

MEMBERS' BULLETIN

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Welcome

This *Members' Bulletin* is intended to keep you up-to-date with ATIF activities. This edition contains comments on decisions by the Department of Agriculture, Fisheries and Forestry to make amendments to illegal logging legislation, an update on sawn softwood import trends, a scheduled meeting with the Federal Minister for Agriculture, and advice about the merger between TABMA and Hardware Australia.

Illegal logging due diligence compliance update

As part of the Department of Agriculture, Fisheries and Forestry's (DAFF) Sunsetting Review of the *Illegal Logging Prohibition Regulation* (the Regulation), the Government has agreed to the recommended reforms to both the Regulation and the *Illegal Logging Prohibition Act 2012* (the Act), including:

- Requiring regulated entities to provide key due diligence information to DAFF upfront to verify legality, such as the timber species and origin of harvest.
- Adding powers to seize, sample and detain regulated timber products.
- Adding injunction and enforceable undertaking powers.
- Adding publication powers for compliance findings and instances of non-compliance.
- Adding or amending definitions in the Act.

As part of this process, DAFF used the feedback received from stakeholders during the public consultation phase to develop a Regulation Impact Statement (RIS) exploring the costs and benefits of proposed reforms and other legislative options.

The Minister for Agriculture considered the RIS and agreed to pursue the recommended option to reform the legislation, over the options to either remake the Regulation as is, or let it sunset. DAFF is now progressing the legislative reforms, which require changes to both the Act and the Regulation



and will be considered by Government once substantially drafted. ATIF will continue to participate in this process.

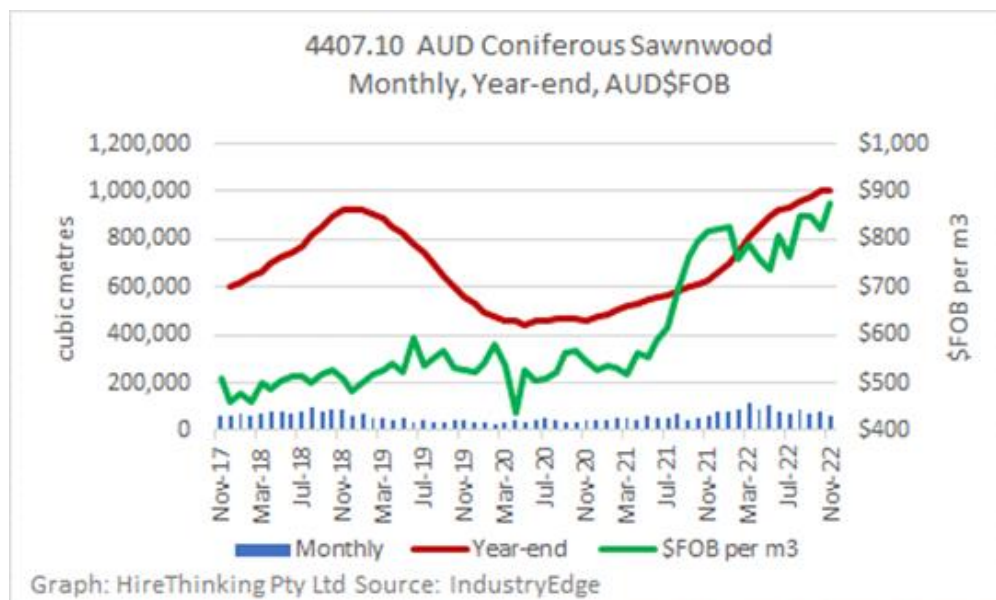
ATIF meeting with Federal Minister for Agriculture Murray Watt

As previously advised the date for a meeting with the Federal Minister for Agriculture Murray Watt has now been scheduled for the first parliamentary sitting session in 2023. A briefing paper for that meeting has been prepared and forwarded. The topics covered in the briefing paper are:

1. Future softwood and hardwood timber products supply
2. Illegal logging compliance-related matters
3. Increased imports and softwood timber from Canada

Sawn softwood timber imports continue to grow

Australia's total imports of sawn softwood products lifted to 1,00,989 m³ year-ended November 2022, an increase of 58.8% on the previous period, with the weighted average import price at a new record AUDFob877/m³. November itself saw imports at 61,073 m³, the second strongest November recorded after 2018, when imports were 85,372 m³.



Imports are mainly dominated by structural products, reflected for the most part by the import codes: 4407.11.10.34, 4407.11.10.39, 4407.11.99.15 and 4407.12.10.16.

The dominance of a few grades (or import codes at least) is matched by the importance of just seven countries, delivering the significant bulk of supply. Between them, the following countries contributed 81% of the year-end total import volume: Canada, Czech Republic, Estonia, Germany, Lithuania, New Zealand, and Sweden.

TABMA and Hardware Australia to merge

TABMA and Hardware Australia have announced their intention to join forces into a merged entity and create a single Association. The leadership teams of both associations view this as a great opportunity to be 'stronger together', especially across national advocacy and policy issues when engaging with important stakeholders.

The two industries have seen a significant evolution, with many businesses switching or expanding their offering from timber to hardware and vice versa; for this reason, a new organisation will be a representation of the nature of the industry will be in the future.

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