not be so construed as to prejudice the rights of bona fide third parties.

10. Nothing contained in this article shall affect the principle that the measures to which it refers shall be defined and implemented in accordance with and subject to the provisions of the domestic law of a State Party.

Article 43 of UNCAC requires States Parties to cooperate across borders to prevent corruption and provides a useful clause around mutuality of illegality. It states:

1. States Parties shall cooperate in criminal matters in accordance with articles 44 to 50 of this Convention. Where appropriate and consistent with their domestic legal system, States Parties shall consider assisting each other in investigations of and proceedings in civil and administrative matters relating to corruption.

2. In matters of international cooperation, whenever dual criminality is considered a requirement, it shall be deemed fulfilled irrespective of whether the laws of the requested State Party place the offence within the same category of offence or denominate the offence by the same terminology as the requesting State Party, if the conduct underlying the offence for which assistance is sought is a criminal offence under the laws of both States Parties.

Thus, 'illegality' for determining illegally logged timber could be taken, in part, to be where the laws governing logging in the country of origin create an offence that has the same underlying conduct as would be regarded as an offence under Australian law had the logging operation occurred in Australia.

Article 48 of UNCAC requires States Parties to cooperate across borders in conducting inquiries with respect to offences covered by the Convention concerning "The movement of proceeds of crime or property derived from the commission of such offences."

The World Bank has pointed out that corruption in the forestry sector is evident in the form of bribes, extortion, kick-backs, protection money and the erosion of institutions beyond the sector and across the economy. They estimate that approximately \$5 billion per year is estimated to be lost due to uncollected taxes and royalties on legally sanctioned timber harvests due to corruption.⁹

The World Bank points to the difficulties of addressing corruption in the forestry sector, resulting in illegal logging, within the country of origin:¹⁰

Typically, state forest management agencies are entrusted with managing the conflicting objectives of conserving global assets and generating resource rents. These agencies are underfunded, and their officials work for meagre salaries. But since timber is scarce relative to demand (and harvesting costs are low), the rents from depleting forests remain high, and there are strong incentives to subvert regulations and pay bribes to capture a greater share of the resource. In addition, forestry officials usually operate in remote areas, far from public scrutiny, and with broad discretionary powers. Forest officers may have a great deal of latitude to certify compliance with the law, or collude in illegal acts. The propensity for malfeasance

⁹ The World Bank Group, "Combating Illegal Logging and Corruption in the Forestry Sector", Environment Matters, 2006, p. 12.

¹⁰ The World Bank Group, "Combating Illegal Logging and Corruption in the Forestry Sector", Environment Matters, 2006, pp. 12-13.

and the incentive to accept bribes in these circumstances is clearly high. With limited oversight, abundant rents, and poor incentives, opportunities for corruption abound. Neither production areas nor protected areas are immune from corrupt practices and illegal logging.

These difficulties highlight the need for countries on the demand side to assist in the fight against corruption in the forestry industries.

The above list of assumptions for the policy also exclude a policy setting of assisting countries that are seeking to take effective action to end illegal logging within their own borders. One way this can be done is to reward such countries by putting a penalty on timber and wood products that have been sourced illegally, both from that country and from other countries that have failed to take action on illegal logging. If countries such as Australia fail to place penalties on illegally sourced timber and wood products, such illegally sourced products are likely to enjoy a price competitive advantage over products that have been legally sourced. This undermines incentives for countries to take effective action against illegal logging.

An example of a country that is taking action to end illegal logging, according to the World Bank, is Indonesia. According to the Bank:¹¹

Indonesia's good forest governance initiative is built upon two pillars: transparency and the rule of law. In consultations with civil society, donor agencies and the private sector, the Ministry of Forestry and other relevant institutions have begun, with the support of the World Bank, two parallel, complementary initiatives designed to improve the fundamental pillar of forest governance.

Promoting Transparency

The initiative's goal is to make accurate and up-to-date forest sector information continuously available to decision makers. This includes:

- a) improving the information management process that generates and archives information on Indonesia's forest and timber resources;*
- b) establishing a comprehensive disclosure policy that clearly articulates what information can be publicly disclosed and what is confidential;*
- c) developing effective disclosure mechanisms that allow multiple stakeholders to access accurate and up-to-date information on Indonesia's timber and forest resources; and*
- d) encouraging an improved decision-making process able to use the information.*

Promoting Law Enforcement

The government is implementing and supporting a comprehensive framework of measures, designed in extensive multistakeholder consultations, to prevent, detect and suppress forest crimes and improve law enforcement in Indonesia. This framework includes the following:

- a) support for the establishment of a forest crime case tracking system that will allow multiple stakeholders to monitor and hold the government to account for its law enforcement operations and judicial processes;*
- b) assistance with the implementation of Indonesia's anti-money laundering legislation, as it relates to forest crimes;*
- c) continued support for an interagency forest law enforcement strike force; and*
- d) support for participation by the Indonesian government in the Asia FLEG process.*

¹¹ The World Bank Group, "Combating Illegal Logging and Corruption in the Forestry Sector", Environment Matters, 2006, p. 14.

As a States Party to the *Convention on International Trade in Endangered Species* (CITES) Australia also has obligations to assist in ensuring that the Convention is not breached by the importation of timber and wood products that have been logged in breach of that Convention. Australia's obligations under this treaty are not abrogated by considerations such as, if Australia refuses to accept timber that has been traded in breach of the Convention (by being a species listed in Appendix I of the Convention) it will be traded to another country. For species listed under Appendix I an import permit should only be issued if the specimen is not to be used for primarily commercial purposes and if the import will be for purposes that are not detrimental to the survival of the species. For species listed in Appendix II of the Convention an export permit needs to be issued by the country of origin, and may only be issued where the specimen was legally obtained and if the export will not be detrimental to the survival of the species.

Are the objectives, outcomes, goals and targets appropriately depicted here?

The objectives, outcomes, goals and targets are only partially represented here. The assumption made is that the policy seeks to curb the negative social and economic impacts that illegal logging has on communities in the country of origin and help foster better forestry management in the countries that timber and wood products are sourced from. However, such a policy should also seek to ensure that Australia is not involved in corruption and is not the recipient of proceeds of crime in the form of property that is the result of illegal logging.

Are there examples of where Australia has been effective in helping another country enforce its laws?

This is an extremely broad question. There is a vast array of examples where Australia has been effective in helping other countries enforce their laws.

The most obvious example is the *Mutual Assistance in Criminal Matters Act 1987* and the *Proceeds of Crime Act 2002*. The Attorney General's Department can provide comprehensive data about the use of these pieces of legislation to assist other countries in enforcing their laws.

Australia's system for approval of the export of security equipment, run jointly through the Department of Foreign Affairs and Trade and the Department of Defence, is another example of Australia assisting in helping other countries enforce their laws by prohibiting the export of security equipment that is not consistent with the laws of the recipient country.

Under the *Crimes Act* it is illegal for Australians to be involved in any transaction involving slavery anywhere in the world, assisting other countries in the enforcement of laws against slavery.

In the area of anti-money laundering and counter financing of terrorism (AML/CTF), AUSTRAC has established 49 agreements with international counterparts for the exchange of financial intelligence to assist other governments enforce their laws in these areas.¹² The Australian Government committed \$10 million to be spent between 2004 and 2008 on the South East Asian Counterterrorism Technical Assistance and Training Program with Brunei, Cambodia, Indonesia, Laos, Malaysia, Burma, the Philippines, Singapore, Thailand and Vietnam. Part of the program consists of AUSTRAC providing mentoring, IT advice and training programs to the countries involved in the program to assist them in enforcing their laws on AML/CTF.

Australia has also assisted other governments in enforcing laws against the payment of bribes through the *Criminal Code Amendment (Bribery of Foreign Public Officials) Act 1999*

¹² AUSTRAC media release, 'Australia's financial intelligence network expanded following agreements with the Cayman Islands, Sweden and Japan', <http://www.austrac.gov.au/13jun07.html>

which makes it a criminal offence to bribe a foreign public official, whether the offence occurs inside or outside of Australia. This law is relevant to illegal logging and provides a possible model to build legislation around illegal logging from in terms of the standards it requires. Organisations and individuals can be charged under Australian law on foreign bribery if they have done any of the following:

- Intentionally, knowingly or recklessly committed the offence;
- Expressly, tacitly or implicitly authorised or permitted the payment of a bribe;
- Existed with a corporate culture that directed, encouraged, tolerated or led to non-compliance with the law; and
- Failed to create and maintain a corporate culture that required compliance with the law.

Under Australia's foreign bribery law, individuals can be held criminally responsible for failing to create and maintain a culture that requires compliance with the law. It significantly extends the scope of corporate criminal responsibility beyond the position of common law. Likewise, an offence can be committed without a bribe being actually paid – offering or promising a corrupt benefit (including non-monetary and intangible inducements) in contravention of the law is sufficient. This law also covers bribes paid or offered through intermediaries.¹³

The law against the bribery of foreign public officials is an example of Australia working towards setting a global norm, one in which the payment of bribes is unacceptable. It could be argued that in the absence of multilateral action on bribery, Australia should allow its citizens and companies to pay bribes to foreign public officials so as not to put them at a disadvantage when competing for contracts and business against countries that have failed to criminalise the payment of such bribes. However, in this case, as with dealing with banning products from illegal logging, the immediate effectiveness of a ban on paying bribes to foreign public officials should be a secondary consideration to the work towards creating a global norm in which such bribes should not be paid and in the desire not to be a country that endorses criminal behaviour.

Australia is part of the Kimberley Process banning the importation of conflict diamonds. The Kimberley Process is a joint initiative between governments, industry and civil society. It has put in place the Kimberley Process Certification Scheme that imposes extensive requirements on its members to enable them to certify shipments of rough diamonds as 'conflict free'. As of November 2008 the Kimberley Process had 75 countries participating. The Kimberley Process required that Australia implement legislation to ban the import of rough diamonds that have not been certified under the Kimberley Process Certification Scheme. Diamond experts estimate that conflict diamonds now represent a fraction of one percent of the international trade in diamonds, compared to estimates of up to 15% in the 1990s.

The Kimberley Process has done more than just stem the flow of conflict diamonds, it has also helped stabilise fragile countries and supported their development. As the Kimberley Process has made life harder for the criminals involved in the conflict diamond trade, it has brought large volumes of diamonds onto the legal market that would not otherwise have made it there. This has increased the revenues of a number of governments of impoverished African countries, and helped them to address their countries' development challenges. For example, approximately \$125 million worth of diamonds were legally exported from Sierra Leone in 2006, compared to almost none at the end of the 1990s.

Another area is that of prohibiting child abuse and child exploitation. Under Australian law it is possible to have Australians prosecuted for child sex tourism they undertake in other countries. In March 2005, a Sydney man, Gregory Cook, was imprisoned in Australia for 18

¹³ Gerrie Lenting and Peter Kim, 'Taking corruption seriously', KPMG Forensic Insight, Issue 10, May 2007, pp. 13-14.

months for inappropriately touching a Vietnamese girl in the pool of his hotel in Danang. An Australian tourist was imprisoned after an anonymous report from the people who developed photos he had taken, showing an 8-year-old Thai girl being sexually abused.

The *Customs (Prohibited Imports) Regulations 1956* (Cth) contain some specific rules applicable to certain types of imported goods. In relation to timber, section 4Q of the Regulations prohibits importation of 'round logs and timber products originating in Liberia' unless prior permission has been granted. This provision only relates to so-called 'conflict timber' from Liberia.

The *Environment Protection and Biodiversity Conservation Act 1999* (Cth) already contains provisions for imports involving protected timber species. The Act sets out procedures for the domestic operation of the CITES system, including the requirements for imports of CITES specimens (sections 303CD–303CK, 303FA–303FI). The Act also implements the obligations under the World Heritage Convention and the Biodiversity Convention into domestic law and includes a range of provisions relating to National Heritage places.

The *Environment Protection and Biodiversity Conservation Act 1999* (Cth) contains specific offences relating to importation of protected species; under section 303CD it is an offence to import any of the species listed in the CITES appendixes into Australia unless a permit has been issued for the importation (sections 303CD(2), 303CG, 303CB, 303GC), or the import is otherwise authorised (section 303CD(3)–(6)). The offence carries a penalty of 10 years imprisonment, 1,000 penalty units or both (section 303CD). An additional offence for importation of certain 'regulated live specimen' (which also includes plants, section 303EA) is set out in section 303EK of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth). This offence applies to protected species that are listed in other statutory instruments and are not already covered in the CITES appendixes (section 303EB(5)).

However, there are still gaps in existing legislation for dealing with the importation and sale of illegal timber and wood products. The *Environment Protection and Biodiversity Conservation Act 1999* (Cth) contains no specific offences that outlaw imports of timber and timber products that come from protected areas. The Act does contain general offences in sections 18A and 19A criminalising conduct that 'results or will result in' (section 18A(1)) or 'is likely to have' (section 18A(2)) 'a significant impact on (i) a listed threatened species, or (ii) a listed threatened ecological community'. A further offence for actions causing (and likely to cause) 'significant impact on the world heritage value of a declared World Heritage property' can be found in section 15A of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth). The Act contains no specific offences for forging import permits or for obtaining these permits by way of fraud or bribery. In these instances, liability for the general offences of forging Commonwealth documents and bribing Commonwealth officers under the Criminal Code (Cth) may arise.¹⁴

Are there lessons to be learnt from other Australian attempts to prohibit behaviour that is linked to the breach of laws in other countries?

The Kimberley Process is a good example of what can be achieved in prohibiting behaviour that is linked to the breach of the laws of other countries. However, the Kimberley Process also demonstrates the need for combining unilateral action with multilateral efforts.

What processes are in place to prevent illegal logging in Australia and how effective are they?

Australia is a signatory to the *Convention on International Trade in Endangered Species* (CITES) (ATS 1976, No. 29), the *Convention on Biological Diversity* (ATS 1993, No. 32), the

¹⁴ Andreas Schloenhardt, *The illegal trade in timber and timber products in the Asia–Pacific region*, Australian Institute of Criminology, p. 119-123.

World Heritage Convention (ATS 1975, No. 47), and the *Apia Convention on Conservation of Nature in the South Pacific* (ATS 1990, No. 41).

The *Environment Protection and Biodiversity Conservation Act 1999* (Cth) consolidates relevant legislative provisions and implements obligations under these international treaties into domestic law.

The *Regional Forest Agreements Act 2002* gives effect to the National Forest Policy Statement 1992 and the Commonwealth's obligations under the ten Regional Forest Agreements in Australia.

The purposes of the *Environment Protection and Biodiversity Conservation Act 1999* are:

- (a) to provide for the protection of the environment, especially those aspects of the environment that are matters of national environmental significance; and
- (b) to promote ecologically sustainable development through the conservation and ecologically sustainable use of natural resources; and
- (c) to promote the conservation of biodiversity; and
- (ca) to provide for the protection and conservation of heritage; and
- (e) to assist in the co-operative implementation of Australia's international environmental responsibilities; (section 3).

The Act identifies a range of 'principles of ecologically sustainable development' (section 3A), and sets out the mechanisms for protection of World Heritage and National Heritage (sections 12–15C and 313–341ZH), including requirements for environmental approval.

Furthermore, the Act contains extensive provisions on the conservation of biodiversity and heritage including specific sections on identifying and monitoring biodiversity (sections 171–175), the listing of threatened species and ecological communities (sections 178–194), and for the domestic operation of CITES (sections 303B–303GY).

For the most part, Australia's six states and two territories regulate and administer forest resources. Each jurisdiction has introduced comprehensive legislation to protect specified areas, administer logging concessions and criminalise relevant activities associated with illegal logging.

In summary, Australia's policy of protecting domestic forests is characterised by a strong desire to conserve domestic timber resources and to limit the harvest volume at state, territory and federal levels. Although timber plantations have been set up throughout the country, domestic timber production and processing capacity remains unmatched to the level of demand, thus warranting significant import volumes.

Offences and enforcement

Australian federal criminal law contains an extensive range of criminal offences to prohibit logging of protected species, logging in protected areas and other unauthorised logging.

Offences relevant to protection of domestic timber resources in Australia are set out in the *Environment Protection and Biodiversity Conservation Act 1999*. These include:

- offences against World Heritage property (section 15A);
- offences against listed threatened species and threatened ecological communities (section 18A);
- offences for taking and trading listed threatened species or communities (sections 196B–196E);
- failure to notify the taking of listed threatened species or listed ecological communities (section 199); and
- damaging a critical habitat (section 207B).

The *Environment Protection and Biodiversity Conservation Act 1999* also features extensive provisions dealing with enforcement of the Act. Relevant measures are set out in Part 17 of the Act and include powers to issue search warrants (sections 413–428), make arrests of persons suspected to engage in offences under the Act (sections 430–431), and seize and forfeit specimens and other goods (sections 444A–456). The federal Department of Agriculture, Forestry and Fisheries (DAFF) enforces the Act in cooperation with the Australian Federal Police and the Australian Customs Service. Additional offences and enforcement mechanisms relating to state and territorial powers are contained in the relevant Acts.¹⁵

If Australia restricts imports of illegal timber, will this cause trading partners to retaliate with restrictions on Australian exports?

Were trading partners to retaliate with restrictions on Australian exports, Australia would be able to seek redress through the WTO, acting as a significant deterrent to any country seeking to impose discriminatory retaliatory action.

How should legal or ‘legality’ be defined in relation to the harvesting of timber?

Legal timber should be defined as that which would be legally permitted to be logged and in which there has not been any corruption involved that would breach the requirements of the *UN Conventions Against Corruption*.

The Australian Institute of Criminology presents a useful breakdown in terms of defining the components of illegal logging, in terms of the logging of timber that should not have been legally logged:¹⁶

- *Logging of protected or endangered species*
- *Logging in protected areas (deemed to be protected for cultural or biodiversity reasons)*
- *Excessive logging – in excess of the allowed quota*
- *Logging without permit or with a fake permit*
- *Illegally obtaining of logging permits*
- *Damaging trees eg. ringbarking so that they can be felled legally*

Should a broad concept of legality be used that incorporates adherence to the laws that are not unique to forestry, such as labour laws?

The policy at this time should be narrowly focused on illegal activities that breach the UNCAC on matters of corruption and proceeds of crime and those illegal activities that result in unsustainable logging and/or local communities and governments in the country of origin being cheated out of the benefits of the resource. Such benefits may include those that are derived if the forest was not logged (because it was legally protected), or where a government or community is cheated out of taxes and royalties that would otherwise be due to them from the logging of the forest.

While the Justice and International Mission Unit believes that there is a need for multilateral action to address breaches of labour laws, the Unit does not believe it is practical at this time to include such things as breaches of labour law in the definition of illegally logged timber and wood products. The Unit accepts that the inclusion of breaches of labour laws in a definition of illegally logged timber at this time would be discriminatory, as there are vast amounts of imports that come into Australia that have been produced through gross breaches of labour laws in the countries of origin and no action is taken to address such

¹⁵ Andreas Schloenhardt, *The illegal trade in timber and timber products in the Asia–Pacific region*, Australian Institute of Criminology, p. 119-123.

¹⁶ Andreas Schloenhardt, *The illegal trade in timber and timber products in the Asia–Pacific region*, Australian Institute of Criminology, pp.47-49

illegal acts. However, as the paying of bribes in the production of the timber should be included in the definition of 'illegality', this should include any bribes paid to public officials in the country of origin to ignore breaches of local labour laws where such bribery has been detected.

To what extent can 'legality' be used as a proxy for good forestry practice?

'Legality' is not a proxy for good forestry practice in all cases. However, the net outcome of an effective ban on the sale of products produced from illegally logged timber is likely to encourage good forestry practice in more places than it will result in perverse outcomes. At the same time, a policy that only allowed for the importation and sale of timber and wood products produced from sustainably logged timber would be more effective in promoting good forestry practice, but would be more difficult to implement.

However, the Unit does acknowledge reports that indicate that in some places the laws can favour large commercial logging operations, while criminalising logging by customary land owners. For example, the UK-Indonesia Memorandum of Understanding on legality standards has been criticised as "legitimising the status quo or even reinforcing exclusion of customary land owners and small-scale producers, and concentrating the legal trade in the hands of existing industry cartels."¹⁷

Should the policy target all so-called 'illegally' logged timber or only that confirmed as truly damaging?

The policy should target any timber or wood product that has not been through a certification process that ensures there has not been any corruption involved that would breach the requirements of the UN *Conventions Against Corruption*.

It should also ensure that the logging has not involved:

- Logging of protected or endangered species;
- Logging in protected areas (deemed to be protected for cultural or biodiversity reasons);
- Excessive logging – in excess of the allowed quota;
- Logging without permit or with a fake permit;
- Illegally obtaining of logging permits; or
- Damaging trees eg. ringbarking so that they can be felled legally.

What advantages/ disadvantages would there be to Australia developing a 'black letter law' approach?

The Unit strongly supports a black letter law approach to the banning of the sale and importation of timber and wood products that have been produced from timber that has been illegally logged, whether the illegal logging has occurred in Australia or overseas. The Unit's preferred model is for a certification process with independent auditing that guarantees chain of custody to ensure the timber used was not illegally logged and corruption was not involved in the logging process. Independent auditing and regular sampling by accredited auditors are vital to have an effective scheme to detect illegal logging, given the ability to obtain forged authorisation documents or to pay bribes to get the legitimate documentation.¹⁸

The legislation should outline the penalties for importing or selling timber or wood products that do not meet the required level of certification, with regulation being used to specify the required standard for certification schemes that would represent acceptable standards.

¹⁷ Adrian Wells (2006), 'The legal basis for verification systems – standard setting for legal compliance', Verifor.

¹⁸ Saskia Ozinga and Leontein Krul (2004), 'Footprints in the forest: Current practice and future challenges in forest certification', FERN, UK, pp. 34-35.

What advantages/ disadvantages would there be to Australia developing a due diligence based approach to illegal logging similar to the EU?

It is the Unit's understanding that the EU Parliament has moved towards adopting rules that require all operators in the timber supply chain to prove the legality of their timber. Illegal timber suppliers will be required to pay penalties that reflect the degree of environmental and economic damage.¹⁹ The financial penalties will be set by member states and must represent "at least five times the value of the timber products obtained by committing a serious infringement" The penalties will increase in the event of repeat infringements. Where there is an infringement, authorities should take corrective measures, such as "the immediate cessation of commercial activities" and "the seizure of timber and timber products". The "due diligence system" only applies to operators placing the timber in the market for the first time, since they are considered to have the biggest influence and responsibility. All operators will need to provide basic information about the source of the products, their country and forest of origin. They will also have to identify the operator who has supplied the timber and to whom it has been supplied, through a traceability system. Member States shall ensure that two years after the entry into force of the Regulation all timber and timber products places and made available on the market are labelled with this information.

It is the Unit's understanding that a proposal for exemption for products covered by mandatory sustainability criteria, such as timber biomass, was rejected.

The EU should adopt the new regulations by the end of the year, subject to approval by EU Agriculture Ministers.

Should Australia develop a different approach?

In addition to making the importation and sale of illegally logged timber and wood products an offence, where an importer has failed to take reasonable steps to ensure the legality of the product in question, the Australian Government should allow the governments in the country of origin to be able to take civil action in Australian courts. This would allow them to pursue payment of compensation and damages for the offences committed in the production of the timber or wood product. This should be permitted in cases where it can be established the importer was actively involved in the commission of the offences or was negligent in taking steps to ensure the offences in question were not committed in the production of the timber or wood product. This would be consistent with Australia's obligations under Article 53 of UNCAC. Allowing for such civil cases would provide further incentive for importers to ensure that they have taken reasonable steps to ensure the legality of the timber or wood product they have imported.

Can Australia operate effectively on a unilateral basis?

The Unit believes that Australia should ban the importation and sale of timber and wood products produced with the involvement of illegal logging and notes that it will not be acting unilaterally in any case. Both the US and EU are already acting on the issue, as noted in the issues paper. For example, the EU has reached an agreement with the Republic of Congo to halt illegal timber imports and label wood that is harvested with methods that keep tropical forests intact. The Republic of Congo sends approximately half of its US\$330 million worth of timber exports to the EU.²⁰

Australia should also seek multilateral engagement with supplier countries and other importer countries, but such multilateral action should be in addition to the unilateral action to ban the importation and sale of timber and wood products produced with illegally logged timber.

¹⁹ European Parliament Report on the proposal for a Council decision on the conclusion on behalf of the European Community of the International Tropical Timber Agreement, 2006, A6-0313/2008.

²⁰ The Australian Financial Review, 'Timber deal for Congo', 11 May 2009.

Which products should Australia target?

It is the understanding of the Justice and International Mission Unit that importation of timber and timber products from illicit sources is particularly high for wooden furniture.²¹ Estimates suggest that in 2003–04 approximately 22% or A\$162m of all wooden furniture imported into Australia came from an illicit source. High percentages of imported plywood (19%), veneer (16%), other wood-based panels (11%), tissue paper (11%), and miscellaneous imports such as doors and mouldings (14%) also come from illicit sources, while levels of illegal imports are lower for sawn timber (4%), printing and writing paper (4%), and packaging (1%).²²

Should compliance be checked at point of sale or customs point?

It would seem easier to confirm compliance with the legislation at the customs point for imports than point of sale, as this is likely to involve a lower number of places where compliance will need to be checked. However, an equivalent point for checking compliance will need to be put in place for domestically logged timber to ensure that the policy is non-discriminatory.

What sort of penalties would need to be established to discourage illegal imports?

There needs to be a range of penalties to ensure compliance, depending on the seriousness of the breach. For example, deliberate participation in corruption involved with illegal logging should incur strong criminal sanctions including heavy fines and imprisonment for those involved. At the other end, a non-intentional administrative breach might be met with a small fine.

Which countries are of major interest for Australia to work with?

The limited research available largely attributes a high percentage of suspicious products to imports from Indonesia, especially in the case of wooden furniture and hardwood plywood imports.²³

Imported tissue paper also frequently comes from Indonesia and potentially includes timber from illicit sources.²⁴ Products classified here as ‘miscellaneous’ involve a range of items including doors, mouldings, parquetry and engineered flooring panels, carpenters’ pieces, and cork and cooperage for the wine industry. Most of these products are of high value and frequently based on rare tropical timber species, especially ramin. Until ramin was listed in the CITES Appendix, it was the major import for mouldings and handles in Australia. While trade in ramin has decreased considerably, illegal imports from Indonesia in the form of, for example, mouldings remain of great concern.²⁵

Additionally some paper products are imported into Australia from Indonesia, which is seen as the main source of potentially illegal supplies.²⁶ The majority of paper products, in particular in the form of printing and writing paper, is imported into Australia from Finland

²¹ Jaakoo Poyry Consulting, 2005. Overview of Illegal Logging. Prepared for the Australian Government Department of Agriculture, Fisheries and Forestry, September, p. 18.

²² Jaakoo Poyry Consulting, 2005. Overview of Illegal Logging. Prepared for the Australian Government Department of Agriculture, Fisheries and Forestry, September, pp. 6-12.

²³ Jaakoo Poyry Consulting, 2005. Overview of Illegal Logging. Prepared for the Australian Government Department of Agriculture, Fisheries and Forestry, September, p. 7.

²⁴ Jaakoo Poyry Consulting, 2005. Overview of Illegal Logging. Prepared for the Australian Government Department of Agriculture, Fisheries and Forestry, September, p. 10.

²⁵ Jaakoo Poyry Consulting, 2005. Overview of Illegal Logging. Prepared for the Australian Government Department of Agriculture, Fisheries and Forestry, September, p. 10.

²⁶ Jaakoo Poyry Consulting, 2005. Overview of Illegal Logging. Prepared for the Australian Government Department of Agriculture, Fisheries and Forestry, September, p. 9.

using logs of Russian origin. While logging in Finland is tightly controlled, imports from Russia into Finland can frequently involve logs from illicit sources.²⁷

Softwood from illegal sources in Russia and China may also be used to manufacture packaging products imported into Australia. These products are made largely from recycled paper and some softwood pulp. Tropical hardwoods are generally not used in the production, which reduces the likelihood that imports from illicit sources are involved. Small volumes of tissue paper are imported into Australia from Taiwan and, depending on the source, may have illegally sourced logs in the feedstock. Malaysia is seen as a potential source of illicit imports of mouldings and handles.²⁸

Dr Mark Zirnsak
Director
Justice and International Mission Unit
Synod of Victoria and Tasmania
Uniting Church in Australia
Phone: (03) 9251 5265
E-mail: mark.zirnsak@victas.uca.org.au

²⁷ Jaakoo Poyry Consulting, 2005. Overview of Illegal Logging. Prepared for the Australian Government Department of Agriculture, Fisheries and Forestry, September, pp. 9, 65-70.

²⁸ Jaakoo Poyry Consulting, 2005. Overview of Illegal Logging. Prepared for the Australian Government Department of Agriculture, Fisheries and Forestry, September, p. 10.