

**MEMBERS BULLETIN – 27<sup>TH</sup> June 2024**

Dear members,

ATIF has a number of critically important updates for members in this bulletin and we urge you to read through in full.

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## [The Illegal Logging Prohibition Amendment \(Strengthening Measures to Prevent Illegal Timber Trade\) Bill 2024 Report has now been released](#)

As members are aware, ATIF has provided members resources to make the most of the opportunity to make submissions to the Senate Standing Committee on Rural and Regional Affairs and Transport. We thank all members that took the time to make a submission.

The final report of the committee has now been released and unfortunately, has only one recommendation, which is for the Bill to be passed without amendment. A dissenting report was included by the Coalition highlighting many of the arguments made in submissions on behalf of industry.

ATIF has every intention of continuing its advocacy work on behalf of its members directly with members of the cross bench to try and have this Bill amended. In addition, we fully expect to be at the table and work on a set of regulations that are implementable.

However it is important for ATIF members to be fully cognisant of the fact it is highly likely that the Bill will be successfully passed in its current form due to the nature and composition of the Parliament. As such, the new and extremely onerous obligations will apply to importers upon date of operation of the amendments.

ATIF members will be provided with practical guidance as soon as possible on how to comply with the new Regulations when they are passed. They haven't been provided to us for comment, nor to any stakeholder, but we expect to be at the table to help craft them. We will continue to provide resources and support to our members to ensure you are able to meet your compliance obligations.

## The Changes in Summary

In light of the above, we reiterate our brief overview of the new Illegal Logging Prohibition Amendment Bill introduced into Parliament on 27 March. ATIF notes that it is essential for importers to understand that this Bill has been introduced without any material or drafts of the associated Rules that will be created under this Bill, so to be on notice that compliance requirements and obligations have the potential to increase even beyond that required by the Bill in its current form.

ATIF notes that despite statements from DAFF that this Bill is based on the previously completed [sunset review](#), none of the concessions recommended in the sunset review to reduce the regulatory burden on importers are present. This includes no allowances for reduced burdens for duplicate/identical supply chains and inputs, and no concessions or repeated due diligence and supplier level due diligence.

Instead, the Bill aims to introduce:

- a new notice requirement is being introduced which will mean importers must provide notice for a product **intended** to be brought into Australia prior to shipping.
- Increased and changing penalties, including the addition of strict liability penalties, meaning no intention or negligence element is required to issue criminal penalties
- Civil penalties now include the power to seize and for goods to be forfeited
- Fibre testing – the power to take, test, and analyse samples of anything entering Australia which can be used to assist with criminal prosecution of importers and to test due diligence practices leading to further civil penalties
- A power to publicise information about importers and their contraventions of the Act/Reg – creating a public name and shame register

The advocacy position of ATIF is that:

- We take issue with the lack of concessions provided for duplicate/identical supply chains and inputs, repeated due diligence and supplier level due diligence, the onerous nature of information gathering has not been addressed either. We will work hard to ensure the Regulation is in a form as to assist with these processes as much as is possible.
- We also strongly oppose the increase of the regulatory burden being placed on importers through this process, which is a position supported not only by the sunset review but a previously completed Regulation Impact Report provided by KPMG. The increase in regulatory burden on importers in comparison to the previous Act and Regulation, which were already incredibly onerous, is something that industry must take a strong position against.

ATIF will continue to advocate on the above points, but it will now be in the context of assuming they will come into force, and finding ways that this regulatory burden be eased through the Rules.

**Let us know your thoughts:** Please consider providing ATIF with your thoughts on this new Bill, including the impacts you can foresee this having on your business to [contact@atif.asn.au](mailto:contact@atif.asn.au). We will use these statements (anonymously) to inform our advocacy position and help to drive the message home to DAFF that the currently proposed Bill is not acceptable to industry.

## Membership – New pricing model

As is hopefully apparent to members, over the last 9 months since the death of the late John Halkett, ATIF has changed its operating model and engaged in significantly more activity on a number of fronts, including advocacy which is essential to representing industry's interests.

ATIF will at the release of this Bulletin or soon after, be providing members a comprehensive alert of membership pricing increases for the 2024/25 financial year membership.

To support our activities, we have extensively communicated with DAFF, we have also obtained counsel advice as to the legality of DAFF's changed enforcement activity, and we have held multiple member meetings to provide you with information, resources and updates on these activities to equip you to navigate an increasingly hostile regulatory space.

We have engaged with other industry associations, including the FWPA, and international counterparts to discuss important issues for not only the Australian industry domestically but to gain insights into broader and global supply chain considerations, and how these may affect our members.

In the new financial year, ATIF will be launching a new education series of workshops and seminars exclusive to members for information on a variety of relevant areas including the illegal logging due diligence framework, but also employment law, OHS, ESG & reporting requirements, border force & customs, and modern slavery reporting. There has also been significant work to ensure ATIF meets its compliance obligations, and a motion to be tabled at our next AGM will involve a change in the legal structure of ATIF to improve its functioning and accessibility for members.

In light of the increase in activity, ATIF is announcing a membership price increase and introducing a new offering of ATIF supporter. The full details of these structure and price changes will be directly communicated to members.

Our new business plan will be provided to you, passed by the Committee of Management and to which we will operate from 1 July. Look out for more increased activity, advocacy and services coming your way.

Thank you for your continued support and commitment to our Association. We look forward to increasing our presence as an industry representative and ensuring we are able to address issues that are most important to our members.