

4 June 2024

Issues paper one: The legal harvest assurance framework
Forest Market Assurance Programme
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Legal Harvest Assurance Scheme

Thank you for the opportunity to provide feedback on the issues paper – Legal Harvest Assurance System for Timber.

As a general statement, we submit in support of the feedback provided by the New Zealand Institute of Forestry's submission. Some additional comments are provided.

General Comment

Our members raise some reservations with this legislation and the additional due diligence requirements that will be needed to meet the regulatory standards. The aim of new legislation should be to assist New Zealand's wood processors and manufacturers, whereas this legislation will place further costs and risks onto their daily operations.

As per our submission on the draft Bill in August 2022 we re-emphasise two of our key points:

- The regulation's need to meet the expectations of the full range of importing countries' border entry requirements that maintain and improve New Zealand's export opportunities of wood products, and
- Minimises the direct cost of compliance to the sector in recognition of the important contribution a wood processing and manufacturing sector makes to New Zealand's aspiration of a circular net-zero emission economy by 2050.

Rather than create new Due Diligence requirements, MPI need to support and assist exporters with deforestation legislation, such as the European Union Deforestation Regulation (EUDR), rather than just legality for supply. Due to the lack of detail provided in Issues paper one, it is unclear if this requirement will be met through the Legal Harvest Assurance Scheme.

New Zealand appears to be on the 'back foot' when it comes to traceability and deforestation, for example, EUDR and the proactive use of timber tracing technologies in Australia. We are not convinced that the Legal Harvest Assurance Scheme will provide the Due Diligence and risk assessments that are needed to grow our industry.

As the issues paper reads it is very difficult to ascertain whether the resulting enforceable law will be practical and cost effective for the risks that are presumed to be managed.

Given this, we provide some additional detail as follows.

Timber and Timber Product Exporters

Q. If you export, what information about legal compliance are you being asked for, and by whom, when you are exporting timber or timber products?

- Mostly, it's our customers who seek information on legal compliance, deforestation, and sustainability certification. The questions appear to be driven by various country rules on imports (e.g. EUTR) as well as customer procurement policies. We also have the Australian government requiring Due Diligence on legality as an importer into Australia.
- For two Asian customers requiring log supplier (FM certificate) and invoice between us and log supplier plus a harvesting permission or declaration from log supplier to prove that logs are legally harvested.
- For other Asian customers FSC confirmation (certificate) even though they are not purchasing FSC products.
- For most Australian customers confirmation with details that our timber meets the requirements of the Australian Illegal Logging Prohibition Act.
- For USA customers the Lacey Act declaration that our timber is from product 100% legally harvested in country of origin along with questionnaires to support the declaration.

Q. Who should be responsible for meeting export requirements?

- Potentially not the exporter? This would cause duplication. In Australia, responsibility lies with the importer. Elsewhere it is our customers who are responsible for meeting import requirements.
- We want a system that makes it easier to meet other countries rules and related customer policies.
- The NZ government should regulate that harvesting in NZ meets the legal requirements.

Q. What information are you being asked for to land your goods in an overseas market?

- Phytosanitary Certs
- Packaging Declarations
- Rates of Duty/ Tariff forms
- Packing lists
- Export declaration
- Heat Treatment certificates

Q. Should there be any exemptions from export requirements?

- No

If you require any clarification on our feedback, feel free to contact me at mark@wpma.org.nz

The Wood Processors and Manufacturers Association

About us:

The Wood Processors and Manufacturers Association (WPMA) was established in 2014 through a merger of the Wood Processors Association and the Pine Manufacturer's Association. We are a voluntary funded industry association with a strong focus on promoting wood as the heart of a future zero-carbon economy.



Our members are leaders in the New Zealand wood industry converting harvested logs into a wide range of products including sawn lumber, pulp, paper, panels, laminated products, mouldings, and engineered wood, through to the development of bioenergy solutions.

Total sales of industry products both domestically and globally in 2023 were approximately \$5 billion. The industry employs close to 30,000 staff, mostly in the New Zealand regions.

<https://www.wpma.org.nz/>

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