

MEMBERS' BULLETIN

November-December 2016**No 41****IN THIS ISSUE:**

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Welcome

This *Members' Bulletin* is intended to keep you up-to-date with current ATIF activities. This edition reports on the 2016 AGM, makes some comments about recent interaction with supplier countries, plus the importance of the timber importing sector in the current strong building climate.

2016 AGM

The ATIF 2016 AGM was held in November. Reconfirmed as Board members were:

- ▶ Nils Koren, Managing Director, Gunnersens (Chairman)
- ▶ David Meyer, Managing Director, Meyer Timber
- ▶ Greg Blenkiron, Managing Director, Tilling Timber
- ▶ Chris Woodhouse, Managing Director, Woodhouse Timber
- ▶ Robert Cairns, Independent
- ▶ Matthew Wood, Managing Director, Stora Enso Timber Australia

Elected to the Board was Brenton Christopher, Managing Director, John Cook & Sons.

Nils Koren reflected on the importance of the ready access ATIF has to Federal Government ministers and officials related to timber importing and wholesaling matters. He said this was a major benefit to ATIF member companies and the sector overall. He also noted that value and influence ATIF has been able to exert in relation to its presence of relevant Federal Government working groups and on industry committees central to the sector.

He stressed the need for ATIF to maintain its relevance and importance to importers and wholesalers as the illegal logging regulation review continues during this year and into next year. Also that ATIF needed to ensure that it continued to address issues of direct relevance to the business performance of member companies and the timber industry wholesaling and importing sector overall.



Interaction with supplier countries

ATIF continues to be the first point of contact for many timber product supplier companies, trade organisations and government representatives, including involvement with supplier countries related to illegal logging regulation and participation in various working groups.

More recently this has involved participation on the Australian-China forestry investment exchange organised by the Institute of Foresters of Australia; attendance at the Australian meeting of The Pacific Alliance; meeting with the Belarus Universal Commodity Exchange, and various meetings with supplier company and trade associations from the US, Canada, Chile, China, PNG, Indonesia and elsewhere.

Importers doing the heavy lifting

New housing went close to a quarter of a million starts in 2015, and continues to show strength in 2016, notably in Victoria and NSW. Additions and alterations also continues to run at about ten billion dollars a year.

Good news you might think for the domestic timber products industry. However, scratch beneath the surface and – at least on the supply side of the equation – it's a very different story. No one is establishing new plantations, so in the future ongoing softwood timber supplies will be challenging.

So, with building and construction buoyant and timber product demand strong, the other side of the ledger shows domestic supply capacity 'flat-lining' at best. Thankfully for the building and construction sector, imported timber products are, and will continue to fill this widening breach.

It is clear that without timber importers doing the heavy lifting house construction targets would not have been achieved and the 26,000 imported timber product-linked jobs (Housing Industry Associated estimate) in the construction and building would be under serious threat.

Further compounding – but in a good way – the present bullish building scene is the innovative, excellent effort of Forest and Wood Products Australia in working to have the National Construction Code amended. These amendments, effective from May 2016, allow timber buildings to push up to eight stories. This is a good outcome for the timber industry that will certainly increase pressure on the supply side. Some mid-rise timber towers have already been erected, others are under construction and a good number are at the design stage.

However, to a significant extent, the reality is that the cross laminated timber, glulam, prefabricated flooring and other advanced engineered timber products that allow the industry to take advantage of the mid-rise building code amendments are not manufactured in Australia. They are imported by ATIF company members.

No doubt about it, timber product importers are making a major contribution to the building and construction sector, and to the timber product supply chain. Certainly expect to see timber imports continuing to drive the availability of sophisticated engineered wood products that will facilitate both the predicted strengthening of the residential new housing market and mid-rise building construction momentum in the years ahead.

Festive greetings

The AITF Board extends Christmas greetings to all company members and acknowledges with appreciation their ongoing support for the Federation. The Board also looks forward with optimism to continuing strong trading conditions for the importing and wholesaling sector in 2017.

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