

# MEMBERS' BULLETIN

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**Welcome**

This *Members' Bulletin* is intended to keep you up-to-date with current ATIF activities. This edition provides details of changes to consultation arrangements on biosecurity issues that will follow the closure of the Industry Working Group on Quarantine and retirement of managing director Hart Krtschil; an update on illegal logging-related matters, and a snapshot of present housing construction and future activity.

**Closure of the Industry Working Group on Quarantine**

ATIF has been advised that the Industry Working Group on Quarantine (IWGQ) will cease operations on 30 June 2016. The IWGQ, of which ATIF is a member, was established in 1993 to assist in providing effective communication and co-ordination in relation to biosecurity issues between the Department of Agriculture and Water Resources and industry associations and other bodies. The managing director of IWGQ Hart Krtschil will be retiring on 30 June.

The Department has advised that companies with biosecurity enquiries can now contact the Department directly. Notified contacts are:

- ▶ Biosecurity Partnership - David Ironside
- ▶ BICON - Darren Gill
- ▶ AEP Commodity - Wayne Terpstra
- ▶ Shipping and Cargo - Tina Hutchinson

The Department switch number is: 02 6272 3933. ATIF members can of course also contact me as required on biosecurity and related issues. ATIF has now established a more formal communication arrangement with the Plant Imports section of the Department.

**Illegal logging review and Government action**

As advised in the March issue, the Australian Government has released the KPMG report: *Independent review of the impacts of the illegal logging regulations on small business*, and its associated response. The KPMG review assessed whether the existing due diligence requirements of the illegal logging legislation strike an appropriate balance between the cost



of compliance for small businesses and reducing the risk of illegally logged timber entering the Australian market.

The Government has advised that it supports the review's recommendations and has made a commitment to progressing a package of regulatory and non-regulatory reforms.

The Department will be convening a further meeting of the Illegal Logging Working Group, of which ATIF is a member, probably towards the end of May. However, I will be meeting with departmental policy and compliance staff in Canberra on 28 April to have a preliminary discussion about government actions arising from the KPMG review. This meeting will include discussion on:

- ▶ Details of the continuing 'soft' start, ongoing information requests and compliance activity.
- ▶ ATIF and other ongoing due diligence support activities.
- ▶ Trade association support, as per the KPMG report recommendation.
- ▶ Opportunities to broaden ATIF toolkit and associated material to other than Chapter 44 regulated products.
- ▶ International legality compliance support activities.

Please let me know if there are other matters you think should also be raised with the Department. Feedback on the meeting will be provided, as will details of the timing and agenda for the meeting of the Illegal Logging Working Group.

### **Housing summary and forecast**

News on housing construction and the renovations front is mixed. The Housing Industry Association (HIA) reports that a total of 220,000 new dwellings were commenced in 2015, a record high, but added that Australia is coming off an unprecedented 'up-cycle'. HIA expects new home building activity will begin to slowly decline in the latter part of 2016.

"Looking beyond the current cycle, a strong focus on housing supply and policy reform is crucial to Australia's future economic and social prosperity," said HIA chief economist Harley Dale.

"Australia will fail to achieve this objective without Federal Government leadership and involvement in housing policy reform, including strategic planning for the future housing and residential infrastructure requirements of our growing and ageing population."

In a state-by-state breakdown, the HIA anticipates strong home building in 2016 for NSW, Victoria and Queensland. However, it flagged softness for South Australia, Western Australia, Tasmania and the Northern Territory.

HIA also forecasts that renovations growth will pick up during 2016, with an increase of 2.8 per cent, compared to just a 0.9 per cent increase the previous year. Further, growth in renovations is anticipated to slow down to 1.7 per cent in 2017, and seen to be modest but steady to the end of the decade.

It is anticipated that additional construction activity is likely in mid-rise commercial and residential building from 1 May 2016 when the amendments to the National Construction Code come into force. These amendments will permit timber building systems to be applied in Class 2, Class 3 and Class 5 buildings up to 25 metres (8 stories). The use of timber construction in these buildings was presently restricted to 3 storeys.

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