

MEMBERS' BULLETIN

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Welcome

This *Members' Bulletin* is intended to keep you up-to-date with ATIF activities. This edition provides some further commentary of the issue of the additional tariff on Russian timber product imports, and on concerns about current and likely future challenges associated with structural softwood imports. Brief comments are offered on the current task of upgrading the ATIF website, and on work to review the forestry levies regime, that includes levies paid on timber imports.

Additional tariff in Russian timber product imports waived

This issue has resulted in numerous and polarised representations. To make it crystal clear, ATIF condemns in the strongest possible terms Russia's invasion of Ukraine and the atrocities committed by the Russian military. ATIF continues to be supportive of the Government's economic and financial sanctions against Russia and Belarus.

That said, ATIF has advocated that shipments of Russian timber products paid for, and shipped in good faith prior to the 'conflict timber' resolution on 4 March 2022 should not be subject to a retrospective additional 35% import tariff. The Australia Border Force (ABF) has now made a ruling supporting that position. Subsequent correspondence with ABF has confirmed that companies importing timber products from Russia that have consignments presently in-transit and expected to be landed at an Australia port between 25 April 2022 and 24 October 2022 will not have to pay the additional 35% tariff.

ABF has pointed out that importers will need evidence that the goods were in-transit, and comply with other conditions set out in the Australian Customs Notice 2022/21. Importers are advised to ensure that documentation confirming that timber product shipments originated from Russia and have been in transit is available for inspection by Australian port authorities and officials.



Future structural softwood timber product supplies

ATIF has been in discussions with officials from various Federal Government departments about timber product supply constraint realities that have arisen as a result of the invasion of Ukraine. In particular, softwood structural timber import shortages, not only from Russia, but from Europe more broadly are likely to result in a significant reduction in the capacity of the Australian timber supply chain to import sufficient quantities of both engineered wood products and solid softwood structural products for the foreseeable future.

In correspondence to the ATIF Chairman, the Minister for Trade, Tourism and Investment acknowledged the impact on supply chains from the current situation across Europe, and that the Department of Industry, Science, Energy and Resources had noted the disruption to existing supply chains, and intends to explore options for diversifying supply chains acknowledging that it is critical to sustain building and construction businesses reliant on such imports.

The Minister also noted that it is essential to have strong contingency plans developed to mitigate the impacts of the now evident disruptions to existing supply chains and associated arrangements.

In discussions with officials, it has been suggested that a joint taskforce comprising representatives from Federal industry, trade, foreign affairs and supply chain resilience portfolios, together with Forest and Wood Products Australia and the ATIF be established. This taskforce could assess impacts on timber products supply chains, analyse import data and explore options to assist in mitigating prospective reductions in supply. It is proposed that the taskforce be administered and funded by the Federal Trade portfolio.

This work could include reviewing existing government instruments, such as tariffs, sanctions and compliance requirements. It could also explore the prospects of attracting supplies from additional European sources, plus non-traditional prospective suppliers of softwood structural products that may include South American countries, and possibly other sources such as South Africa and South East Asia.

ATIF website upgrade

At the direction of the Board the ATIF website is undergoing a complete makeover. This project will include an improved design, refreshed content and updated ATIF member company details. This work should be completed shortly.

Forestry levies review

The Federal Department of Agriculture, Water Resources and Environment is conducting a review of all categories of forestry levies, including levies paid by importers of timber products. ATIF is participating in this review exercise that is seen as an opportunity to consider how the present levy system could be consolidated and streamlined across the multiple Acts and regulations that make up the agricultural levies legislation.

Individual levy rates will not be changing, and it is hoped that the review will result in some efficiencies including reduced overhead and collection costs, and simplification of related compliance activities.

***This newsletter has been prepared by ATIF General Manager John Halkett
Tel: 0417 421 187 Email: john.halkett@bigpond.com***