

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 the National Construction Code that will be of commercial interest to ATIF member companies; the long awaited release and response from the Government to the KPMG report: *Independent review of the impacts of the illegal logging regulations on small business*, and an update on a recent meeting to consider topical biosecurity issues relevant to the timber importing sector.

Changes to the National Construction Code

From 1 May 2016, Australia's timber industry will have new sales opportunities in taller structures – up to 8 storeys – for buildings including apartments, offices and hotels. This is the result of a successful proposal to change the National Construction Code (NCC), submitted and managed by Forest and Wood Products Australia Limited (FWPA) in collaboration with other industry bodies, including ATIF.

The Australian mid-rise building industry, which has not seen significant changes in decades, is set to experience exciting new developments that will not only create opportunities for designers, builders, developers and purchasers, but will also drive greater demand for both lightweight and heavy timber building systems.

Essentially, the new code means it will be easier to use timber building systems in Class 2, Class 3 and Class 5 buildings up to 25 metres. The use of timber construction in these buildings was formerly restricted to 3 storeys, unless an 'alternative solution' was designed and approved. This was practical on some larger projects, but generally too costly for smaller developments.

New building options will include both traditional timber framing and innovative massive timber systems, such as cross laminated timber (CLT), Glulam and prefabricated building components. This use of appropriate layers of fire resistant materials, specified design detailing and sprinkler systems will be required.

Illegal logging small business review and Government response

The Australian Government has now released the KPMG report: *Independent review of the impacts of the illegal logging regulations on small business*, and its associated response. The 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.

In its response to the review the Government provided in-principle support for the review's recommendations and committed itself to progressing a package of regulatory and non-regulatory reforms. This will include the consideration of the regulatory reforms through a Regulation Impact Statement (RIS) process. The RIS will be progressed by the Government in the first half of 2016.

Copies of the KPMG report and the Government's response can be found on the Department of Agriculture and Water Resources' illegal logging webpage:

<http://www.agriculture.gov.au/forestry/policies/illegal-logging/small-business-impacts-review>

The accompanying media release can be found at:

<http://minister.agriculture.gov.au/ruston/Pages/Media-Releases/independent-report-into-illegal-logging-regs.aspx>

Again thanks to those ATIF member companies that contributed to the KPMG review and to subsequent Government deliberations. Further details about what the proposed Government measures will mean for company-level due diligence compliance will follow.

Biosecurity update

ATIF recently again met with the Department of Agriculture and Water Resources, Plant Import Operations officials for ongoing discussions about topical biosecurity issues relevant to the imported timber sector.

It was noted that on 24 February 2016, the Department of Agriculture and Water Resources and the Canadian Food Inspection Agency signed the new: *Canadian untreated sawn wood certification program arrangement* for the import of non-heat treated sawn timber from Canada. This arrangement is an improvement over the original Canadian Accredited Timber Scheme (CATS) that was established in 1999. Further details of this new arrangement will be circulated separately.

Also of note is the willingness by officials to proceed with a review the 21-day rule for timber product imports from Europe. This review will be assisted by ATIF in collaboration with Tilling Timber as a suitable case study company.

Board appointments

At the ATIF Board met in Melbourne in December 2015 new Board members appointed to replace retirements from the Board were Greg Blenkiron, Managing Director, Tilling Timber and Matthew Wood, Managing Director, Stora Enso Timber Australia.

The new ATIF representative on the Timber Development Association (TDA) Board is Michael Swan. Michael is the Managing Director of Swan Le Messurier; and a member of both the ATIF and TABMA Boards. Also of note is the recent appointment of John Simon as Chairman of FWPA. John is a former ATIF Board member and Managing Director of Simmonds Lumber.

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