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HEADLINE: EVE OF DESTRUCTION THE ENVIRONMENT

BODY:

P APUA New Guinea's ancient, species-rich rainforest wilderness is being rapidly destroyed by widespread illegal logging, carried out by corrupt foreign timber companies that are abusing the basic rights of workers, says a new report by an international forest industry research group.

Forest Trends, a Washington-based economics systems group, says the overwhelming majority of current commercial forestry operations in Papua New Guinea "are ecologically and economically unsustainable and illegal".

It estimates that if the current rate and extent of unsustainable logging practices continue, Papua New Guinea will wipe out its forests within a decade.

The report, which paints a bleak picture of the destruction of one of the world's largest remaining expanses of tropical rainforest, says forests are effectively being "logged out for short-term cash".

Corruption is rife, with foreign timber companies "acting like robber barons" and blatantly flouting government laws intended to ensure sustainable timber harvesting can be achieved.

The report points to unlawful extensions of logging permits, failure to comply with government harvesting codes and "no demonstrated government interest in controlling the problems". Serious concerns are raised regarding abuse of human rights.

Salaries and working conditions are "generally very poor and have been officially described as modern day slavery". In some instances, police have been bribed to assault and intimidate landowners and employees who complain about the activities of logging companies. Stand-over tactics by corrupt police include beatings, burning houses and "forcing people to strip naked at gun point and forcing them to engage in acts of an explicit sexual nature".

Foreign logging companies are implicated in smuggling guns and drugs - chiefly marijuana - and illegal foreign workers (mainly Filipinos).

The three volume report, Logging, Legality and Livelihoods in Papua New Guinea, is based on the

findings handed down by five independent reviews of the country's timber industry, conducted between 2000 and 2005.

These reviews were commissioned by the Papua New Guinea Government in response to persistent claims that forest management practices were not providing long-term benefits to the country.

They were conducted by teams of independent experts, including lawyers, economists, foresters and environmental and social scientists, who had unprecedented access to official records, logging sites and timber company documents.

The findings were detailed in 63 reports which provided a comprehensive - and critical - assessment of Papua New Guinea's forest administration system and the sustainability of large-scale logging operations.

But once they were finalised, only some of the reports were made publicly available - on the Prime Minister's website - or circulated to Government officials. "The Government may still be considering the recommendations of the reviews, and therefore not making them widely available," the Forest Trends report tactfully suggests.

It summarises key findings of all five independent reviews "to present a clear and concise picture of the legal status, environmental sustainability and social impacts" of large-scale logging operations in Papua New Guinea.

The report concludes that "the robber barons" of the forest industry "are now as active as they ever were. They are not only free to roam, but are in fact encouraged to do so by persons whose proper role is to exercise control over them".

One audit quoted in the Forest Trends report involved a study of 14 logging projects covering 3.17 million hectares and producing 1.3 million cubic metres of logs with a declared export value of \$US70 million (\$A94million). It encompassed the country's five largest logging operations - including Malaysian logging giant Rimbunan Hijau (whose name means "green forest") which dominates Papua New Guinea's timber industry.

"All 14 projects were found to be operating unlawfully and the timber harvesting was not being sustainably managed," the Forest Trends report says.

"Although all timber harvesting operations may be officially licensed, there are serious issues of legal non-compliance at almost every stage in the development and management of these projects.

"For these reasons, the majority of forestry operations cannot credibly be characterised as complying with national laws and regulations and are therefore unlawful." The timber industry is "allowed to ignore PNG laws and in fact gains preferential treatment in many cases, while the rural poor are left to suffer the social and environmental consequences of an industry that operates largely outside the regulatory system".

The report also reveals the environmental impacts of timber harvesting are not being adequately controlled and the PNG Forest Authority and Department of Environment Conservation appear to be unwilling or unable to actively enforce regulations.

Logging companies are legally required to build "various types of infrastructure" - including roads, schools, churches, aid posts, air strips and bridges - in forest management areas. However, the review teams found these obligations were frequently ignored and, in the majority of cases, roads and buildings were poorly constructed from inferior materials. The review also delivered a scathing report on labour practices, claiming laws relating to the employment of overseas workers were being abused, there was no formal training or skills development and "no regard for employees'

health or safety".

The Government also continued to be the primary beneficiary of the timber industry, reaping \$US30 million (\$A40 million) in cash revenues annually.

"These are not returned to local communities through services or other support," the report says.

Environmentally certified timber schemes are also being rorted with export documents being used to "launder" illegally logged tropical hardwoods into legally-produced exports that were subsequently sold to overseas markers as sustainably harvested.

Forest Trends explains that Government timber exports inspectors only verify the quantity and description of timber to ensure export taxes are paid. They pay little attention to the legality of the operations, and timber can easily be certified as lawfully harvested when it isn't. "The system must be fixed," says Forest Trends president Michael Jenkins.

"The nexus between the logging companies and the political elite needs to be broken. One way to do this is to help local landowners better understand their rights and to establish a legal fund so that they can be defended. "Papua New Guinea's legal system does exist outside of political control and the courts have a track record of ruling against illegal logging." The Forest Trends report makes a number of recommendations to deal with some of the problems. These include continued scrutiny of timber operations, establishing a fund to support legal challenges through the court system, improved awareness of land-owner rights, increased support for the Ombudsman Commission, and international assistance to investigate potential corruption and the relationship of the timber industry to political groups.

Papua New Guinea's rainforests cover about 75 per cent, or some 340,000sqkm, of the country's total land area. Its timber harvesting industry is chiefly focused on harvesting rainforest timber for round log exports or timber veneer. According to Forest Trends there is little plantation production and only a limited number of processing facilities. The industry is dominated by Malaysian-owned companies and the primary markets for raw logs are China, Japan, and South Korea. Many of the logs are processed in China for consumption in Europe and North America.

"Importers such as China have the opportunity to take a global leadership role," says Jenkins. "They should establish green public procurement policies, starting with a pilot program to ensure that wood for the 2008 Beijing Olympics comes from verified legal sources."

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