

Each month TimberTrader News' editor Helen Hatty will take a look at one aspect of the Chain of Custody topic.

Imported Timber Bodies

Now that we have looked at the Australian bodies involved in the certification of Australia's hardwood timber resources, I felt the subject of imported timber was the next best area to investigate.

I spoke with Robert Cairns, Victorian state manager of timber importers, Tasman KB, and chairman of the Victorian Timber Importers Association (VTIA), about the bodies who handle these issues overseas.

Rob is well qualified in this arena, firstly commenting that the VTIA comes under the umbrella of the Australian Timber Importers Federation (ATIF).

The ATIF lobbies and liaises with the Federal Government on various issues from time to time, e.g. tropical wood imports and certification of timber imports as to their sustainability and sourcing from well managed forests throughout the world.

"Even though the ATIF members use overseas bodies to verify the source of the timber they buy, we must first point out not to confuse 'sustainability' with 'legality'," he began.

"It's part of the equation but not the entire equation. The first thing you have to establish is that the timber is being legally obtained; i.e. that it has been legally harvested under the laws of that country.

"That means whichever body (owner) has control of the area to be logged has given permission for the timber to be harvested in that concession and royalties have been paid.

"A logging concession area in any country is determined by the government or a private forest owner," Rob continued.

"For example in Indonesia, a concession owner may then use a third party auditor to gain a VO or VLO certificate for that concession.

"Is it from a sustainable source? That's a difficult question.

"For example even if the timber came from a plantation in New Zealand, you could not necessarily say it was from a sustainable resource as that plantation may not be replanted; they may reuse the land for agriculture. Sustainability is a question for the forest owning country to address.

"Our first and foremost focus is that

imported timber comes from certified legal sources, and hopefully from sustainable sources."

Rob said a large majority of the timber imported into Australia is from legal sources, imported from countries such as New Zealand, North America and South East Asia, as well as Chile, Brazil, Africa and Europe.

Timber also produced from these countries is exported to countries like China and Vietnam, who reprocess it into other timber products, like flat pack furniture, which is exported to Australia.

"That is always a difficult one to follow in terms of CoC as the legality of the supply chain is often unproven," Rob stated.

"Some of the timber may be from a legal source but it is often mixed with material from another source and the legality cannot be proven.

"There are a number of overseas countries that have CoC certification bodies and require third party auditing of the production processes.

"As with the Australian production, those involved in the entire processing chain have to be certified with AFS or FSC in Australia to be able to pass on the CoC certification.

"And in reality we, as a company, have to be independently audited and certified by all these bodies for us to pass on that certification to our customers.

"For example timber out of Indonesia could be certified under TFT or TLTV, or it may not be certified at all; just because it is not certified does not mean that it is not legal.

"What it means is that the supplier may not yet have completed his accreditation from the third party auditor.

"We therefore would have to sell their product as non-certified product, or in the case of TFT or TLTV product, we would sell that as certified product.

"Tasman KB is certified under SGS and currently has TLTV certification, and we'll shortly be going for FSC certification through SGS.

"It's not a difficult process to go through once you've completed the first certification; it's just a matter of keeping accurate records, separating the certified material, etc.

"If a merchant wants to continue selling non-certified or certified timber without having to pass on the CoC documentation, he can do so.

"It's only when a client asks for the documentation to pass on to HIS customers, that a third party (CoC) audit would be required.

"Some government departments already require this now and the consumer may demand this in the future - it will then be up to the merchant to decide whether he wants to be certified and part of the CoC certification or not."

Rob commented, "I would say within the next two to three years, as the Australian Government puts steps in place to stop illegal logged timber products being imported to this country, as CoC gains momentum and the public awareness grows, all timber products coming in will not only be from legal sources but will have to be 100 per cent certified legal origin.

"The question is 'will the customer be prepared to pay a premium price for certified product?' We pay an up front cost to the third party auditor to become certified in the first place and pay ongoing annual fees.

"Accredited exporters pay a percentage of the export price of the timber for every container of timber that is shipped, and that of course is added to the price of the product.

"Ultimately we'll end up with verified legally sourced imported timber but it will be more expensive - I guess it will come back to the consumer as to whether they will pay the premium price for it?"

ACRONYMS

TFT	Tropical Forest Trust
TLTV	Timber Legality & Traceability Verification
VLC	Verification of Legal Compliance
VLO	Verification of Legal Origin

THIRD PARTY AUDITORS

SGS - Société Générale de Surveillance