

QUICK REFERENCE GUIDE: Identifying legal timber from Papua New Guinea



Australian Government
Department of Agriculture
and Water Resources



National Forest Service
Papua New Guinea Forest Authority

This **Quick Reference Guide** supports the **Country Specific Guideline for Papua New Guinea**. These documents may be used by Australian importers of regulated timber products from Papua New Guinea (PNG) to carry out their due diligence in accordance with the *Illegal Logging Prohibition Act 2012* and the *Illegal Logging Prohibition Regulation 2012*.

General Information

In PNG, the *Forestry Act 1991*, as amended, provides the legislative basis for forest resources management. The Ministry of Forests has responsibility for the conservation and management of PNG's forests with Papua New Guinea Forest Authority (PNGFA) as the delivery agency.

Legal requirements of timber harvesting in Papua New Guinea

The *Forestry Act 1991* recognises customary ownership of PNG's forest resources. Any company or person wishing to remove timber from a forest area in PNG shall have a valid timber permit or timber licence, as issued by the PNGFA. These activities must be conducted under one of the following arrangements:

- (a) Forest Management Agreement
- (b) Timber Authority
- (c) Forest Clearing Authority.

There are also some harvesting activities are continuing to operate under repealed forestry legislation:

- (a) Timber Rights Purchase
- (b) Local Forest Area.

Identifying legal product from Papua New Guinea

Importers of regulated timber products from PNG can identify the legality of regulated timber products based upon the provision of one of the following primary documents issued under the *Forestry Act 1991*, depending on the arrangement type:

- (a) **Timber Permit** – issued by the Minister for Forests to an operator to carry out specific activities e.g. harvesting within a Forest Management Agreement (FMA) area, Timber Rights Purchase (TRP) areas or Local Forest Area (LFA) (see [Figure 1](#)).
- (b) **Timber Authority** – issued by the Provincial Chairman for Forestry Matters over customary land not subject to a FMA, TRP or LFA (see [Figure 2](#)).

<p>INDEPENDENT STATE OF PAPUA NEW GUINEA FORESTRY ACT 1991 Act, Sec. 73 Reg. 118</p> <p>FORM 115</p> <p>TIMBER PERMIT</p> <p>Permit No: PNGFA-TP14- [REDACTED]</p> <p>I, Hon. Patrick Pruaitch, MP Minister for Forests, by virtue of the powers conferred by Section 73 of the Forestry Act 1991 and all other powers me enabling, grant a timber permit to [REDACTED] LMF (in this permit referred to as "the holder").</p> <p>This permit relates to the project area described in Schedule 1. Pursuant to or as conditions of this permit:</p> <ul style="list-style-type: none">(1) the amount of allowable cut is as specified in Schedule 2;(2) the term is as specified in Schedule 3 or no more than the term of any Forest Management Agreement relating to the project area (whichever is less);(3) where the term specified in paragraph (2) and Schedule 3 exceeds ten years, the term and conditions of this permit shall be reviewed by the Board after ten years and on the expiry of every successive period of five years;(4) the rates of royalties, levies and charges to be paid are as specified in Schedule 4;(5) the infrastructural requirements of this permit are as specified in the accompanying conditions or in Schedule 5;(6) this permit is subject to the provision of a performance bond for an amount specified in Schedule 6 which the holder shall lodge within 21 days with the Authority;(7) this permit relates to the project agreement specified in Schedule 7;(8) this permit is subject to the conditions prescribed in the Regulations;(9) this permit is subject to and conditional upon the holder throughout the period of the permit, observing and complying with all standards and practices as determined from time to time by the Authority including but not limited to the P.N.G. Logging Code of Practice, Procedures for Exporting Logs and Procedures for the Identification, Scaling and Reporting (including Royalty Self-assessment) on logs harvested from Natural Forest Logging operations or any revisions or replacement documents thereof. <p>Dated this 13th day of OCTOBER 2005.</p> <p> MINISTER FOR FORESTS</p> <p><small>NOTE: A PROJECT STATEMENT UNDER SECTION 150 OF THE ACT, A FIVE YEAR WORKING PLAN UNDER SECTION 101 OF THE ACT, AND AN ANNUAL SECTION UNDER SECTION 102 OF THE ACT ARE REQUIRED TO BE SUBMITTED TO THE BOARD IN THE PRESCRIBED FORM BEFORE ANY RIGHTS IN THE TIMBER PERMIT MAY BE EXERCISED.</small></p>	<p>INDEPENDENT STATE OF PAPUA NEW GUINEA FORESTRY ACT 1991 Act, Sec. 91 Reg. 177</p> <p>FORM 175</p> <p>LICENCE</p> <p>Licence No.: PNGFAL [REDACTED]</p> <p>[REDACTED] LTD, a registered Forest Industry Participant (Reg. No. FI [REDACTED]) is hereby licensed to engage in the Forestry industry activities specified in Schedule 1.</p> <p>This licence is granted for a term of 12 months commencing on the [REDACTED] day of [REDACTED] 2015 and is conditional on compliance by the licensee with the terms and conditions to which the activities authorised by this licence are related including but not limited to compliance with all standards and practices as determined from time to time by the Authority including but not limited to the P.N.G. Logging Code of Practice, the Procedures for Exporting Logs and the Procedures for the Identification, Scaling and Reporting (including Royalty Self-assessment) on Logs harvested from Natural Forest Logging Operations or any revisions or replacement documents thereof.</p> <p>This licence is conditional upon the lodgement of a performance bond in accordance with Section 98 of the Act in an amount specified in Schedule 2.</p> <p>The licensee shall comply with the terms and conditions contained in Schedule 3.</p> <p>Date this 29th day of May 2015</p> <p> DAVID DOTAONA CHAIRMAN FOR THE BOARD</p> <p>SCHEDULE 1</p> <p>Forest activities to be conducted under this Licence: Purchasing, harvesting, processing and marketing of Balsa and in the location of the Gazelle Peninsula, ENB Province.</p> <p>SCHEDULE 2</p> <p>The amount of the performance bond is K10,000.00 and must be renewed annually.</p> <p>SCHEDULE 3</p> <ul style="list-style-type: none">1. This Licence is issued strictly for Balsa activities only and not to be used to purchase and sell any other forest produce/products.2. Application for Extension of the term of this Licence must be lodged with the Authority prior to the expiry date.
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Figure 1: Timber Permit

Figure 2: Timber Licence

To help with the due diligence process, importers of logs, timber and timber products from PNG may be able to source from their suppliers a copy of the export document(s) applicable to the products within their consignment.

Note: the export of logs, as defined on page 2 of the **Country Specific Guideline for Papua New Guinea**, requires both an **Export Permit Type 1** and an **Export Licence**. Timber exported in forms other than logs require an **Export Permit Type 1** or **Export Permit Type 2**. Details on each permit is below:

- (a) **Export Licence** – issued by the Minister for Trade, Commerce and Industry and is a document required for exporting logs, in addition to the Export Permit Type 1 (see Figure 3).
- (b) **Export Permit Type 1** – issued by the Minister for Forests following endorsement by the PNGFA for logs and timber products harvested under a Timber Permit from Timber Licence areas (see Figure 4).
- (c) **Export Permit Type 2** – issued by the Minister for Forests for non-timber forest products (see Figure 5).

Figure 3: Export Licence

Figure 4: Export Permit Type 1

Figure 5: Export Permit Type 2

To carry out forestry related activities in PNG, a proponent has to obtain a **Forest Industry Participant Certificate** (see **Attachment G** in the **Country Specific Guideline for Papua New Guinea**), certifying that all requirements to undertake forest related activities have been met. This document will be required as part of demonstrating the legality of the product.

The PNGFA has also compiled a list of timber species that shall be protected from export due to their scarcity in the natural forest. A company or person issued with a valid timber permit or licence must ensure that all regulations related to protected species are observed during harvesting and processing. The list of excluded species can be found in the **Country Specific Guideline for Papua New Guinea** (p. 11).

For further details on timber legality in Papua New Guinea, see the **Country Specific Guideline for Papua New Guinea**.

Who should I contact for further information?

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