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WWF news letter extract

#### AFTN News

16th October, 2006

**Seeing the trees for their wood** - The WWF-convened Australia Forest and Trade Network (AFTN) has welcomed its first six signatories who have joined WWF in a growing International effort to improve the management of the worlds forests and end illegal logging.

The signatories represent steps along the forest products supply chain: forest products companies ITC Limited and Timbercorp, timber importer and wholesaler Simmonds Lumber, print management business Complete Print Solutions, commercial printer Complete Colour Printing and integrated communications consultancy UP&UP Creative.

“Our six participants join a network of over 300 companies in 30 countries that are part of WWF’s Global Forest and Trade Network” said Jana Blair, WWF’s Forest and Trade Network Coordinator.

“As an importer of tropical timber we recognise that our trading position gives us the opportunity to take a proactive lead in reducing the trade in illegal timber. Participation in the AFTN will demonstrate our commitment to encouraging responsible forestry to our customers and suppliers,” said Paul Elsmore, CEO, Simmonds Lumber. (for more information on Simmonds Lumber’s connection with Indonesia FTN members see story on page 4).

ITC, a major integrated forestry company secured Forest Stewardship Council (FSC) certification for the bulk of its plantations. “ITC is in an enviable position to be able to respond to our growing national and international customer demand for FSC certified forest products,” said Vince Eramsus, CEO, ITC Limited.

“As a major Australian supplier of woodchips, FSC certification of our plantations demonstrates our commitment to the environment, local communities, and gains us recognition in the world market for sustainable forest products,” said John Vaughan, Executive Director, Timbercorp.

Two AFTN participants are responding to the business demand for publications on FSC certified paper. “Our clients

are increasingly seeking more environmentally responsible paper choices,” said Peter Scott, General Manager, Complete Print Solutions.

“Our FSC Chain of Custody certification enables us to use the FSC logo on publications printed on FSC paper,” said Geoff Lawyer, General Manager of Complete Colour Printing.

“UP&UP Creative are committed to minimising our impact on the environment. By sourcing paper from FSC certified forests we are supporting our eco-design and values-based approach, good forest management and integrating our clients CSR values into our communication solutions,” said Monique McNamara, Director, UP&UP Creative.

Participation in the AFTN is open to all Australian businesses that supply or use timber and paper and are seeking to support responsible forest management.

# Timber DNA profiles reduce market for illegal logging

Philip Hopkins  
March 29, 2007

ONE of Australia's largest timber importers has introduced technology that ensures that no wood it brings into Australia has been illegally logged.

Simmonds Lumber now conducts DNA testing of timber — a world first — that verifies the exact source of each tree being imported from Indonesia. The test is similar to DNA testing of humans.

The technology is expected to strengthen the fight against the estimated \$400 million worth of illegally logged timber products now imported into Australia annually.

Simmonds, which has an annual turnover of \$100 million, has invested more than \$250,000 in the past five years to develop the technology with Singapore timber auditing company Certisource.

A genetic profile is taken of each tree while it is growing in legally allocated concession areas in Indonesia. Simmonds chief executive Paul Elsmore says a sample is also sent to Certisource in Singapore.

The genetic profile is then rematched with another genetic analysis once the logs have arrived at the production mill in Indonesia.

"This proves the log has come from the concession," Mr Elsmore said. "It's checked against the data in Singapore."

The approved timber is then processed through the mill, where it is audited by Certisource, before finally being exported to Australia.

Mr Elsmore said he was confident the technology would make Australia a world leader in the global fight against illegal logging.

Mr Elsmore said Indonesia was suffering one of the highest deforestation rates in the world, with more than 80 per cent of all wood produced and sold there thought to be illegal.

"In the past five years, though, the Government has made huge inroads into reducing this," he said. "It's improving every day."

Mr Elsmore said the legal concessions were probably in regrowth native forest areas.

Many auditing systems rely on a "certificate of origin" issued in the source country to prove the legality of the cargo. "However, these systems can be corrupted. Many log smugglers sidestep the authorities by providing false certificates," Mr Elsmore said.

About 150,000 cubic metres of sawn timber is imported into Australia from South-East Asia every year. Simmonds has imported about 10,000 cubic metres of DNA-tested merbau products into Australia in a test program.

Australia imports about \$4 billion worth of forest products annually, but has a trade deficit of about \$2 billion in forest products.

<http://www.certisource.net>

# Australian Newspaper

## Tree DNA profiles to fight illegal logging

- *Greg Roberts*
- March 29, 2007

### **THE genetic profiles of individual trees will be identified for the first time in an initiative to crack down on illegal logging.**

Conservationists joined the Howard Government in applauding a new screening program developed by Sydney company Simmonds Lumber to ensure that timber imports from Indonesia were legally sourced.

The move coincides with the release of a UN report that identifies Indonesia for the first time as having the world's highest rate of forest clearing.

The Food and Agriculture Organisation's latest State of the World's Forests report says Indonesia is defying a pro-environment trend in east Asia by bulldozing 1.9million hectares of rainforest a year - about eight football fields a minute.

The World Bank has estimated that between 70 and 80 per cent of logging in Indonesia is illegal.

Simmonds Lumber will announce today the details of how it will use the DNA profiles of trees to screen \$40million worth of timber imported annually by the company from Indonesia.

The company will in future accept only products from trees grown in legal forestry concessions.

Simmonds chief executive Paul Elsmore said that under the plan, which took five years to develop, a genetic profile would be taken of each tree in the concessions.

"Trees, like humans, have unique individual DNA codes," Mr Elsmore said.

Each log arriving at Indonesian processing plants operating in partnership with the company will have its genetic profile checked to ensure it has been legally sourced.

"The tests are similar to those used when trying to establish the paternity of a child," Mr Elsmore said. "This is the first verification in the world to use scientific evidence to prove the exact source of each tree."

Singaporean company Certisource will audit the logs as they are processed in Indonesia to verify the source of products exported to Australia.

Federal Forestry Minister Eric Abetz said the program was a significant advance in efforts to stamp out illegal logging.

World Wide Fund for Nature forest co-ordinator Jana Blair said the DNA profiling was a promising tool in the global campaign to stop illegal forestry.

The FAO report said Indonesia had the largest number of critically endangered tree species - 122 - but the highest rate of forest destruction, with 2 per cent of its forests being cleared annually.

# Transcript

This is a transcript from The World Today. The program is broadcast around Australia at 12:10pm on ABC Local Radio.

## Importer reduces illegal timber trading via DNA technology

**The World Today - Thursday, 29 March , 2007 12:14:00**

**Reporter: Sabra Lane**

ELEANOR HALL: Even with more plantations in places like Indonesia, there is still the problem of insuring that illegally logged timber is not making it onto the international market.

Today one of Australia's largest timber importers has revealed that it's using world-first DNA technology to reduce the amount of illegal timber it imports.

The company says that by the end of the year, this technology should mean that 80 per cent of its imports will be sourced from legal plantations.

And the Federal Government says its now considering insisting that timber used in government procurements is also from legal sources.

Sabra Lane has our report.

SABRA LANE: Simmonds Lumber turnovers \$100 million every year. Most of its timber is used to build houses.

About a third of its imports are from Indonesia, a country recognised by the World Bank, as having a major problem with black market timber, with as much as 80 per cent coming from illegal sources.

This new DNA test will be used to track timber, from seedling to milled timber planks.

Paul Elsmore is the chief executive of Simmonds Lumber.

PAUL ELSMORE: Well the DNA is very similar in effect to the DNA of human beings. Each tree has its own code or its own DNA, so what we effectively do is we take a sample of the tree at the concession time, the logs are then transported through to our facility where we take another sample.

And that sample is obviously matched to ensure that the log that is in the legal concession is in fact the log that we're going to process.

SABRA LANE: The company likens this DNA tree screening to a paternity test. Once the timber is transported to a mill, Singapore based company Certisource, again takes samples, to crosscheck it the original material.

PAUL ELSMORE: We are hopeful that by the end of this year, the close of 2007, that up to 80 per cent we will have moved through to a level of around 80 per cent of our imports will come in under the DNA process or chain of custody, and therefore we can suggest that 80 per cent of our product will come from legal concessions.

SABRA LANE: How much is it now?

PAUL ELSMORE: Well we've been running this system for some time, it's probably running at about 50 per cent at the moment.

SABRA LANE: And Mr Elsmore says it will bump up the price of timber.

PAUL ELSMORE: Well obviously there is a premium to create this chain of custody. The premium is not large.

SABRA LANE: Will it be passed onto consumers?

PAUL ELSMORE: Yes, it will be.

SABRA LANE: And so how much more expensive will it be?

PAUL ELSMORE: It's in percentages. It's in single digit percentages, so we're not talking about 20 per cent, 30 per cent, we're talking single digit percentages.

SABRA LANE: Certisource developed the test and will verify samples taken in plantations.

Kevin Hill is the group's chief executive.

KEVIN HILL: The sample is then sent to the university and then later they sample those statistically proportional sample at the mill that is also sent to the university and it is then matched.

SABRA LANE: So it's not 100 per cent guaranteed?

KEVIN HILL: It's 99.6 something, so it's the same statistics as the human DNA test in the paternity test.

SABRA LANE: Environment group WWF has endorsed it, saying other companies

should also adopt the technology.

WWF Forest and Trade Network Co-ordinator, Jana Blair.

JANA BLAIR: We would encourage all timber importers in Australia and globally to really look at the kind of timber that they handle and to ensure that it is verified legal.

Those market responses to the problem of illegal logging is that market for that timber is not there, then obviously it reduces the incentive to continue those illegal logging practices.

SABRA LANE: Earlier this year, the government called for submissions on how to combat the black market timber business.

Forestry Minister Senator Eric Abetz says it may be that the government leads by example, and insists future commonwealth procurement contracts stipulate that only DNA-tested product is used.

ERIC ABETZ: That is currently what we are looking at. My disiquity (is that a word?) is that I can't pre-empt that which might be the response to all the public submissions on the illegal logging that I've called for until such time as we're in a position to make that full announcement, but I think your listeners can be satisfied that the reason I delivered that discussion paper and called for public submissions on it is because we are serious about the fight against illegal logging.

ELEANOR HALL: And that's the Forestry Minister senator Eric Abetz ending that report from Sabra Lane.

**News**

# DNA test to stem illegal timber flow

Friday, 30 March 2007

by Michelle Carr

Cosmos Online



Currently, around AUS\$400 million (US\$320 million) worth of illegally-harvested timber is imported into Australia annually

Image: iStockphoto

**SYDNEY:** Australia has introduced the world's first DNA timber test to stem the import of illegally-logged, endangered trees.

The test uses sampling techniques similar to human DNA fingerprinting to confirm the exact source of trees to be imported from Indonesia - a country where more than 80 per cent of all wood produced and sold is thought to be illegal.

The test has been put into use this week by Simmonds Lumber, one of Australia's largest timber importing firms. Over the past five years, the company has invested A\$250,000 (US\$200,000) with Singapore-based timber-auditing company, Certisource, to advance the DNA technology.

Under the method, a unique genetic profile is taken of each tree growing in legally managed areas. This is then re-matched to another genetic analysis once the logs arrive at production mills in Indonesia, hopefully proving that the tree that was logged is the same one being exported. Only then, under audit of Certisource, is the approved timber processed and shipped to Australia.

According to a 2005 report commissioned by the Australian Government, around A\$400 million (US\$320 million) worth of illegally harvested timber is imported into Australia annually, most in the form of domestic furniture or everyday paper products.

Currently, most timber auditing systems rely on tagging or certificates of origin issued in the source country to verify the legality of timber. However, these methods are susceptible to forgery in many developing countries, said Jana Blair, who coordinates an initiative to eliminate illegal logging with WWF Australia in Melbourne.

DNA testing, she said, will be less open to corruption. "DNA can't be forged. It's something integral to timber so it makes traceability more secure," said Blair. "We see this technology as a very promising tool in the global campaign to stop the trade in illegally harvested timber."

Luca Tacconi, who studies economics and environmental change at the Australian National University in Canberra, considers the introduction of DNA testing of timber to be positive news for the Australian timber industry, but is not convinced that the move will help curb illegal logging in Indonesia.

"It just means that the legal [logs] will be sent to Australia and the illegal ones to domestic markets or overseas," he said.

Geneticist Remy Petit at the National Institute for Agricultural Research in Bordeaux, France commends Simmonds for investing in DNA testing to verify the legality of their imports. Petit was part of the team that first developed a technique for amplifying DNA from dry wood in 2002.

However "what one must realise is that the problem is not only to get DNA out of the wood, but to have the relevant database or tracking system," warned Petit. This is a significant challenge, because "we are quickly speaking of thousands or tens of thousands of logs that need to be individually genotyped," he said.

The new initiative came as Australian Prime Minister John Howard yesterday announced that Australia will contribute A\$200 million (US\$160 million) to a global fund to help developing countries sustainably manage forests and set up effective law-enforcement against illegal logging.

## Singapore News



S'pore-based firm uses DNA test to curb illegal timber trade  
By Pearl Forss, Channel NewsAsia | Posted: 06 April 2007 1744 hrs

SINGAPORE : Experts say Southeast Asian countries are among those hardest hit by illegal logging.

Governments may be stepping up efforts to tackle this but the problem remains rampant.

In countries such as Indonesia, experts say many timber exporters use false paperwork to smuggle wood out of the country.

Now, a technology developed in Singapore may provide a solution to stop this.

Stolen timber worth almost US\$2.5 billion is traded between the countries of East and Southeast Asia each year. And experts say, one of the countries most affected is Indonesia.

Every year, the country loses 2.8 million hectares of forests - that is about the size of Belgium.

The Indonesian government has legislated laws to halt illegal cutting but smugglers have been known to bribe custom officers.

They also use forged certificates of origins to escape the law.

Buyers also find it difficult to verify if the wood purchased is legal, because there are many factories and middle men involved, making tracking close to impossible.

This is where a Singapore research effort comes in.

The researchers managed to proof the legal origin of timber, and they are now collaborating with a private company, Certisource, to market the technology.

Certisource takes samples in legally-managed forests and extracts the wood's DNA, almost like a fingerprint.

When the log reaches the mill, its DNA samples are taken again and the two records are compared.

If they do not match, the wood will be rejected and Certisource will inform its client.

Certisource uses the World Wildlife Fund's "Keep it Legal" standards to determine if a piece of wood is legal or not.

Assistant Professor Chew Fook Tim, Department of Biological Sciences, National University of Singapore, says, "For once we are now able to tell the difference between what is legal and what is illegal. Prior to that, wood is wood, you can't tell where did this come from, where did that come from?"

Such testing adds to the cost of timber by a few percentage points.

But Certisource believes that consumers will not mind paying for a peace of mind, and perhaps to satisfy their conscience.

Kevin Hill, CEO, Certisource Timber, says, "There's been a lot of public awareness; the consumer is now asking for legal timber, the market has to respond."

Simmonds Lumber, one of Australia's largest timber importing firms, has been the first to put this technology to use.

Certisource is hoping to reach the European, American, Japanese and Chinese markets. And in Singapore, the technology is expected to be taken up by a publicly-listed company, before the end of the year.

Mr Hill says, "Singapore is a very important part of the process, because if it wasn't for the fact that they've invested all this time and money into the Life Sciences, we wouldn't have been able to have a really good application for what we're doing today."

Certisource says its next step is to build a database of timber DNA across Southeast Asia.

Governments and non-governmental organisations will be given access to this, and the information will hopefully help them identify which companies are guilty of illegal logging, and put a stop to the pillage of Asia's forests. - CNA/ms