

# New Zealand policy to address illegal logging and associated trade

## Introduction

Welcome to the New Zealand policy on addressing illegal logging and associated trade policy website. This website will keep you up to date with policy progress and how you can be part of policy development and implementation.

## About the policy

The policy provides a cohesive New Zealand response to the problem of illegal logging and associated trade and incorporates a suite of actions to be taken at domestic, bilateral, regional and international levels.

## What's your role?

Consumers can make the biggest difference by choosing to buy legally sourced timber and wood products. Find out more about how you can be a responsible buyer – see [Responsible Buying Guidelines](#).

Suppliers also have a responsibility to ensure that they are sourcing timber and wood products that have been legally produced. Find out more about [Suppliers Guidelines](#).

## Illegal logging resources

Here are a number of [contacts](#) we think may help you regarding this issue. Some [background information](#) has also been provided to help you find out more on the issue.

## Policy team

The policy team cannot implement this policy alone. We need your thoughts, your knowledge and above all your willingness to participate to make this happen. Please [contact us](#) if you have any questions, need further information or want to share your thoughts on how we can address illegal logging.

## Programme updates

[Publications and research](#)

## About illegal logging

### What is illegal logging?

Illegal logging takes place when timber is harvested, transported, bought or sold in violation of national and/or international laws. It is difficult to give a more precise definition than this because much depends on the specific laws of an individual country. In this respect, New Zealand accepts that sovereign nations are best placed to confirm the legality of timber operations and timber trade.

Some examples of illegal logging activities include:

- logging protected species, or in protected areas;

- purchasing logs from protected areas;
- logging outside concession boundaries;
- extracting more timber than authorised;
- logging without authorisation;
- obtaining logging concessions through bribes;
- transporting illegally harvested timber;
- exporting timber in contravention of national bans;
- declaring lower values and volumes exported.

## Why are we concerned about illegal logging?

Illegal logging has serious negative environmental, social, and economic impacts.

In environmental terms, illegal logging undermines measures to protect and sustainably manage forests. This can impact on some of the world's most ecologically valuable forest ecosystems such as tropical rainforest, with resulting losses for global biodiversity and the habitats of endangered species. Depletion of forests due to illegal logging can also cause soil erosion, landslides, aggravate flooding, and alter the local climate.

Illegal logging is also increasingly becoming an issue around climate change mitigation and adaptation policy. Forests represent carbon sinks which are needed to mitigate and adapt to global climate change.

Illegal logging also has some less obvious impacts. For example, illegal timber harvesting can remove a source of income and employment for local communities and is often associated with corruption, organised crime and sometimes violent conflict.

New Zealand has particular concerns over the effects of illegal logging on the world's forestry trade. A recent report estimated that illegally harvested wood depresses global timber prices by between 7 and 16 percent, causing significant loss of revenue for the forestry industry<sup>1</sup>. For New Zealand's forestry sector, which operates to some of the world's highest environmental standards, forest companies that bypass the costs of legal compliance represent unfair competition.

The impacts of illegal logging on economies, governance, communities and the environment include:

### Social impacts

- weakened indigenous resource management institutions;
- marginalisation of those without access to resources and little political clout;
- environmental degradation resulting in inability to use land or sustain livelihoods;
- social conflict;
- decreased access to forests or land;

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<sup>1</sup> "Illegal" Logging and Global Wood Markets: The Competitive Impacts on the US Wood Products Industry (2004). See [http://www.afandpa.org/Content/NavigationMenu/News\\_Room/Papers\\_Reports1/AFPAIllegalLoggingSummaryFINAL.pdf](http://www.afandpa.org/Content/NavigationMenu/News_Room/Papers_Reports1/AFPAIllegalLoggingSummaryFINAL.pdf)

- reduced government expenditure on welfare, community spending and environmental management.

#### Environmental impacts

- biodiversity reduced;
- habitats degraded or lost;
- alteration of watershed and ecosystem functions;
- carbon emissions;
- erosion;
- ecosystems degraded;
- marginalisation of wood products.

#### Economic impacts

- loss of government revenue;
- loss of company profit;
- distortions through rent-seeking;
- competitiveness of industry affected;
- small companies and individuals may be marginalised;
- existence of perverse incentives.

#### Governance impacts

- erosion of the rule of law;
- weakened general and environmental governance;
- corruption;
- conflict;
- loss of progress towards sustainable forest management.

### What are the causes of illegal logging and associated trade?

Causes of illegal logging include:

#### Governance

- weak judiciary;
- lack of consultation/involvement with forestry stakeholders;
- lack of transparency/accountability;
- lack of money/funding;
- unclear allocation of competencies between government departments;
- lack of recognition of indigenous rights;
- weak/absent property rights;

- limited capacity to develop and enforce laws.

#### Legislative and policy

- weak penalties;
- money laundering legislation weak;
- weak financial/tax laws;
- conflicting and unclear legislation;
- transport and trade laws difficult to understand and apply;
- limited capacity to make efficient and effective laws;
- inappropriate/discriminatory regulations;
- absence of national criteria and indicators in forestry.

#### Market

- forests not an economically superior land-use;
- perverse market/non-market subsidies exist;
- cost of sustainable forest management compared to conventional logging high;
- difficult to change business-as-usual approaches to extracting/trading timber;
- tension between private and social values;
- little market for environmental goods or services;
- lack of producer knowledge about marketing;
- consumer demand for hardwoods;
- consumer demand for cheap wood products;
- lack of consumer knowledge.

#### Capacity and technical ability

- inadequate resources;
- poorly paid forest departments;
- under funded and resourced customs officials;
- weak identification of illegal products;
- remote places that are difficult to monitor;
- lack of expertise and/or resources in sustainable forest management and sustainable livelihoods-focused policy.

Finding ways to address illegal logging is difficult and will require co-operation between countries.

## Responsible buying guidelines

Consumers have one of the most powerful and important roles in addressing illegal logging and related trade. It is difficult for illegal practices to carry on without willing

buyers to purchase illegally harvested, processed and traded wood products. We must all play a part in choosing to buy only wood products that are from legal and sustainable sources.

### Five tips for buying legal timber and wood products in New Zealand (in no particular order)

1. Buy New Zealand timber or wood products. New Zealand timber is harvested and processed according to well-enforced environmental laws.
2. Check to see if the timber or wood product carries documentation that verifies compliance with a reputable forestry management standard or certification scheme.
3. Buy timber or wood products that are made from recycled or used product.
4. Ask the supplier where the wood has come from. Do they know if it has been legally produced, harvested and traded? What supporting evidence can they produce?
5. Ask your supplier if they have a responsible timber and wood purchasing policy in which they seek to only buy legally harvested timber and wood-products. For example, for imported products, the supplier may belong to the Imported Tropical Timber Group which is an industry-environmental group that has a specific policy around sourcing legal and sustainable timber and wood products.

For information on certification schemes please see [Certification and other means of identifying legal and sustainable timber products](#).

## Supplier guidelines

Suppliers of timber and wood products in New Zealand can play a critical part in helping to address illegal logging. This is because they can make a commitment to supply only those timber and wood products that are from legally harvested forests. This helps to reduce the demand for illegal products and increase supply for legal and sustainable products.

Many New Zealand suppliers are already playing their part in ensuring that they are supplying legally produced and sustainable products to consumers.

One of the actions of the New Zealand policy is to work with stakeholders, including forest owners, timber trade and building associations, architects, and NGOs to develop information for consumers, importers and retailers on sustainable and legal wood products. As part of this action we will be working with stakeholders to bring you more information on how suppliers can help combat the problem.

Aspects of the following document might be useful when thinking about developing procurement policies:

- [Keep it legal – best practices for keeping illegally harvested timber out of your supply chain](#). A publication for WWF's Global Forest & Trade Network by Frank Miller, Rodney Taylor and George White: July 2006.

## Domestic and international work programme

In December 2009 Cabinet adopted a New Zealand policy to address the legality and sustainability of New Zealand's Timber Trade. The policy targets international, bilateral and domestic actions.

Multilateral actions include actively participating in climate change negotiations for a Reducing Emissions from Deforestation and Degradation (REDD) mechanism, and supporting efforts to have kwila listed in Appendix II of the Convention on International Trade in Endangered Species (CITES).

Domestic actions include supporting the industry to develop a voluntary code of practice to encourage the verification of the legality of imported timber and timber products, and supporting the provision of consumer information on issues of legality and sustainability.

Bilateral actions include seeking to develop a joint strategy with Australia, and discussing where appropriate illegal logging under the umbrella of trade and environment agreements or arrangements concluded in the context of Free Trade Agreements.

The specific recommendations agreed to are listed below. The actions will be pursued, as appropriate, by Ministers and officials within the bounds of New Zealand's international trade obligations.

### Multilateral action

- Actively participate in the climate change negotiations for a Reduced Emissions from Deforestation and Degradation (REDD) mechanism consistent with cabinet mandates on REDD at the time of participation.
- Engage on issues related to illegal logging and sustainable forest management in the regular international forestry meetings which Ministers and officials attend.
- Support efforts to have kwila listed on Appendix II of the Convention on International Trade in Endangered Species (CITES).

### Domestic action

- Support the industry to develop a voluntary pan industry code of practice to encourage the verification of the legality of imported timber and timber products.
- Support the voluntary pan industry code of practice by providing consumer information on issues of legality and sustainability, for example on the relevant departmental websites.
- Encourage the voluntary pan industry approach by encouraging the provision of information at the point of sale (ie voluntary labelling) for legality with a focus on the kwila species.
- Consider progressing mandatory provision of information at the point of sale (i.e., mandatory labelling), subject to approval by Cabinet, should the voluntary labelling for the legality of kwila species be considered insufficient after a trial period of 2 years.

## Bilateral action

- Develop a joint strategy with Australia to address illegal logging and sustainable forest management.
- Investigate the possibility of linking in with an Australian scheme to address illegal timber imports should they develop and introduce such a scheme.
- Work with Australia to explore opportunities within the Asia Pacific region to discuss the issues of illegal logging and sustainable forest management trilaterally or plurilaterally at officials level.
- [Withheld under s6(a) of the Official Information Act 1982]
- Discuss illegal logging under the umbrella of trade and environment agreements or arrangements concluded in the context of Free Trade Agreements (FTAs), should the opportunity arise.
- Continue bilateral discussions at officials level, from relevant departments including MFAT, MfE and MAF, in the context of other engagements [withheld under s6(a) of the Official Information Act 1982] to explain the sustainability measures taken in New Zealand, and to promote the sourcing of legally logged timber and timber products from sustainably managed forests.

Cabinet invited the Minister of Forestry to consult with his counterpart in Australia on proposed development of a joint strategy to address illegal logging and sustainable forest management.

Cabinet also invited the Minister of Forestry to report back to the Economic Growth and Infrastructure Committee on developments in this policy area and progress made from pursuing these actions within 12 months.

**Last updated:** 20 January 2010

## Illegal logging resources

### Publications and research

- [Research into Wood Legality Verification Schemes \[PDF 417KB\]](#) (May 2008)
- [Research into Labelling of Legal Timber Products and Policy Options to Improve the Legality of Timber Products in New Zealand \[PDF 671KB\]](#) (27 May 2008)
- [Implications for the New Zealand Wood Products Sector of Trade Distortions due to Illegal Logging](#)
- [The Proposed New Zealand Approach Towards Addressing Illegal Logging and Associated Trade Activities](#) (MAF Discussion Paper No: 2006/01, February 2006)

## Contacts

A number of people work across government on illegal logging related issues and/or international forestry issues. If you would like more information or have any questions you are welcome to contact the following people:

## Illegal logging

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## Government timber and wood product procurement policy

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## MAF's Indigenous Forestry Unit

The role of the [Indigenous Forestry Unit](#), with offices located in Christchurch and Rotorua, is to facilitate the sustainable management of New Zealand's indigenous forests.

The unit administers the indigenous forestry provisions of the Forests Act 1949, which was amended in 1993 to bring an end to unsustainable harvesting and clearfelling of indigenous forest. Specifically the unit: approves forest management plans and permits; approves (and monitors) annual logging plans; registers sawmills to mill indigenous timber; issues milling statements for other timber not sourced from plans or permits; approves indigenous timber notified for export; and monitors and enforces compliance with the Forests Act.

## Department of Conservation

Within New Zealand, the implementation and administration of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) is provided by the [Department of Conservation](#). The Department of Conservation is

responsible for managing CITES species in New Zealand and the international community. A number of tree species are listed on CITES appendices. This means that there are trade controls placed on the movement of these species.

Customs and Ministry of Agriculture and Forestry are responsible for border controls, and these are based on the Trade in Endangered Species (TIES) Act.

### **NZ Wood Campaign (FIDA)**

The NZ Wood Project is one of the major initiatives under the Forestry Industry Development Agenda (FIDA) and WoodCo funding partnership. FIDA represents a government and forest industry relationship with WoodCo – the Wood Council of New Zealand representing the forestry industry. The objective of the NZ Wood Project is to significantly increase domestic wood consumption. This will be achieved by growing market share, increasing per capita wood consumption in New Zealand and working to shape positive perceptions of wood, especially plantation grown wood.