

MEMBERS' BULLETIN

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Welcome

This *Members' Bulletin* focuses specifically on just announced amendments to the *Illegal Logging Prohibition Regulation 2012*, and the related decision to end the existing 'soft-start' compliance period.

Background

In Melbourne on 5 October 2017, the Assistant Minister for Agriculture and Water Resources Senator Anne Ruston announced that the Government is moving to progress amendments to the *Illegal Logging Prohibition Regulation 2012*. She said the amendments will streamline and simplify arrangements for those businesses and individuals importing or processing timber products certified under the Forest Stewardship Council (FSC) and Program for the Endorsement of Forest Certification (PEFC) schemes, reducing regulatory costs by more than \$4 million a year.

Senator Ruston also announced that the Department of Agriculture and Water Resources will move to end the existing 'soft start' compliance approach where the focus has been on educating businesses and individuals of their obligations under the illegal logging legislation.

"We will continue to support businesses and individuals in understanding the requirements of the illegal logging laws, but the time has come to get serious about applying penalties to those found to be not complying with their obligations," she said.

From 1 January 2018, any businesses and individuals that fail to comply with their due diligence obligations under the *Illegal Logging Prohibition Regulation 2012* may face prosecution and significant financial penalties.

ATIF general manager John Halkett said providing importers of timber products with a more streamlined pathway for regulated timber product imports that were covered by either PEFC



or FSC was an improvement to the current regulation. “Providing a ‘green pathway’ for well-credentialed, third party verified PEPC and FSC certified timber products is a sensible move that will provide for some business efficiencies,” he said.

Proposed amendments

These are the proposed amendments to the existing regulation:

1. Establish a new '**Deemed to comply**' arrangement for products certified under the FSC and PEFC schemes. This will streamline the due diligence requirements for importers or processors dealing with such products.
2. Associated with this reform remove Forest Law, Enforcement, Governance and Trade (FLEGT) licenses from the Regulation's scope. FLEGT licences are only issued for products exported directly from certain countries to the European Union.
3. Clarify that **personal or non-commercial importers and processors** do not need to provide business related information as part of their due diligence system. This will resolve some of the difficulties such parties have had in complying with the Regulation's requirements.
4. Clarify that any **conclusions of risk** must be 'reasonable' and supported by evidence gathered as part of the due diligence process.

End of ‘soft start’ compliance period

In association with the intended amendments to the regulation the Government is now moving to end the existing 'soft-start' compliance period. From 1 January 2018, businesses and individuals who import regulated timber products into Australia, or who process domestically grown raw logs, may face penalties for breaches of the due diligence requirements.

Further information

Questions about the proposed amendments and the end to the soft start can be directed to the Department of Agriculture and Water Resources via the Illegal Logging Hotline: 1800 657 313 or via the email: illegallogging@agriculture.gov.au

ATIF will also be providing further information to members in due course.