



AFA Timber Due Diligence Toolkit

*A Guidance Manual for furnishing businesses who
import timber products to comply with
the Illegal Logging Prohibition Act 2012
and
the Illegal Logging Prohibition Regulation 2012*

This Manual can be used by any business importing, supplying and distributing regulated timber products

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This guidance document has been prepared to assist Australasian Furnishing Association (AFA) Members and the broader furnishing industry to understand, implement and comply with the requirements of the *Illegal Logging Prohibition Act 2012 and the Illegal Logging Prohibition Regulation 2012*. It does not constitute legal advice. Timber product importers may elect to seek their own legal advice in relation to the legislation and related matters.

We would like to acknowledge previous contributions to timber industry guidance documents that have been relied on in part to create this document. Special thanks go to contributions by FWPA, TDA, ATIF, Responsible Wood, the Customs Brokers and Forwarders Council of Australia Inc. and the Department of Agriculture and Water Resources.

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Glossary

Consignment value threshold	The exemption provided to importers by section 6(1)(c) of the Illegal Logging Prohibition Regulation 2012. Currently provided when the value of the regulated timber products in an imported consignment is worth less than A\$1,000.
Complex timber products	A timber product that has multiple components and/or comes from indirect supply chains
Country Specific Guideline (CSG)	A document negotiated with key trading partners that assists importers to better understand the legal frameworks in that country and how they can minimise the risk of importing illegal timber products from that country.
Domestic processor	An entity that processes domestically grown raw logs into another form. Is defined further under section 15(1) of the <i>Illegal Logging Prohibition Act 2012</i> .
Due diligence	In the context of Australia's illegal logging laws, the structured process of assessing and managing the risk that a timber product includes, or is derived from, illegally logged timber.
Illegal logging	Defined in the <i>Illegal Logging Prohibition Act 2012</i> as timber that has been 'harvested in contravention of laws in force in the place (whether or not in Australia) where the timber was harvested'.
Importer	A business or individual who imports regulated timber products into Australia.
Regulated timber product	A timber product that is regulated under Australia's illegal logging laws. For timber imports, this is defined by their customs tariff code as set out in Schedule 1 to the Regulation. This includes most timber and wood-based products, such as sawn timber, pulp, paper, veneer, mouldings, wood panels, flooring, medium-density fibreboard, particle board, plywood and furnishing.
Regulated Risk Factors	Factors identified in the Regulation that are indicators of illegality and must be considered to undertake an informed risk assessment process. Refer to section 13 for importers and section 22 of the Regulation for processors.
State Specific Guideline	A document negotiated with Australian state governments that assists domestic processors to better understand the legal frameworks in that jurisdiction and how they can minimise the risk of dealing with illegal timber products from that jurisdiction.
Timber legality framework	An independent third-party certification scheme, or licence, that is listed in Schedule 2 of the Regulation.
Timber products	For the purposes of this document, includes all timber and wood-based products.

Introduction

The AFA has prepared this guidance document to assist timber furnishing, furnishing, cabinetry and components importers, manufacturers and distributors to understand and prepare the information necessary to meet the requirements of the *Illegal Logging Prohibition Act 2012* (the Act) and the *Illegal Logging Prohibition Regulation 2012* (the Regulation).

This document is intended to be used to provide explanatory information to the user to help them form an understanding of the legislation and how they may be affected, what they are required to do and, in conjunction with the AFA Due Diligence Template, how they can meet the requirements of the legislation. The documents are for guidance and users should seek additional advice if they are unsure of information contained in these documents.

Processors of domestically grown raw logs, as well as importers, of wooden furnishing, furnishing, cabinetry and components are potentially affected by the Regulation and the Act which we shall refer to as the legislation. If you have any questions email your [ENQUIRY HERE](#) or call the AFA's Head Office on +61 3 86914244

For details of the Act and the Regulation refer to the links below:

The Act at: <https://www.legislation.gov.au/Series/C2012A00166>

The Regulation at: <https://www.legislation.gov.au/Series/F2012L02404>

Efforts to combat illegal logging

Illegal logging is a significant problem in many countries and has wide-reaching **environmental, economic and social impacts**.

Illegal logging degrades forest environments, reduces biodiversity and undermines government regimes and revenues. Illegal logging also contributes to greenhouse gas emissions and deprives communities of opportunities to improve their quality of life.

The [European Union](#) and the [United States](#), two of the largest markets for timber products in the world, have implemented regulations relating to illegally logged timber. Similarly, Australia has strengthened the illegal logging laws and made it tougher for those involved in illegal activity.

The trade in illegal timber disadvantages legitimate Australian businesses by undercutting market prices and threatening local investment, profitability and jobs. The reality is that illegally harvested timber generally means that there have been shortcuts taken somewhere in the harvesting process. The timber may have been stolen from its rightful owner or harvested from a region where there is a prohibition because of the environmental vulnerability of the timber species or the environment in that region.

The furnishing sector

The furnishing sector may be vulnerable to the use of illegally harvested timber due to the greater reliance on products that are imported from regions where illegal harvesting is a potential issue.

The complexity of furnishing products and the supply chains of inputs presents unique risks for furnishing importers to manage. It is therefore key that furnishing importers have a robust due diligence system in place.

Prior to the implementation of the Act and Regulation, the Australian Government acknowledged reports that estimated that approximately 10% of timber and wood-based product imports into Australia came from sources with high risk of being illegally logged. The estimated annual worldwide value of illegal logging is up to USD\$150 billion, representing 30% of the global timber trade.

By buying and importing non-compliant timber products such as furniture, furnishing, cabinetry and components with 'no questions asked', consumer countries are unwittingly giving financial incentives to those committing forest crimes.

As a responsible member of the global community and a producer of timber products, it is in our interest to promote the trade of products containing legally compliant logged timber.

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1. Background to the Illegal Logging Legislation

The following briefly summarises aspects of Australia's illegal logging legislation.

1.1 Illegal logging

Illegal logging is the equivalent of stealing logs. It is felling trees and extracting logs from a forest or plantation without the requisite approvals under the relevant laws of the country in which the forest or plantation in question is located.

Laws that relate to the mandatory approvals required for the harvesting of logs must be adhered to. Violation of the laws that explicitly prohibit the felling of trees from particular areas of forest, such as national parks and nature reserves, is illegal.

The relevant laws relate to tree felling, log removal and transport, payment of royalties and charges, and other matters, for defined and identifiable forest or plantations.

1.2 Illegal logging legislation

The *Illegal Logging Prohibition Act 2012* (the Act) legislation came into effect in November 2012. The *Illegal Logging Prohibition Regulation 2012* (the Regulation), which sets out the operational details, took effect from 30 November 2014.

The purpose of the legislation is to reduce the risk of products containing timber from illegal logging entering the Australian market. The Department of Agriculture and Water Resources has the responsibility for administration of the illegal logging legislation. This role includes assessment of compliance of affected businesses.

It is an offence under the legislation to import timber and products containing illegally logged timber into Australia, or to process domestically grown raw logs that have been illegally logged. It is also an offence to not carry out and document Due Diligence on **regulated timber product imports and the processing of domestically grown raw logs**.

The Regulation sets out the requirements for importing regulated timber products and the requirements for the processing of domestically grown raw logs. These requirements primarily relate to the Due Diligence process to be undertaken.

Put simply, Due Diligence is doing your homework to ensure that there is a low risk that the timber products you are importing, or processing, has, come from illegal sources. The Regulation provides the framework for carrying out the Due Diligence process.

There are very limited exemptions to the Regulation and importers and manufacturers need to be aware that the Regulation includes a broad range of wood-derived materials, including particleboard, MDF and plywood. All of which are materials often included in furnishing, furnishing, cabinetry, components and other fitted furnishing products.

1.3 Responsibility for legality assurance with importer or processor

All entities (including individuals) who import regulated timber products are required to undertake due diligence unless the item is exempt.

Processors of domestically grown raw logs are also required to undertake due diligence.

Those further along the supply chain – merchants, manufacturers, builders, wholesalers, distributors or retailers – are not directly regulated by the laws.

If you are unsure whether you or your business are affected by the regulation you should seek further advice. Contact the AFA with your enquiry and you will be directed to the appropriate specialists. email your [ENQUIRY HERE](#) or call our Head Office on +61 3 8691 4244.

1.4 Regulated Timber Products - applies to importers of Regulated Timber Products

It should be noted that the Act applies to all timber and timber containing products making it illegal to import products containing illegally logged timber. The distinction is that the Due Diligence requirement only applies to regulated timber products.

Regulated timber products are specified in the Regulation and described by their 4-digit or greater tariff code. Schedule 1 to the Regulation specifies all the imported timber products that are subject to the Due Diligence requirements of the Regulation, using the harmonised tariff code system. Examples of codes that may affect the furnishing industry are shown below.

1.4.1 Regulated Timber Products relevant to the furnishing industry

- (1) The following timber products are prescribed:
 - a) if the number for an item in column 1 of the table is a 4-digit number—all of the timber products listed under that heading in Schedule 3 to the *Customs Tariff Act 1995*, as in force from time to time;
 - b) if the number for an item in column 1 of the table is longer than a 4-digit number—the timber products listed under that heading or subheading in Schedule 3 to the *Customs Tariff Act 1995*, as in force from time to time.
 - c) A reference to a timber product has the meaning that the timber product has in the *Customs Tariff Act 1995*, as in force from time to time.

Regulated Timber Products

Item	Heading or Subheading	Description
1	4403	WOOD IN THE ROUGH, WHETHER OR NOT STRIPPED OF BARK OR SAPWOOD, OR ROUGHLY SQUARED
2	4407	WOOD SAWN OR CHIPPED LENGTHWISE, SLICED OR PEELED, WHETHER OR NOT PLANED, SANDED OR END-JOINTED, OF A THICKNESS EXCEEDING 6 mm
3	4408	SHEETS FOR VENEERING (INCLUDING THOSE OBTAINED BY SLICING LAMINATED WOOD), FOR PLYWOOD OR FOR SIMILAR LAMINATED WOOD AND OTHER WOOD, SAWN LENGTHWISE, SLICED OR PEELED, WHETHER OR NOT PLANED, SANDED, SPLICED OR END-JOINTED, OF A THICKNESS NOT EXCEEDING 6 mm
4	4409.10.00	WOOD (INCLUDING STRIPS AND FRIEZES FOR PARQUET FLOORING, NOT ASSEMBLED) CONTINUOUSLY SHAPED (TONGUED, GROOVED, REBATED, CHAMFERED, V-JOINTED, BEADED, MOULDED, ROUNDED OR THE LIKE) ALONG ANY OF ITS EDGES, ENDS OR FACES, WHETHER OR NOT PLANED, SANDED OR END-JOINTED: -Coniferous
4A	4409.22.00	WOOD (INCLUDING STRIPS AND FRIEZES FOR PARQUET FLOORING, NOT ASSEMBLED) CONTINUOUSLY SHAPED (TONGUED, GROOVED, REBATED, CHAMFERED, V-JOINTED, BEADED, MOULDED, ROUNDED OR THE LIKE) ALONG ANY OF ITS EDGES, ENDS OR FACES, WHETHER OR NOT PLANED, SANDED OR END-JOINTED: -Of tropical wood
5	4409.29.00	WOOD (INCLUDING STRIPS AND FRIEZES FOR PARQUET FLOORING, NOT ASSEMBLED) CONTINUOUSLY SHAPED (TONGUED, GROOVED, REBATED, CHAMFERED, V-JOINTED, BEADED, MOULDED, ROUNDED OR THE LIKE) ALONG ANY OF ITS EDGES, ENDS OR FACES, WHETHER OR NOT PLANED, SANDED OR END-JOINTED: -Non-coniferous—Other.
6	4410	PARTICLE BOARD, ORIENTED STRAND BOARD (OSB) AND SIMILAR BOARD (FOR EXAMPLE, WAFERBOARD) OF WOOD OR OTHER LIGNEOUS MATERIALS, WHETHER OR NOT AGGLOMERATED WITH RESINS OR OTHER ORGANIC BINDING SUBSTANCES
7	4411	FIBREBOARD OF WOOD OR OTHER LIGNEOUS MATERIALS, WHETHER OR NOT BONDED WITH RESINS OR OTHER ORGANIC SUBSTANCES
8	4412	PLYWOOD, VENEERED PANELS AND SIMILAR LAMINATED WOOD
9	4413.00.00	DENSIFIED WOOD, IN BLOCKS, PLATES, STRIPS OR PROFILE SHAPES
10	4414.00.00	PLYWOOD, VENEERED PANELS AND SIMILAR LAMINATED WOOD
11	4416.00.00	DENSIFIED WOOD, IN BLOCKS, PLATES, STRIPS OR PROFILE SHAPES

12	4418	BUILDERS' JOINERY AND CARPENTRY OF WOOD, INCLUDING CELLULAR WOOD PANELS, ASSEMBLED FLOORING PANELS, SHINGLES AND SHAKES
13	4701.00.00	MECHANICAL WOOD PULP
14	4702.00.00	CHEMICAL WOOD PULP, DISSOLVING GRADES
15	4703	CHEMICAL WOOD PULP, SODA OR SULPHATE, OTHER THAN DISSOLVING GRADES
16	4704	CHEMICAL WOOD PULP, SULPHITE, OTHER THAN DISSOLVING GRADES
17	4705.00.00	WOOD PULP OBTAINED BY A COMBINATION OF MECHANICAL AND CHEMICAL PULPING PROCESSES
18	4801	NEWSPRINT, IN ROLLS OR SHEETS
19	4802	UNCOATED PAPER AND PAPERBOARD, OF A KIND USED FOR WRITING, PRINTING OR OTHER GRAPHIC PURPOSES, AND NON-PERFORATED PUNCH-CARDS AND PUNCH TAPE PAPER, IN ROLLS OR RECTANGULAR (INCLUDING SQUARE) SHEETS, OF ANY SIZE, OTHER THAN PAPER OF 4801 OR 4803; HAND-MADE PAPER AND PAPERBOARD
20	4803	TOILET OR FACIAL TISSUE STOCK, TOWEL OR NAPKIN STOCK AND SIMILAR PAPER OF A KIND USED FOR HOUSEHOLD OR SANITARY PURPOSES, CELLULOSE WADDING AND WEBS OF CELLULOSE FIBRES, WHETHER OR NOT CREPED, CRINKLED, EMBOSSED, PERFORATED, SURFACE-COLOURED, SURFACE-DECORATED OR PRINTED, IN ROLLS OR SHEETS
21	4804	UNCOATED KRAFT PAPER AND PAPERBOARD, IN ROLLS OR SHEETS, OTHER THAN THAT OF 4802 OR 4803
22	4805	OTHER UNCOATED PAPER AND PAPERBOARD, IN ROLLS OR SHEETS, NOT FURTHER WORKED OR PROCESSED THAN AS SPECIFIED IN NOTE 3 TO THIS CHAPTER
23	4806.20.00	VEGETABLE PARCHMENT, GREASEPROOF PAPERS, TRACING PAPERS AND GLASSINE AND OTHER GLAZED TRANSPARENT OR TRANSLUCENT PAPERS, IN ROLLS OR SHEETS: -Greaseproof papers
24	4806.30.00	VEGETABLE PARCHMENT, GREASEPROOF PAPERS, TRACING PAPERS AND GLASSINE AND OTHER GLAZED TRANSPARENT OR TRANSLUCENT PAPERS, IN ROLLS OR SHEETS: -Tracing papers
25	4806.40.00	VEGETABLE PARCHMENT, GREASEPROOF PAPERS, TRACING PAPERS AND GLASSINE AND OTHER GLAZED TRANSPARENT OR TRANSLUCENT PAPERS, IN ROLLS OR SHEETS: -Glassine and other glazed transparent or translucent papers
26	4807.00.00	COMPOSITE PAPER AND PAPERBOARD (MADE BY STICKING FLAT LAYERS OF PAPER OR PAPERBOARD TOGETHER WITH AN ADHESIVE), NOT SURFACE-COATED OR IMPREGNATED, WHETHER OR NOT INTERNALLY REINFORCED, IN ROLLS OR SHEETS
27	4808	PAPER AND PAPERBOARD, CORRUGATED (WITH OR WITHOUT GLUED FLAT SURFACE SHEETS), CREPED, CRINKLED, EMBOSSED OR PERFORATED, IN ROLLS OR

		SHEETS, OTHER THAN PAPER OF THE KIND DESCRIBED IN 4803
28	4809	CARBON PAPER, SELF-COPY PAPER AND OTHER COPYING OR TRANSFER PAPERS (INCLUDING COATED OR IMPREGNATED PAPER FOR DUPLICATOR STENCILS OR OFFSET PLATES), WHETHER OR NOT PRINTED, IN ROLLS OR SHEETS
29	4810	PAPER AND PAPERBOARD, COATED ON ONE OR BOTH SIDES WITH KAOLIN (CHINA CLAY) OR OTHER INORGANIC SUBSTANCES, WITH OR WITHOUT A BINDER, AND WITH NO OTHER COATING, WHETHER OR NOT SURFACE-COLOURED, SURFACE-DECORATED OR PRINTED, IN ROLLS OR RECTANGULAR (INCLUDING SQUARE) SHEETS, OF ANY SIZE
30	4811	PAPER, PAPERBOARD, CELLULOSE WADDING AND WEBS OF CELLULOSE FIBRES, COATED, IMPREGNATED, COVERED, SURFACE-COLOURED, SURFACE-DECORATED OR PRINTED, IN ROLLS OR RECTANGULAR (INCLUDING SQUARE) SHEETS, OF ANY SIZE, OTHER THAN GOODS OF THE KIND DESCRIBED IN 4803, 4809 OR 4810
31	4813	CIGARETTE PAPER, WHETHER OR NOT CUT TO SIZE OR IN THE FORM OF BOOKLETS OR TUBES
32	4816	CARBON PAPER, SELF-COPY PAPER AND OTHER COPYING OR TRANSFER PAPERS (OTHER THAN THOSE OF 4809), DUPLICATOR STENCILS AND OFFSET PLATES, OF PAPER, WHETHER OR NOT PUT UP IN BOXES
33	4817	ENVELOPES, LETTER CARDS, PLAIN POSTCARDS AND CORRESPONDENCE CARDS, OF PAPER OR PAPERBOARD; BOXES, POUCHES, WALLETS AND WRITING COMPENDIUMS, OF PAPER OR PAPERBOARD, CONTAINING AN ASSORTMENT OF PAPER STATIONERY
34	4818	TOILET PAPER AND SIMILAR PAPER, CELLULOSE WADDING OR WEBS OF CELLULOSE FIBRES, OF A KIND USED FOR HOUSEHOLD OR SANITARY PURPOSES, IN ROLLS OF A WIDTH NOT EXCEEDING 36 cm, OR CUT TO SIZE OR SHAPE; HANDKERCHIEFS, CLEANSING TISSUES, TOWELS, TABLECLOTHS, SERVIETTES, BED SHEETS AND SIMILAR HOUSEHOLD, SANITARY OR HOSPITAL ARTICLES, ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, OF PAPER PULP, PAPER, CELLULOSE WADDING OR WEBS OF CELLULOSE FIBRES
35	4819	CARTONS, BOXES, CASES, BAGS AND OTHER PACKING CONTAINERS, OF PAPER, PAPERBOARD, CELLULOSE WADDING OR WEBS OF CELLULOSE FIBRES; BOX FILES, LETTER TRAYS, AND SIMILAR ARTICLES, OF PAPER OR PAPERBOARD OF A KIND USED IN OFFICES, SHOPS OR THE LIKE
36	4820	REGISTERS, ACCOUNT BOOKS, NOTE BOOKS, ORDER BOOKS, RECEIPT BOOKS, LETTER PADS, MEMORANDUM PADS, DIARIES AND SIMILAR ARTICLES, EXERCISE BOOKS, BLOTTING-PADS, BINDERS (LOOSE-LEAF OR OTHER), FOLDERS, FILE COVERS, MANIFOLD BUSINESSFORMS, INTERLEAVED CARBON SETS AND

		OTHER ARTICLES OF STATIONERY, OF PAPER OR PAPERBOARD; ALBUMS FOR SAMPLES OR FOR COLLECTIONS AND BOOK COVERS, OF PAPER OR PAPERBOARD
37	4821	PAPER OR PAPERBOARD LABELS OF ALL KINDS, WHETHER OR NOT PRINTED
38	4823	OTHER PAPER, PAPERBOARD, CELLULOSE WADDING AND WEBS OF CELLULOSE FIBRES, CUT TO SIZE OR SHAPE; OTHER ARTICLES OF PAPER PULP, PAPER, PAPERBOARD, CELLULOSE WADDING OR WEBS OF CELLULOSE FIBRES
39	9401.61.00	SEATS (OTHER THAN THOSE OF 9402), WHETHER OR NOT CONVERTIBLE INTO BEDS, AND PARTS THEREOF: -Other seats, with wooden frames-Upholstered
40	9401.69.00	SEATS (OTHER THAN THOSE OF 9402), WHETHER OR NOT CONVERTIBLE INTO BEDS, AND PARTS THEREOF: -Other seats with wooden frames-Other
41	9403.30.00	OTHER FURNISHING AND PARTS THEREOF: -Wooden furnishing of a kind used in offices
42	9403.40.00	OTHER FURNISHING AND PARTS THEREOF: -Wooden furnishing of a kind used in the kitchen
43	9403.50.00	OTHER FURNISHING AND PARTS THEREOF: -Wooden furnishing of a kind used in the bedroom
44	9403.60.00	OTHER FURNISHING AND PARTS THEREOF: -Other wooden furnishing
45	9403.90.00	OTHER FURNISHING AND PARTS THEREOF: -Parts
46	9406.10.00	PREFABRICATED BUILDINGS: -Of wood

Note: Items 45 and 46 only apply to products that are made from, or include, timber

Harmonised tariff codes are also found in Schedule 3 of the Customs Tariff Act 1995 available at: <https://www.legislation.gov.au/Details/C2017C00410> (Please check that it is the current version as there are frequent updates.)

If you have imported the product before, previous import documentation will likely include the relevant tariff code. If you use a customs broker, you may also wish to contact them for this information. The Department of Home Affairs website also provides extensive information on tariff classification (www.homeaffairs.gov.au) and an advice line (1300 363 263).

1.4.1 What is not Regulated

There are several materials that are not regulated. Packaging materials that are used to support, protect, or carry the product being imported are not regulated under the illegal logging laws. However, if you are specifically importing packaging materials into Australia, e.g. a consignment of cartons or wooden crates, you are likely to be regulated and will need to undertake due diligence on the materials if they are imported under a regulated tariff code.

There are some exemptions under the regulation. These include:

- regulated timber product that is entirely made from recycled material¹;
- if a regulated timber product is partially made from recycled material—the part of the regulated timber product that is made from recycled material;
- a regulated timber product that is imported as part of a consignment if the combined value of the regulated timber products in the consignment, on import, does not exceed \$1,000.

WHAT IS RECYCLED MATERIAL?

Under the legislation, timber in a regulated timber product is considered **recycled** material if:

- the material has been, or has been part of, another product; and
- at the time a material was removed from another product, that product was no longer used for its intended purpose and is considered to be waste; and
- the material has been used as raw material in the regulated timber product

It should be noted that materials such as bark, cork, osier, vegetable parchment, rice, bamboo and rattan are not considered timber and are not regulated under the illegal logging laws. Further guidance on these issues can be found at:

<http://www.agriculture.gov.au/forestry/policies/illegal-logging/importers/regulated-timber-products#regulated-timber-products--summary-of-tariff-codes>.

WHAT IS NOT A RECYCLED MATERIAL?

Material in a regulated timber product is **not** considered recycled material under the illegal logging legislation if the material is the by-product of a manufacturing process. For example, sawdust or off-cuts from sawn timber used to make particle board or medium density fibreboard are not considered recycled material. If the supplier claims that the product is made from recycled material, you should try and get some evidence of this and record it in your Due Diligence records. A record form is provided in the “[AFA Timber Due Diligence System Template for Importers](#)” or the “[AFA Timber Due Diligence System for Processors](#)”.

1.5 Processors of Domestically grown logs

The Regulation applies to processors of domestically grown raw logs. This includes activities such as the processing of logs into woodchips, sawn timber, pulp, or other timber products. Processors of domestically grown logs are subject to the Due Diligence requirements of the Regulation.

¹ A regulated timber product is considered to be made entirely from recycled material if it contains greater than 95% recycled material. Refer to the Department web-site:
<http://www.agriculture.gov.au/forestry/policies/illegal-logging/compliance-and-enforcement/can/3-2015>

1.6 Declaration to Customs - Importers Only

Since 30 November 2014, importers, or customs broker agents acting on their behalf, are required to make a declaration to Customs about their compliance with the Regulation's Due Diligence requirements when imports are cleared from the port of entry. As this part of the Regulation refers to import procedures, processors of Australian grown logs are not covered under this part of the Regulation.

This declaration is in the form of a Community Protection Question (CPQ) and must be completed as part of the import declaration process each time you import a regulated timber product.

The CPQ asks: "Has the importer complied with due diligence requirements of the Illegal Logging Prohibition Act 2012 and associated regulations? (if the product is exempt or does not contain timber, answer yes)".

If you have undertaken a suitable due diligence process and found that the product you are importing is low risk, you should answer 'yes'. If your product is exempt from the regulations or does not contain any timber or wood-based elements, you should answer 'yes'.

You must answer truthfully. Providing a false or misleading declaration is a criminal offence.

Note that an answer is required for each line item in the consignment.

If the product is a non-regulated timber product there will be no prompt to answer the CPQ. For example, if you were importing a product with the tariff code 4420- 'Wood marquetry and inlaid wood; jewellery or cutlery cases; statuettes; furnishing not falling in Chapter 94', You would not be asked the CPQ because this tariff code does not fall within the list of regulated timber products.

If you use a customs broker, it is advisable that you provide them with authority to allow them to answer the CPQ on your behalf.

There is an advice letter template available in the "[AFA Timber Due Diligence System Template for Importers](#)" or the "[AFA Timber Due Diligence System for Processors](#)" that gives an example of the information that a customs broker may require. If you have any questions email your [ENQUIRY HERE](#) or call the AFA's Head Office on +61 3 86914244

2. Due Diligence

The Regulation requires that **prior to importation** all **regulated timber products** including furnishing, furnishing, cabinetry and components undergo Due Diligence.

Importers need to establish that the product they are importing is a regulated timber product. This can be done by reviewing the tariff codes for the product, please refer to section 2.4 of this document for details.

If you are a processor you must conduct Due Diligence on all domestically grown logs prior to processing those logs.

Due Diligence is a matter of an importer or processor undertaking a step-wise process to satisfy themselves that the regulated timber products being imported, or the Australian grown logs being processed, are not derived from illegally logged timber.

The Regulation provides details on the due diligence process, which has the following key components:

- Establish a **documented** due diligence system (Refer to the AFA Due Diligence System Template)
- Information Gathering
- Risk Assessment
- Risk Mitigation
- Maintenance of records.

A flow chart of the due diligence process is included in Appendix 1.

It is necessary for the system to be documented and records of the due diligence performed on product must be maintained for a minimum of 5 years. The requirement for a documented Due Diligence System also applies to processors of logs even if they are locally grown.

3.1 Establish a documented system

To meet the requirements of the Regulation the importer or processor must establish a documented system for Due Diligence. Documenting and record keeping are a very important part of the Due Diligence process. Documenting the system provides the responsible staff with clear guidance on what tasks are to be carried out as well as the method to be used for Due Diligence.

The written record will provide the importer with evidence which the Department may ask for as part of their compliance program. Further information about the department's compliance process can be found at: <http://www.agriculture.gov.au/forestry/policies/illegal-logging/compliance-and-enforcement>

The due diligence system must set out the process the importer or processor will use to carryout Due Diligence and assess the risk of the product containing illegally logged timber.

The system must contain:

- Information about the company such as the Company Name, ABN, postal address, street address and principle business activity
- the person responsible for the Due Diligence system must be identified along with their position title and contact details (phone number and email address)
- details of the steps and process that will be used to meet the due diligence requirements. This may include guidelines, templates and reference/s that will be used in carrying out the companies Due Diligence process.

The AFA has prepared a resource entitled "[AFA Timber Due Diligence System Template for Importers](#)" or the "[AFA Timber Due Diligence System for Processors](#)". These documents provide a template for a Due Diligence system along with some instruction on how to use it. It should not be viewed as a constraint on how the process should be carried out or documented but merely as an example of how it can be done. Users are encouraged to edit and change the document to suit the needs of their business.

3.2 Information gathering (including for complex products)

The Regulation **mandates** the need to obtain basic information for all imported regulated timber products prior to importation or prior to processing of domestic raw logs. The information required can be collected in a number of ways. For example, visits to the site, a discussion over the phone, email or completion of a questionnaire are just a few methods. The important thing is to keep written records of the attempts to gather information as well as the information obtained.

The Regulation mandates the information required for **importers of regulated timber products** to obtain include.

- A description of the timber component of the furnishing, furnishing, cabinetry and components product including the trade name or common name and/or genus and scientific name of the tree from which the timber was produced.
- The country, region of the country and the forest or plantation harvesting unit from which the timber portion of the furnishing, furnishing, cabinetry and components product was harvested.
- The country in which the timber component of the furnishing, furnishing, cabinetry and components product was manufactured.
- Details about the company supplying the product, and the quantity of the shipment of the product, expressed in volume, weight or number of units.
- If a timber legality framework applies, copies of certificates and evidence that the product is certified (See Note 1)
- If a country specific guideline applies, the documents that the importer are required to obtain to demonstrate that guidelines have been met (See Note 1).

Evidence that the product has not been illegally logged, which, without limiting the evidence, **may include evidence about:**

- whether the harvesting of the species of tree from which the timber in the product is derived is prohibited in the place where the timber has been harvested, for example Rosewoods, Sandalwood and other CITES listed species (see Note 2 below); and
- if the harvesting of the timber in the place is authorised by legislation (including regulations)—whether the requirements of the legislation have been met for the harvesting of the timber; and
- if payment is required for the right to harvest the timber—whether that payment has been made; and
- if a person has legal rights of use and tenure in relation to the place in which the timber is harvested—whether the harvest of the timber is inconsistent with the law establishing or protecting those rights (see Note 3).

Note 1: The timber legality framework and country specific guidelines information can be used to fulfil the requirements of the optional pathways for risk assessment. Refer to the section on risk assessment below.

Note 2: There are various sources of information relating to endangered timber species, CITES is the most reputable. More information on other endangered species can be found at: <https://www.cites.org/eng/app/appendices.php>. If the species is listed with CITES, the product may not be illegally harvested but will be heavily regulated. CITES permits must be obtained.

Note 3: For an example of the types of regulations, payments and tenure evidence required for products originating from other countries refer to an example for Vietnam: <https://flegttools.files.wordpress.com/2014/12/inf-06-forestry-risk-profile-vietnam-annex-ii-en-v1-0-01jun15.pdf>.

For **processors of Australian grown logs** a similar list of information is required to be gathered as follows:

- A description of the raw log including the common name, genus or scientific name of the tree from which the log was derived.
- The area in which the raw log was harvested including the State or Territory and forest harvesting unit.
- Details about the company supplying the log, and the quantity of the shipment of the product, expressed in volume, weight or number of units.
- If a timber legality framework applies copies of certificates and evidence that the product is certified (see Note 1)
- If a State specific guideline applies, the documents that the processor is required to obtain to demonstrate that guidelines have been met (see Note 1).

Evidence that the product has not been illegally logged, which, without limiting the evidence, **may include evidence about:**

- whether the harvesting of the species of tree from which the timber in the product is derived is prohibited in the place where the timber has been harvested, for example Rosewoods, Sandalwood and other CITES listed species; and
- if the harvesting of the timber in the place is authorised by legislation (including regulations)—whether the requirements of the legislation have been met for the harvesting of the timber; and
- if payment is required for the right to harvest the timber—whether that payment has been made; and
- if a person has legal rights of use and tenure in relation to the place in which the timber is harvested—whether the harvest of the timber is inconsistent with the law establishing or protecting those rights.

NOTE 1: For processors of Australian grown raw logs the timber legality framework and state specific guidelines information can be used to fulfil the requirements of the optional pathways for risk assessment. In all cases the risk assessment is valid for the area (coupe) relating to the risk assessment and only needs to be updated as the coupes change, Refer to the section on risk assessment below.

If you have any questions email your [ENQUIRY HERE](#) or call the AFA's Head Office on +61 3 86914244

Other Important information about Gathering Information

The Regulation requires information to be gathered where it is “reasonably practicable” to do so.

If you have any questions email your [ENQUIRY HERE](#) or call the AFA's Head Office on +61 3 86914244

What does “reasonably practicable” mean?

The term ‘reasonably practicable’ is a common legal term used in other Australian legislation, such as workplace health and safety. It means what a reasonable person would have done in the particular circumstances.

For businesses importing goods into Australia, what is ‘reasonably practicable’ will depend on the individual circumstances of the importer.

There are several factors that must be considered when gathering information, such as:

- the availability of the prescribed information
- the time, expense and difficulty involved in obtaining information
- the steps required to gather the necessary information.

Each factor is as important as the others and they must all be taken into consideration equally.

Importers need to balance the likelihood that the timber product they are proposing to import contains illegally logged timber against the time, cost and resources required to gather the information needed to defend a conclusion that the risk is low.

Importers must be able to demonstrate that they have made reasonable efforts in seeking to obtain the information.

Note: if the required information is not available it may be very difficult to conclude that the risk is low. Just because it is not practicable to gather all the information doesn’t translate to the risk being low particularly if the product is coming from areas where illegal logging is a known issue.

The information gathering process may be complex for importers of furnishing, furnishing, cabinetry and components because there may be several different species from several different countries contained in the product. The process needs to be carried out on each different component of the finished product so that a complete assessment of the risk of the entire product can be established.

Case Study - Due Diligence on Chairs from Malaysia.

The ABC company have decided to import some chairs from Malaysia to add to the range of products that they offer in the Australian market. They are aware of the *Illegal Logging Prohibition Regulation* and have set up a documented Due Diligence System. The Compliance Manager, Brian, is responsible for managing the system and is asked to complete Due Diligence on supply of the chairs from Mr Big Chair in Malaysia.

He firstly assesses if the chair is a regulated Timber product by looking up the customs tariff code for the product in Schedule 1 of the regulation.

He concludes that the appropriate code is 9401.61.00 with the description - SEATS (OTHER THAN THOSE OF 9402), WHETHER OR NOT CONVERTIBLE INTO BEDS, AND PARTS THEREOF: - Other seats, with wooden frames-Upholstered. As the chairs are a regulated timber product he must now perform due diligence on the product prior to their importation.

To complete the first step in the Due Diligence process he sends off a letter to Mr Big Chair in Malaysia informing them of the need to comply with the Australian Regulation along with a Supplier Questionnaire.

Three weeks later he receives a response with the completed Questionnaire. He assesses the response from Mr Big Chair.

Firstly, he checks that all the information is complete, and he finds that it is. Next, he must decide which risk assessment pathway he will use.

He decides because the product is not certified under a Timber Legality Framework ([FSC](#) or [PEFC](#)) but there is a Country Specific Guideline (CSG) for Malaysia he will use the CSG.

He notes that Mr Big has affirmed that they have legality documents for the timber they purchase. He downloads the CSG from the Department's web-site and commences the risk assessment. Based on the CSG he identifies that the key document that demonstrates the legality of the chairs is Registration with the Malaysian Timber Industry Board (MTIB) and appropriate customs declaration as well as export clearance from the customs department.

He contacts Mr Big and they are happy to send him a copy of the documents.

To complete his risk assessment, he reviews all the other information including that the product is made from Rubber Wood which is not considered a species of concern. However, he is concerned that the Corruption Perception Index for Malaysia is 47 (2017). This could lead to possible issues with the validity of the legality documents.

To mitigate this risk and to ensure that the registration is valid he contacts MTIB and they confirm the Mr Big Chair is registered for the product that is intended for import into Australia. After considering all the other information he consults the company risk matrix and reaches a conclusion that the risk of the chairs containing illegally logged timber is low on origin and supply chain and the overall risk is low.

He completes the risk assessment by documenting the process and the evidence he has relied on to reach the conclusion of low risk.

Finally, he contacts their Customs Agent and informs them in writing to answer "yes" to the complete the Community Protection Question for this product.

3.3 Risk Assessment

Once the relevant information is gathered the importer or processor must use this information and any other relevant information they **know** or **reasonably ought** to know to assess the risk that the product contains illegally logged timber prior to importation or processing of the product. This information should be followed up to confirm its validity. Appendix 4 provides some links to potential sources of other relevant information.

There are three pathways that can be used to carry out the risk assessment on a regulated timber product. They are:

- Timber legality Framework
- Country Specific Guideline (for use by importers)/State Specific Guideline (for use by processors of domestically grown logs)
- Regulated risk factors.

The pathway that is used for the risk assessment is at the discretion of the importer or processor. If there is a timber legality framework or country specific guideline that applies to the product it may be simpler for the importer to use one of these methods to assess the risk of the product containing illegally logged timber along with the information gathered in the information gathering step described above in section 3.2—information gathering.

Likewise, a processor of Australian grown raw logs can use a timber legality framework, state specific guideline which may be simpler or the regulated risk factors pathway.

A timber legality framework is a 3rd party scheme that certifies among other things that the timber has been harvested within the legal framework of the country. It doesn't however **guarantee** that the timber is legal.

The recognised schemes are [PEFC](#) or [FSC](#) certification. [PEFC](#) is an umbrella organisation that allows countries to develop their own certification scheme under that umbrella. As such the scheme may be called different things in different countries.

For example, in Australia the scheme is called “Responsible Wood”. The Regulation recognises [PEFC](#) and [FSC](#) as suitable timber legality frameworks to assess risk against. There are other timber certification schemes, but they are not recognised by the Regulation.

Country Specific Guidelines provide details to assist importers better understand the legal framework in that country and how they can minimise the risk of importing illegal timber product from that country. Country Specific Guidelines are available on the Departments website at: <http://www.agriculture.gov.au/forestry/policies/illegal-logging/importers/resources#country-specific-guidelines>.

State Specific Guidelines are for the use of processors of domestically grown logs. They provide details of the requirements to harvest timber in each state of Australia. The State Specific Guidelines are located on the Departments web-site at: <http://www.agriculture.gov.au/forestry/policies/illegal-logging/processors/resources#state-specific-guidelines>

For importers more guidance about the timber legality framework or Country Specific Guidelines please refer to Appendix 2 and Appendix 3A respectively. More information is also contained in the “[AFA Timber Due Diligence System Template for Importers](#)” or the “[AFA Timber Due Diligence System for Processors](#)”.

For processors of Australian grown logs the information about the timber legality framework is relevant to you as well. Information regarding state specific guidelines can be found in Appendix 3B.

The regulated risk factor pathway is based on risk factors that have been identified by Government as indicators of legality. Once the relevant information is gathered an assessment of the likelihood of risk of the product containing illegally logged timber can be made against these risk factors. Further details relating to the regulated risk factors can be found in Appendix 4.

In this method the following issues must be considered:

- the prevalence of illegal logging in the harvest area
- the prevalence of illegal logging of the species from which the product is derived around origin
- any other known information.

In addition, **for imported products** the prevalence

- of armed conflict around harvest
- the complexity of the product.

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Case Study-Risk Assessment- Timber Legality Framework

Sally has been asked to perform a risk assessment on a chair which will be imported by her company. After ascertaining that the product is a regulated timber product she initiates the company Due Diligence process and obtains the results of the supplier questionnaire. Sally then sits down to conduct the risk assessment.

Sally notes in the questionnaire that the supplier claims they are certified under the [PEFC](#) timber legality framework and that the product is included within the scope of their certification. As a result, she decides to use the Timber Legality Framework pathway to perform the risk assessment.

To ensure that the suppliers' claim of certification is valid she decides to consult the [PEFC](#) web-site. She uses the certification number provided by the supplier and searches for their certification to verify the claim and ensure that the certification is not falsified.

Subsequently she finds the certification details on the [PEFC](#) web-site and confirms that the product to be purchased is included in the scope of certification and the certification is valid for the period of the purchase.

Sally then looks at all the other information that has been gathered and cannot find any concerns regarding the supplier. She also does a search on the internet and speaks to colleagues about the supplier.

Again, no concerning information is found about the supplier or supplies from this area. After consulting the company risk matrix, she reaches the conclusion that the risk of the chair containing illegally logged timber is low on origin and supply chain and overall the risk is low, and the import can take place. Finally, she documents her findings and informs the purchasing department.

She also informs them that they should request that the certification claims for the product be included on the invoice they will receive from the supplier on each occasion that a purchase is made.

Which pathway is best for me?

The choice of pathway is at the discretion of the importer or processor.

The method that is used to carry out the risk assessment is not fixed, for example if a timber legality framework applies to the product the importer or processor can still use another method to assess the risk if they prefer. The assessment and its results, however, **must** be documented.

The process of carrying out a risk assessment relies on assessing if the risk factors, and information gathered place the product in the category of low risk or any other potential risk category.

The assessment needs to consider all information. In the case of the country specific guidelines or timber legality framework pathways, the risk assessment needs to consider if the product information conforms to the requirements of this pathway and that there is no other conflicting information.

The information that the importer or processors considers should not be restricted to what has been gathered but also information that is available from other sources. If there is no other conflicting information or significant information gaps, then the risk can be classified as low.

Timber furniture, furnishing, components or other complex products may contain timber from several sources. In this case a risk assessment must be performed on each source and if the product/s is being imported as an assembled unit the risk assessment should ensure that each component is low risk.

If the product contains timber from several countries the CSG risk assessment pathway cannot be used on the product and alternative methods must be used. A flow chart is included in Appendix 5 which illustrates the process for multi-component products. If low risk cannot be confirmed for all components of the product the product must be classified as having a **potential risk** (i.e. greater than low risk) and appropriate risk mitigation activities undertaken.

Case Study-Risk Assessment of a complex product.

Freda has been asked to conduct a risk assessment of a new table that her company is intending to import. After gathering the required information from the supplier, she prepares to conduct the risk assessment.

She finds that in fact the product is made from two different species of timber, one for the carcass and one for the decorative veneer used on the exterior. As a result, Freda decides she must undertake two separate risk assessments, one for each timber species.

The product is **not** covered by a timber legality framework or a country specific guideline, so she must use a regulated risk factors pathway to assess the risk.

She reviews the available information on both species including the prevalence of illegal logging in the area and of the species present as well as armed conflict in the area of harvest.

While Freda considers that the product is complex, she has been able to find all the required information. She also consults some contacts she has in the industry and cannot find any issues that would suggest that the table contains illegally logged timber.

As a result, after consulting the company risk matrix, she considers that the risk on supply chain and origin is low and as a result the overall risk is low.

Freda documents her finding and informs the purchasing department that the import of the table can go ahead.

More details on performing a risk assessment can also be found in Appendix 5.

In deciding whether the requirements of the laws have been satisfied you should consider what a reasonable person operating in your circumstances must be aware of. This could include but is not limited to anecdotal evidence from industry traders, information from industry associations, newspaper articles, Non-Government Organisation reports and other readily available sources of information.

3.4 Risk mitigation (including for complex products)

Risk mitigation applies to importers of regulated timber products as well as processors of domestically grown raw logs. Risk mitigation is required when you have undertaken a risk assessment and you have determined the risk to be anything higher than low.

Risk mitigation is a process used to lower the identified risk that the product is made from or includes illegally logged timber.

If you are unable to mitigate the risk adequately and proportionately to the identified risk, you **must not** import the product or in the case of a domestic log processor you must not process the logs.

The Regulation is not prescriptive about what mitigation measures importers or processors should consider or need to undertake. However, the process must be 'adequate and proportionate' to the identified risk.

Risk mitigation measure that could be considered include:

- Obtaining more information about the product
- Carrying out a desktop audit of the supply chain
- Carrying out an onsite audit of the supply chain
- Using a third party to assess the supply chain
- Carrying out an on-site audit of the forest harvest unit
- Appointing a third-party auditor to carry out a forest harvest unit audit.
- Replacing the supplier with a low risk supplier
- Replacing the product with a low risk product.

Ultimately if the risk of the product containing illegally logged timber cannot be reduced to low the product **must not** be imported or the log must not be processed, and alternative suppliers should be found that have a low risk of supplying products containing illegally logged timber. The case study below illustrates this point.

Case Study- High Risk

Harry is undertaking a risk assessment on a new cabinet that is being considered for importation. He receives the completed supplier questionnaire from the supplier and commences his risk assessment.

He finds that the supplier has not completed the information about the wood species used in the cabinet as well as not supplying the details of origin of the timber.

He contacts the supplier to ask for the missing information and is told that they don't know where the wood originates from as there are many steps in the supply chain. They are also unsure of the species of timber which comes as a mixed lot of random species. The supplier tells him they cannot help him with any other information.

He considers the other information he has and finds that there is also evidence of illegal logging in the region around the place where the cabinet is being manufactured.

There are no other mitigation steps that Harry feels he can take and consults his company risk assessment matrix. He concludes that there is high risk on origin as well as supply chain.

As a result, he concludes that there is a potential risk that the cabinet may contain illegally logged timber and that he cannot put the company at risk of the serious penalties that will apply for beaches of importing product which is illegal.

Harry documents his finding and informs the purchasing department not to go ahead with the import.

For more information on the risk mitigation process consult Appendix 6 and the AFA's Due Diligence System Template. If you have any questions Email your [ENQUIRY HERE](#) or call the AFA's Head Office on +61 3 86914244

3. Record keeping

The regulation requires records to be kept for a minimum of 5 years. The records that are required are:

- The written Timber Due Diligence System Manual (see "[AFA Timber Due Diligence System Template for Importers](#)" or the "[AFA Timber Due Diligence System for Processors](#)")
- The completed Due Diligence Eligibility Forms
- Information gathered from Suppliers about the regulated timber products or domestically grown logs
- Records of Risk Assessments made against a timber legality framework, a Country Specific Guideline/State Specific Guideline or the regulated risk factors risk assessment processes
- Records of any Risk Mitigation activities undertaken
- Any other records generated during the Due Diligence Process.

4. Conclusion

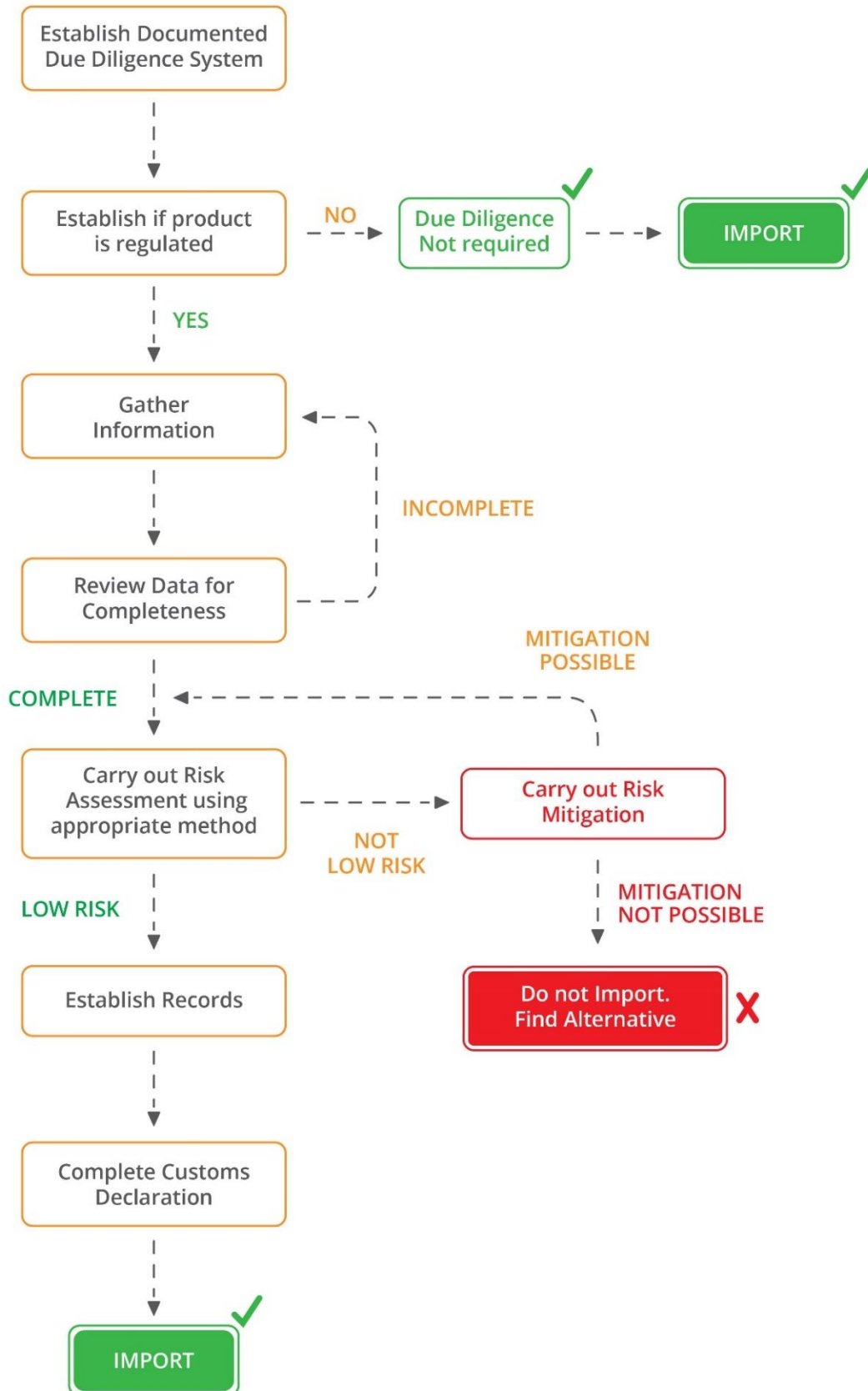
The AFA believes that this short introduction provides the background for importers of timber furnishing, furnishing, cabinetry and components or any other regulated timber products with the background information to understand the Act and the requirements of the Regulation.

The "[AFA Timber Due Diligence System Template for Importers](#)" or the "[AFA Timber Due Diligence System for Processors](#)" allows members to develop the required Due Diligence system to meet their legal obligations.

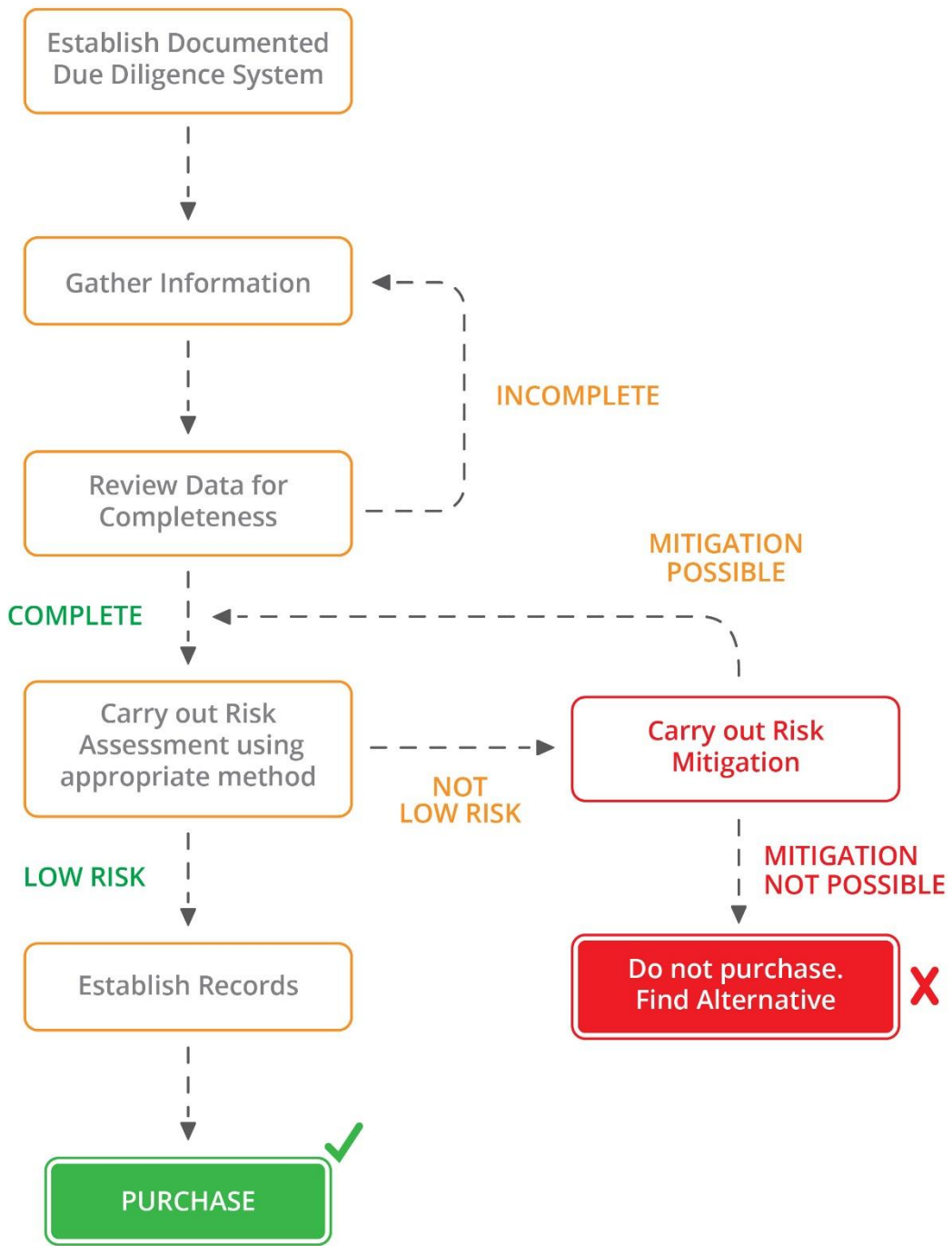
For Further information contact the Australasian Furnishing Association at www.australianfurnishing.org.au or If you have any questions email your [ENQUIRY HERE](#) or call the AFA's Head Office on +61 3 86914244

APPENDIX 1: DUE DILIGENCE FLOW CHART

For Importers SEE [AFA Timber Due Diligence System Template for Importers](#)



For Processors of locally grown logs
SEE [AFA Timber Due Diligence System for Processors](#)



Note: Process only needs to be done once for each Coupe not each delivery.

APPENDIX 2: TIMBER LEGALITY FRAMEWORK FURTHER GUIDANCE.

The following table provides guidance on the checks required to ensure the product that is being purchased is [PEFC](#) or [FSC](#) certified. When using a TLF to assess risk use this information as guidance on assessing the validity and scope of certification claims.

Table 1: Assessing if your products are FSC or PEFC certified	
<p>Step One</p> <p>Check if supplier's certificate number is legitimate</p>	<p>Actions</p> <p>Certified suppliers should have a unique FSC or PEFC certificate code or number quoted on their certificate.</p> <p>The number will generally follow the structure of: TT-COC-1234, BMT-PEFC-2334 or SGS-COC-12244.</p> <p>Using the certificate code or number, you can verify if the certificate is legitimate by searching on the relevant scheme's website:</p> <ul style="list-style-type: none"> • Forest Stewardship Council (FSC) • PEFC International <p>Care should be taken in understanding if the scheme is PEFC endorsed. PEFC/MTCC relates to Malaysia, PEFC/SFI relates to North America – these are just 2 of the 40 or so PEFC recognised national certification schemes.</p> <p>A list of members is here: https://www.pefc.org/images/documents/PEFC_Membership_List_Dec2017.pdf</p> <p>A searchable database of each countries endorsed scheme(s) is available here: https://www.pefc.org/standards/national-standards/endorsed-national-standards</p>
<p>Step Two</p> <p>Check your supplier is the certificate holder</p>	<p>Actions</p> <p>When you have located the certificate details online, ensure they match the details provided by your supplier.</p> <p>Common problems and solutions</p> <p>If the details of your supplier do not match those on the certificate, you should seek to clarify the authenticity of the certificates.</p> <p>If your supplier has claimed the product is FSC or PEFC certified, but it is not their name on the certificate the chain of custody may potentially be broken. You need to seek further information from the supplier or the relevant governing body.</p>

	Where the chain is broken, you are not able to rely on the TLF and must undertake a risk assessment against the regulated risk factors or use the CSG method (if applicable).
Step Three	Actions
Check the certificate is valid for the period of supply	The expiry date of the supplier's certificate should be listed on the FSC or PEFC 's websites. Check the certificate is valid for the associated period of supply.
	Common problems and solutions
	If the certificate appears to have expired or is currently suspended, you should seek further information as to why this has occurred. You may need to clarify this information with the supplier or discuss the matter directly with the governing bodies of the appropriate scheme.
Step Four	Actions
Check the products being supplied are listed on the certificate's record	Certified suppliers can supply both certified and non-certified products. You will need to check that the products being supplied fall with the scope of your supplier's FSC or PEFC certificate.
	Common problems and solutions
	If the product you are purchasing is not covered within your supplier's certification scope of certified products you should check with the supplier as to whether there is a mistake on the record. If this is the case, you should also ask for written confirmation from the certification body. If you confirm that the product is not listed in the certification scope it is highly likely that the product is not certified, and an alternative risk assessment pathway must be chosen.
Step Five	Actions
Check the product that is supplied is the product that was promised	After completing all the steps above, it is a possibility that the supplier has not provided you with the certified product. This is also a risk that should be managed. Certified supplies will have a claim of certification made on either delivery documents or invoices.
	Common problems and solutions
	You should seek a sample of invoices and delivery notes to make sure the certificate number is suitably quoted and that under the product description the product is listed as FSC or PEFC certified. Products listed as PEFC or FSC certified may include a product claim, such as: <ul style="list-style-type: none"> • FSC 100%, FSC Mix X%, FSC Mix Credit, FSC Controlled Wood • X% PEFC Certified, PEFC Controlled Sources <p>Checks should also be made of delivery documents to ensure certification claims are made when the deliveries are made.</p>

If you can complete the steps above, confirm that the timber you intend to import is certified, and are not aware of any other information that might suggest the product you are dealing with includes illegally logged timber, you can classify the risk is **low** and import the regulated timber products or process the domestic grown log.

APPENDIX 3A: For importers - Country Specific Guidelines- Further Guidance.

Country Specific Guidelines (CSGs) help importers to better understand the legal frameworks that regulate the harvesting of timber in other countries. CSGs do not exist for all countries so the use of this pathway is limited to the ones that the Department has prepared. In some cases, the CSGs also provide helpful information on timber transportation, processing, and export approval processes. Copies of the various CSGs can be downloaded from the Department web-site located at:

<http://www.agriculture.gov.au/forestry/policies/illegal-logging/importers/resources#country-specific-guidelines>

The CSGs provide a useful overview of forest management for the country and in many cases, relevant documentation (such as certificates, licences or other documents) that you should obtain from your supplier to demonstrate legality. This should help you to assess the risk that the timber product(s) you are importing includes illegally harvested timber.

Each CSG is accompanied by a “Quick Reference Guide” (QRG), which summarises the key information contained in the CSG.

The table below outlines the keys steps that you should use when using the CSG risk assessment method. The ‘questions to consider’ included in the table will help you when using the CSG method but should not be seen as an exhaustive list of issues to consider.

Assessing risk against a country specific guideline	
<p>Step One</p> <p>Determine if a CSG is applicable to the product you are importing</p>	<p>Actions</p> <p>Check that your product is covered by a CSG at http://www.agriculture.gov.au/forestry/policies/illegal-logging/importers/resources#country-specific-guidelines</p> <p>Common problems and solutions</p> <p>The CSG method can only be used for timber or wood-based products that have been harvested wholly in the CSG country and where the product is being directly exported to Australia. They cannot be used where the timber is being processed in, or exported from, a third-party country.</p> <p>It is also not possible to use a CSG when dealing with products containing timber sourced from multiple countries.</p> <p>If the product will be transhipped via a third country and not unpacked, the CSG method can still be used.</p> <p>If you find that your product does not fall within the scope of a CSG, you must choose an alternative risk assessment method.</p>

	<p>Questions to consider:</p> <p>Does the information and documentation clearly identify the country of harvest?</p> <p>Was the timber in your product wholly harvested in the CSG country?</p> <p>Is the country of harvest also the exporting country?</p>
<p>Step Two</p> <p>Assess the information you have gathered against the CSG</p>	<p>Actions</p> <p>Compare the information you have gathered in the information gathering step of the due diligence process against the CSG for completeness and consistency.</p> <p>Gather any additional information or documentation specified in the CSG.</p> <p>Common problems and solutions</p> <p>If your supplier is unable to provide you with documentation, the CSG may provide guidance on the type of documents available, the issuing authority, and how to obtain copies of the documents.</p> <p>You are not required to obtain all the documents detailed in the CSG, you should only gather the information that is relevant to the product you are importing. For plantation timber it will be the information that is relevant to plantation timber. However, you will need to obtain enough information to support a reasonable assessment of risk using the CSG risk assessment method.</p> <p>Questions to consider:</p> <p>Have you checked the information, or obtained the documents that the CSG suggests are available to support legality of harvest?</p> <p>Does the information you have gathered correlate with the information and documentation contained in the CSG?</p>
<p>Step Three</p> <p>Identify and assess risk</p>	<p>Actions</p> <p>Using all the information and documents you have collected, come to a conclusion as to whether the product(s) you are importing are likely to include illegally logged timber.</p> <p>In coming to your conclusion, you need to consider any other information that may indicate whether the product has been derived from illegally harvested timber (including general information you have already obtained).</p>

	<p>Common problems and solutions</p> <p>CSGs may not account for local corruption levels, fraud, and the effectiveness of forestry laws within the country. When coming to your conclusion you should also take into account how these factors might affect your product(s).</p> <p>While every effort is made to ensure that CSGs are up to date, they reflect forestry laws at a point in time and may not capture recent developments.</p> <p>Questions to consider:</p> <p>Are the documents collected genuine and have they been generated by the appropriate government entity or other body?</p> <p>Are there any inconsistent or missing documents?</p> <p>Is the timber the subject of a logging ban or restriction in the CSG country?</p> <p>Has there been any media articles, third party reports, or government statements that would bring the legality of your product(s) into question?</p> <p>Is there any other information you know or ought to know, that would call into question the legality of the product(s)?</p>
<p>Step Four</p> <p>Determine your risk assessment outcome</p>	<p>Actions</p> <p>Once you have completed the steps above, you should be able to determine if your product is likely to include illegally logged timber.</p> <p>If you have concluded the risk to be low, you have completed your risk assessment and can import the regulated timber products.</p> <p>Common problems and solutions</p> <p>If your risk assessment process has concluded the risk to be greater than low, you need to further mitigate the risk. This is explained in greater detail in Step 4 of the due diligence process.</p>

APPENDIX 3B: For Processors - State Specific Guidelines - Further Guidance

State Specific Guidelines (SSGs) help domestic processors to better understand the legal frameworks that regulate the harvesting of timber in each State.

In some cases, SSGs detail relevant documentation that you can seek from your supplier to demonstrate legality. This should help you to assess the risk that the raw logs you are processing includes illegally harvested timber.

The keys steps that you should use when using the SSG risk assessment method are outlined below. The 'questions to consider' included in the table will help you when using the SSG method, but should not be seen as an exhaustive list of issues to consider

<p style="text-align: center;">Step One</p> <p style="text-align: center;">Determine if an SSG is applicable to the product you are importing</p>	<p>Actions</p> <p>Check that your product is covered by an SSG. The SSGs are published on the Department's Guidance Materials and Resources page.</p>
<p style="text-align: center;">Step Two</p> <p style="text-align: center;">Assess the information you have gathered against the SSG</p>	<p>Actions</p> <p>Compare the information you have gathered in the information gathering step of the due diligence process against the SSG for completeness and consistency.</p> <p>Gather any additional information or documentation specified in the SSG.</p> <p>Common problems and solutions</p> <p>If your supplier is unable to provide you with documentation, the SSG may provide guidance on the type of documents available, the issuing authority, and how to obtain copies of the documents.</p> <p>You are not required to obtain all the documents detailed in the SSG, only those that are reasonably practicable to obtain. However, you will need to obtain enough information to support a reasonable assessment of risk using the SSG risk assessment method.</p> <p>Questions to consider:</p> <p>Have you checked the information, or obtained the documents that the SSG suggests are available to support legality of harvest?</p> <p>Does the information you have gathered correlate with the information and documentation contained in the SSG?</p>

<p style="text-align: center;">Step Three</p> <p style="text-align: center;">Identify and assess risk</p>	<p>Actions</p> <p>Using all the information and documents you have collected, come to a conclusion as to whether the raw logs you are processing are likely to include illegally logged timber.</p> <p>In coming to your conclusion, you need to consider any other information that may indicate whether the raw log has been illegally harvested (including general information you have already obtained).</p> <p>Common problems and solutions</p> <p>While every effort is made to ensure that SSGs are up to date, they reflect forestry laws at a point in time and may not capture recent developments.</p> <p>Questions to consider:</p> <p>Are the documents collected genuine and have they been generated by the appropriate government entity or other body?</p> <p>Are there any inconsistent or missing documents?</p> <p>Is the timber the subject of a logging ban or restriction?</p> <p>Has there been any media articles, third party reports, or government statements that would bring the legality of your product(s) into question?</p> <p>Is there any other information you know or ought to know, that would call into question the legality of the product(s)?</p>
<p style="text-align: center;">Step Four</p> <p style="text-align: center;">Determine your risk assessment outcome</p>	<p>Actions</p> <p>Once you have completed the steps above, you should be able to determine if the raw log is likely to have been illegally harvested.</p> <p>If you have concluded the risk to be low, you have completed your risk assessment and can process the raw log.</p> <p>Common problems and solutions</p> <p>If your risk assessment process has concluded the risk to be greater than low, you need to further mitigate the risk. This is explained in greater detail in Step 4 of the due diligence process.</p>

APPENDIX 4: Sources of additional information and guidance for regulated risk factors

The following table lists several web-based information sources which may be useful in providing general information about the source of the product you are assessing for risk. It also provides sources which can be used when utilising the regulated risk factor pathway for risk assessment.

Potential sources of additional information and guidance for regulated risk factors	
<p>1. Consider the occurrence of illegal logging around harvest</p>	<p>Action</p> <p>Check occurrence of illegal logging in area of harvest.</p> <p>The websites below provide information on illegal logging. This is mainly useful for importers:</p> <p>Nepcon: https://www.nepcon.org/sourcinghub/timber</p> <p>This website contains a useful list of risks that have been identified for a large number of countries. You can see details for these countries by clicking on the interactive map.</p> <p>Chatham House - Illegal Logging Information website www.illegal-logging.info/latest-news</p> <p><i>Environmental Investigation Agency (EIA) - US/Washington</i> www.eia-global.org</p> <p><i>Forest Legality Alliance</i> www.forestlegality.org</p> <p><i>Global Forest Registry</i> www.globalforestregistry.org</p> <p><i>Global Witness</i> www.globalwitness.org</p> <p><i>Interpol – Environmental Crimes Unit- Project LEAF</i> www.interpol.int</p> <p><i>The Forest Trust (TFT)</i> www.tft-earth.org</p> <p><i>Transparency International</i> http://cpi.transparency.org</p> <p><i>WWF Global Forest and Trade Network (GFTN)</i> http://gftn.panda.org</p> <p>Some countries/regions have strong governance and enforcement over forestry activities while others have less robust laws and issues with corruption. This factor effectively requires you to identify the risk of illegal logging in the country or region of harvest.</p> <p>An indicator of risk might be that the timber is harvested from a known protected area, or your supplier is unable or unwilling to tell you where the timber has come from.</p>
<p>2. Consider the occurrence of illegal logging in the area the species is derived from.</p>	<p>Indicators of risk might include your supplier is unwilling or unable to tell you what species of timber is in your product, you are aware that the species doesn't grow in the area where your supplier says it was harvested or that the species is listed as 'vulnerable' or 'threatened'.</p>

	Consult websites listed above.
3. Consider the occurrence of armed conflict around harvest. For imported products only.	<p>Areas of armed conflict may make it difficult for the relevant authorities to control forest resources and to ensure legal management of timber extraction from such areas.</p> <p>For information on areas of armed conflict refer to:</p> <p>Conflict Map.org - a news aggregator for armed conflict worldwide – www.conflictmap.org/</p> <p>and/or Global Witness – an NGO – www.globalwitness.org</p> <p>or Smart Traveller web-site: http://smartraveller.gov.au</p>
4. How complex is the product? Only applicable for imported products	<p>Long supply chains and complex composite products can create difficulty in understanding the timber components and their sources.</p> <p>This area of assessment is of particular importance to the furnishing sector as there may be long supply chains and multiple components from various sources that make up the finished product. It may require assessment of your supplier's supply chain.</p> <p>If you do not have full understanding of the components of the product and their source of supply, you need to consider the risk that your product might be contain components from illegal sources.</p>
5. Is there any further information that may indicate whether the logs were illegally logged?	<p>This factor requires you to consider any additional information that that indicates the timber was illegally logged.</p> <p>Indicators of risk include:</p> <ul style="list-style-type: none"> - forged, inconsistent or missing documents <p>(NEPCON have published a guide to help identify fake documents available at:</p> <p>https://www.nepcon.org/library/articles/thematic-article-no-2-fake-documents)</p> <ul style="list-style-type: none"> - the supplier is known to deal with illegally logged timber - goods being sold significantly below the market rate - appropriate taxes not included in price - cash only, or lower price for goods without paperwork - asked to pay a bribe - unable to get rational answers to questions

If after looking at all the information and your conclusion is that the risk is low the product can be imported. If the conclusion is anything other than low risk mitigation must take place. If the risk cannot be mitigated the product cannot be imported. See "[AFA Timber Due Diligence System Template for Importers](#)" or the "[AFA Timber Due Diligence System for Processors](#)"

APPENDIX 5: RISK ASSESSMENT FURTHER GUIDANCE

The matrix shown below to illustrates this idea. This process supports the three regulated pathways by showing that if the information is available for the TLF, CSG/SSG or regulated risk factors and the information meets the requirements of the selected risk assessment pathway then the risk can be classified as low providing there is no other contradictory information.

Illegal Logging Risk Indicators

List of Characteristics of **low risk** based on indicators for origin and supply chain

Low Risk Indicators

- a) Products certified under [PEFC/FSC](#) timber legality frameworks and there is no other information that suggests illegal logging
- b) Products that are supported by the information or documents set out in a Country Specific Guideline or State Specific Guideline (whichever is applicable) and there is no other information that suggests illegal logging.
- c) Products that have been assessed as low risk against each of the regulated risk factors and there is no other information that suggests illegal logging.

List of characteristics of **potential risk** at origin level:

Indicators

- a) Missing information about origin
- b) Actual corruption perception index of country of origin is < 50. Special attention should be given to documentation from countries with such low corruption perception indexes.
- c) The country has a prevalence of armed conflict.
- d) The country/region is known to have a low level of forest governance
- e) The tree species is known to be subjected to illegal logging.
- f) There is other information that suggests illegal logging

List of characteristics of **potential risk** at supply chain level:

Indicators

- a) Product has multiple components of different species and or from different countries
- b) Not all information is available on components.
- c) Participants in the supply chain cannot be identified.
- d) Countries where the product/timber originates cannot be identified.
- e) Species of timber present cannot be identified.
- f) Evidence of illegal practices by the supplier or participants in the supply chain are identified.

Risk Assessment.

The risk assessment process can be visualised in the following matrix.

To perform the risk assessment, the information gathered must be reviewed against the risk factors for illegal logging. For example:

- if there are risk factors identified for product complexity and the information is incomplete the product falls in box 1 and the assessment is that there is potential risk and mitigation is required.
- if the product is complex and is from a region that is prone to illegal logging, then it falls into box 2 and is classified as having potential risk and the risk must be mitigated.
- if the product is from a region that is for known illegal logging, then it falls into box 4 and the risk must be mitigated.
- if the product meets the requirements of the low risk indicators above such as TLF or CSG/SSG or regulated risk factors and there is no other information that is concerning, then the assessment is that the product falls into box 3 and therefore the assessment is low risk and no mitigation is required.

The table below is designed to provide users with some assistance in understanding the classification of risk. The first column details the information that should be gathered, and the second column identifies the risk factor. The third and fourth column gives some examples of what may indicate low risk and what may indicate potential risk. Even if the information available shows only one indicator of potential risk the overall risk cannot be classified as low and the matter should be investigated and mitigated.

See [“AFA Timber Due Diligence System Template for Importers”](#) or the [“AFA Timber Due Diligence System for Processors”](#)

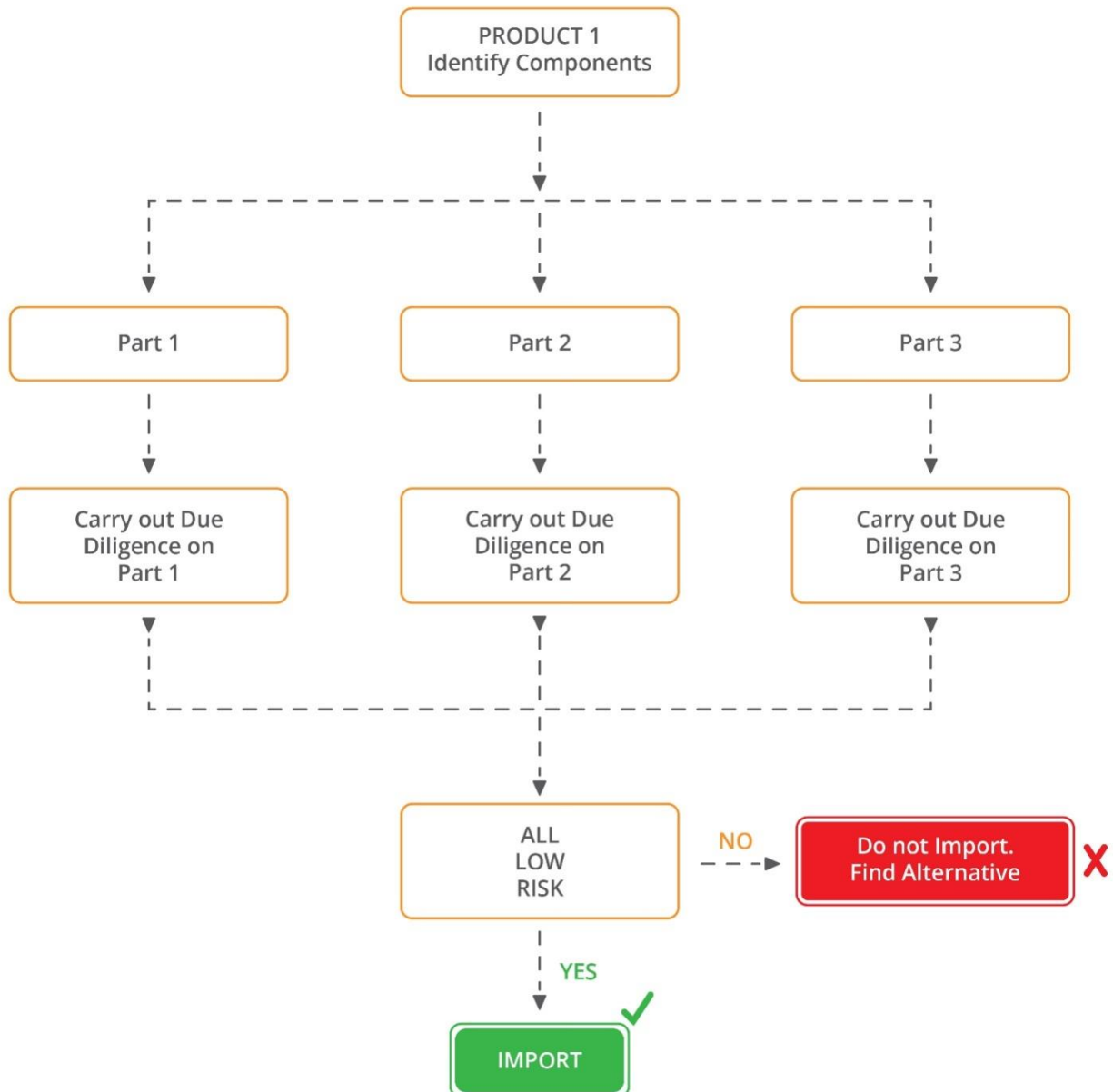
Information	Risk Factor	Low Risk Indicator	Potential Risk Indicator
A description of the timber component of the furnishing, furnishing, cabinetry and components product including the trade name or common name and/or genus and scientific name of the tree from which the timber was produced.	High Risk species	Common plantation species such as Acacia from Asia	Protected species such as Sandalwood
The country, region of the country and the forest or plantation harvesting unit from which the timber portion of the furnishing, furnishing, cabinetry and components product was harvested.	High Risk Region	Harvested in areas with high level of Forest Governance. E.g. New Zealand.	Harvested in region/area of high risk. E.g. Cambodia
The country in which the timber component of the furnishing, furnishing, cabinetry and components product was manufactured.	Manufactured in area using high risk products	Manufactured in Low risk areas such as New Zealand	Manufactured in high risk supply chain area such as China
Details about the company supplying the product, and the quantity of the shipment of the product, expressed in volume, weight or number of units.	Company profile. Illegal shipment	Company has no history of timber legality issues. Quantities match	Company has issues with timber legality. Quantities don't match

<p>Evidence that the product has not been illegally logged, which, without limiting the evidence, may include evidence about:</p> <ul style="list-style-type: none"> ▪ whether the harvesting of the species of tree from which the timber in the product is derived is prohibited in the place where the timber has been harvested, for example Rosewoods, Sandalwood and other CITES listed species; and ▪ if the harvesting of the timber in the place is authorised by legislation (including regulations)—whether the requirements of the legislation have been met for the harvesting of the timber; and • if payment is required for the right to harvest the timber—whether that payment has been made; 	Harvest of protected species	Species commonly available, not on CITES List	Exotic species protected or on CITES list
	Illegal harvesting	Harvesting plan and permits available	No plans or permits available
	Illegal harvesting	Payments receipts available	No receipts available
<ul style="list-style-type: none"> • if a timber legality framework applies to the product, a copy of the licence or certificate issued to the manufacturer that provides evidence of compliance with the standards or requirements of the framework. A statement of compliance should be included on the delivery or invoice documents. 	Illegal logging	All documents are available and delivery documents or invoices state that the product is certified	Some documents missing, no record of company being certified on PEFC/FSC register
<ul style="list-style-type: none"> • if a country specific guideline applies to the timber in the product, or the place in which the timber is harvested—the information or evidence (such as a certificate, licence or other document) relating to the product that the guideline requires the importer to obtain; 	Origin	All documents specified in the CSG are available and there is no other information indicating a risk of illegal logging.	Documents specified in the CSG are incomplete or not available.
<p>If a regulated risk factor pathway is applied pathway based on the following additional criteria: the prevalence of illegal logging in the general area, illegal harvesting of the species and armed conflict in that area. The complexity of the product.</p>	Illegal logging	No prevalence of illegal logging in area or of the species. No armed conflict. Single component product. No other information indicating a risk of illegal logging.	Known area of illegal logging. Contains protected species. Armed conflict present. Multi-component product.

Once the assessment of risk is made the process moves into risk mitigation if mitigation is required. If the risk is low the process ends, and the product can be imported. See [“AFA Timber Due Diligence System Template for Importers”](#) or the [“AFA Timber Due Diligence System for Processors”](#)

Complex Products

Complex products with multiple components will require separate risk assessments as part of the Due Diligence process. It should be noted that the Due Diligence on each part includes risk mitigation if required. The flow chart below illustrates this:



* The Due Diligence includes Risk Mitigation. If low risk cannot be achieved for all component/parts after risk mitigation the product must not be imported.

APPENDIX 6: RISK MITIGATION - FURTHER GUIDANCE

If risk mitigation is required there are numerous ways to achieve the required mitigation. Some may be appropriate for all cases and some only appropriate in certain instances.

The Regulation does not specify what is required only that it should be ‘adequate and proportionate’ to the risk identified and ultimately the action must allow the importer or processor to downgrade the risk and reach a conclusion that it is low if they wish to import the product or process the raw log.

Below is a table setting out some potential issues and several risk mitigation options rating the mitigation strength from lowest to highest.

Risk/Issue	Low Strength Mitigation	Medium Strength Mitigation	Higher Strength Mitigation
Product contains high risk species For example, Rosewood.	Check if timber is coming from a legal source. Ask for permit information.	Ask for CITES permit to export if applicable. Seek alternative supplier with other timber legality certification such as OLB or TLTV	Ask for PEFC/FSC certified product. Replace species with low risk alternative.
Product manufactured in high risk country.	Ask for details on suppliers. Ask for permit information. Check credentials of supplier.	Change supply to material covered by alternative timber legality system.	Ask for PEFC/FSC certified product. Change supplier to low risk country.
Product contains endangered timber species. For example, Ebony	Ask for copies CITES permit for harvest species.	Visit site to conduct audit. Contact authorities and review CITES permit with them.	Change species to low risk.
Prevalence of Armed conflict.	Check if conflict relates to area of harvest.	Seek supply from certified supplier	Replace product with one from another region.
Complex product with multiple components/species For example, timber furnishing	Map details of each component in the supply chain.	Seek alternative simplified supply chain.	Seek PEFC/FSC certified product.

See “[AFA Timber Due Diligence System Template for Importers](#)” or the “[AFA Timber Due Diligence System for Processors](#)”