

MEMBERS' BULLETIN

December 2019

No 60

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Welcome

This *Members' Bulletin* is intended to keep you up-to-date with ATIF activities. This edition mentions some highlights for the December ATIF Board meeting and AGM. Also covered is an update on illegal logging compliance and due diligence matters, and changes and increased port-related charges for timber imports.

December ATIF Board meeting and AGM

The ATIF Board met for the last time for the year in Melbourne on 5 December. The Board received an update on the mid-rise lightweight framing building program from Alastair Woodard, Wood Products Victoria, who leads the Mid-rise Sector Market Implementation Group. ATIF is a funding contributor and is involved in the Group.

The Board was also briefed on the just launched Timber Framing: The Ultimate Renewable promotion campaign by Timberlink's Marita Pierce-Indugula who chairs the Timber Framing: The Ultimate Renewable campaign.



Victorian wholesalers and importers joined the Board for a lunch hosted by Forest1. In welcoming guests managing director Ian Fankhanel announced that ATIF Chairman Nils Koren had been appointed as a non-executive director of Forest1. He said Singapore headquartered Forest1 supplies a wide range of plywood, LVL, panel, veneer and timber products to wholesale companies throughout Asia, Europe and Australasia.

Illegal logging compliance and due diligence update

Since early 2015, the Department of Agriculture and Water Resources (DAWR) has been conducting regular compliance audits of imported timber consignments and of businesses' due diligence systems. Audited businesses have been asked to provide information about their due diligence system and how



it has been applied to a particular timber product consignment. Recent compliance assessments have shown that some businesses are still struggling with elements of the due diligence process. Some identified areas of confusion include:

- *Businesses failing to undertake their due diligence before processing or importing* - Some businesses are only conducting their due diligence after they are selected for a compliance assessment. This defeats the whole purpose of the due diligence process and is easily detected. Businesses 'retrofitting' their due diligence requirements can face financial penalties.
- *Relying solely on 'legality' statements made by exporters/suppliers* - Some businesses have been relying on supplier statements that 'their products are legal' to try and satisfy their due diligence obligations. Australia's illegal logging laws require businesses to actively understand and manage the legality risks associated with their supply chains. A simple 'trust me' statement from a supplier is not sufficient evidence to support timber legality claims.
- *Not ensuring forest certification claims apply to their products* - A number of businesses have been relying on FSC or PEFC certification to support their due diligence process. However, some of these businesses are failing to ensure their products are actually certified, or that the certification applies to the entire supply chain for that product. A guide to ensuring your products are properly certified can be found on DAWR illegal logging website.
- *Not considering supporting information* - The laws require businesses to gather information to support their due diligence process. However, some businesses are not using the supporting information to inform their risk assessment process. It is important that when assessing the risk associated with your products that you consider all of the information you have access to.

ATIF continues to liaise with DAWR over aspects of illegal logging compliance and due diligence. If you have any questions about your due diligence system, you can contact the DAWR compliance team via their Illegal Logging Compliance Hotline (1800 657 313) or email inbox: ILCA@agriculture.gov.au. You can also contact ATIF (below) for advice.

Changes to imported timber supply chain

ADMGlobal continues to assist ATIF in dealing with port related issues. NSW Branch Manager Rina McLaughlin has provided the following advice related to increases in charges.

In the past years, the infrastructure and privatisation of Australia ports has placed financial pressure on the timber industry. As we approach the end of 2019, we are faced with further increases in the cost of timber importation.

As of November 2019, announcements have been made by the Stevedores, pertaining to Infrastructure Levies and Timeslot fees. In addition, recent increases have been applied by the Empty Parks relating to dehire fees. The costs of business are every increasing and as a result, in the past 2-3 years, an increase of as much as 17%, on supply chain costs, has been documented. Therefore, preparation and budgeting for 2020 is essential.

For further information, please refer to the NEWS link on ADM Global PTY LTD's website: - <https://www.admglobal.com.au/latest-news/>

For a personalised consultation with one of our timber specialists, please contact:

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Christmas greetings

Yes – that time of year again! The ATIF Board and staff would like to take this opportunity to wish all members, colleagues, families and friends a restful, happy and safe Christmas break. We look forward to seeing back safe and energetic in 2020!

*This newsletter has been prepared by ATIF General Manager John Halkett
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