

# Australian Timber Importers Federation Business Plan

2024 | 2025

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VERSION 2.0 | June 2024

# Table of Contents

- 1. About ATIF ..... 3
- 2. Key Deliverables..... 3
- 3. Operating Environment ..... 3
- 4. Strategic Positioning 2024 ..... 4
- 5. New initiatives in 2024/25..... 8
- 6. Ongoing activities 2024..... 11
- 7. Financial plan..... 12
- 8. Organisation Chart..... 13
- 9. Key relationships ..... 14

# 1. About ATIF

ATIF has been established for over 40 years and represents the interests of the Australian timber importing and wholesaling sector of the timber industry. We are proud to be a trusted source of information, advice and expertise for our members, the industry, and the community.

## 2. Key Deliverables

The following will be delivered with this Business Plan:

1. Grow overall membership to at least 35 by 31 December 2025
2. Enhance ATIF's service offering, drive engagement in ATIF activities to capture at least 50% of members from now until 31 December 2025, and to maintain an industry-leading role in education and co-ordination of the timber importing sector.
3. Launch the ATIF training offerings to provide valuable education and knowledge to members that assists them in fully understanding their obligations in a changing regulatory space.
4. Production and distribution of position papers which will provide a stable foundation for ATIF's advocacy to progress whilst remaining consistent with the positions of members.
5. Establish and maintain regular contact with the Government, DAFF and Border Force to facilitate better co-operation with regard to industry regulation and enforcement.
6. Begin hosting formal member forums to open two-way communication with a greater proportion of membership and encourage increased engagement in ATIF activities.
7. Strengthen strategic relationships with other timber associations to strengthen ATIF's position as an industry leader.
8. Increase regularity of newsletter publications and presence on platforms like LinkedIn to increase ATIF's reach, and awareness of its activities more broadly.
9. Present a compelling membership value proposition to increase the benefit members receive from membership.
10. Continue to improve internal governance processes at ATIF and then maintain these ongoing to strengthen the integrity of the association.
11. Develop board succession plans to allow ATIF to continue to operate in the event of an unforeseen or emergency circumstance.
12. 1 January 2025 onwards, complete a full digital systems overhaul, including review of all subscription services, software use and document management process to reduce costs and improve efficiency.
13. To properly complete all outstanding financial and AGM submissions to bring ATIF up to date with NSW Dept of Fair Trading
14. To address revenue streams, both membership and other, to ensure financial stability and sustainability for ATIF as an organisation
15. To consider and move ATIF to governance under the Corporations Act as a Company Limited by Guarantee and not under the NSW Associations Incorporation Act.

## 3. Operating Environment

ATIF faced a number of challenges in 2023, including an increasingly hostile regulatory environment, continuing supply chain issues post-COVID and Russia-Ukraine conflict, and the passing of industry leader and ATIF general manager John Halkett.

Throughout 2023, the Department of Agriculture, Forestry and Fisheries ramped up its enforcement activity and changed its interpretation and enforcement of the Illegal Logging

Prohibition Regulation 2012 to such a significant extent that it is now almost impossible to comply with. Combined with placing an incredibly onerous compliance burden on importers of any regulated timber product, the aggressive increase in audits has also meant that large numbers of timber importers are receiving significant fines (up to \$156,500 for compliance action initiated after 1 July 2023). ATIF is continuing efforts to communicate with the Government on this issue, including seeking counsel advice on the matter, to improve the regulatory environment for members and the industry as a whole.

The Modern Slavery Act 2012 is also under review and likely to produce a number of new regulatory requirements on importers that relate to the labour conditions in their supply chains. Whilst no new requirements have been introduced yet, this is another important point of advocacy for ATIF on behalf of the industry, in the interest of avoiding a compliance burden escalation that mirrors what has occurred with the Illegal Logging Prohibition Regulation.

The passing of John Halkett has also been a significant event in 2023, with ATIF losing its long-time leader and the industry losing a well respect and prominent figure. In the wake of this sudden tragic circumstance, ATIF has experienced a period of uncertainty whilst access to internal documents, bank accounts and financials needed to be established. As of 2024, Natalie Reynolds has been appointed interim General Manager and Public Officer of ATIF, and the association starts 2024 with its new but established leadership.

The timber industry continues to face ongoing supply chain challenges, initially arising during COVID, these issues remain pervasive as a consequence of conflicts like the Russia-Ukraine war, and national economic conditions which are resulting in fluctuating demand, especially within the building and construction sector. There are, however, positive signs of economic resilience, and taking an optimistic outlook, this may see these fluctuations begin to stabilise in 2024.

Key unknowns at this stage are the specific drafting of the potential amendments to the Illegal Logging Prohibition Regulation and Modern Slavery Act, as well as the incoming legislation concerning climate related financial disclosures and new reporting requirements which are likely to emerge in 2024. These will likely present operational or financial risks to ATIF members, and cost will be associated with meeting increased compliance requirements, which ATIF hopes to continue to manage through concerted advocacy.

## 4. Strategic Positioning 2024

ATIF is in a period of renovation with respect to all of its internal processes as a product of coming under new management. The improvements made to internal processes (such as document management, record keeping, finance and accounting etc.) will drive increased efficiency in the operation of the association which will allow more time to be dedicated to increasing the value proposition and solidifying the strategic position of ATIF from an advocacy perspective.

A variety of opportunities are emerging upon which ATIF should capitalise, all of which should combine to improve its value to members, and maintain a strong presence on behalf of the industry, which remains in the firing line for regulatory crack-downs.

## SWOT Analysis

<p style="text-align: center;"><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• ATIF’s membership consists of a significant portion of the timber import industry which lends it strength in representation and advocacy.</li> <li>• ATIF has a long history and is a well-established association.</li> <li>• Despite current regulatory headwinds, ATIF has a strong prior record of collaboration with Government on regulatory actions which impact industry (e.g. creation of the ATIF guide for importers toolkit which was previously available on DAFF’s website).</li> <li>• ATIF’s new management structure has a strong base of legal expertise and focus.</li> </ul>	<p style="text-align: center;"><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• ATIF’s management has previously been internally disorganised which makes record keeping and tracking financials difficult and complicated.</li> <li>• ATIF has recently faced challenges in maintaining its advocacy and has been so far rebuffed by DAFF concerning illegal logging legislation.</li> <li>• ATIF’s governance was previously non-compliant with the requirements of the Associations Incorporation Act 2009 (NSW). Work is ongoing to regain compliance, and in the meantime, the association faces considerable latent risk.</li> <li>• ATIF’s value proposition to members has been static for a significant period of time and there is a demand for ATIF’s value proposition to be increased.</li> </ul>
<p style="text-align: center;"><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• ATIF has increased resources in its management function (through the engagement of Hikari Solutions), capitalising on this ATIF can quickly improve its organisation, governance, and record-keeping to increase operational efficiency.</li> <li>• Through both the ILPA and MSA amendments, ATIF has a unique and highly meaningful opportunity to reinvigorate its advocacy and cement itself as a keystone representative of the timber industry.</li> <li>• The speed of change in the regulatory space for the timber import industry provides ATIF an opportunity to provide valuable education and information services to its members.</li> </ul>	<p style="text-align: center;"><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• While ATIF’s membership represents a significant volume of national imports of timber, the small number of members means proportionally less funding, so ATIF may face challenges having a meaningful impact from an advocacy perspective without gaining more members.</li> <li>• ATIF currently does not have any major revenue sources outside of its membership fees, which means the association is relatively underfunded compared to others, which may surpass it from a representative perspective consequently.</li> <li>• ATIF needs to break down the current barriers it faces in its efforts to advocate to Government on behalf of industry or it risks being left out and left behind as the legislative landscape changes and losing a significant proportion of its value proposition for membership.</li> </ul>

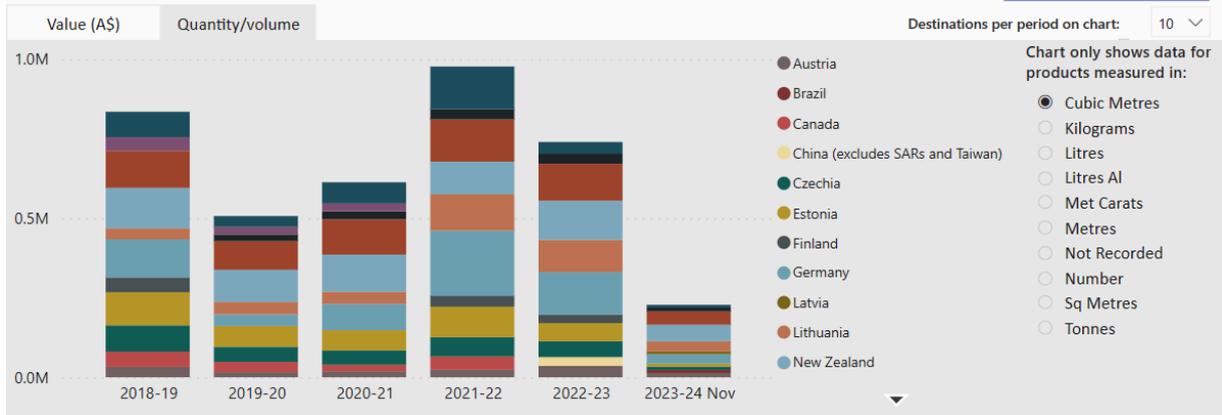
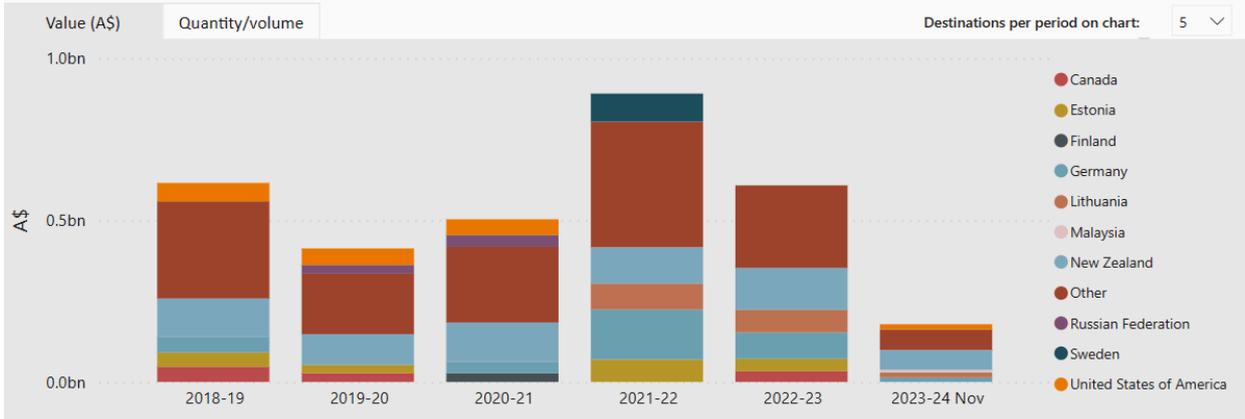
## PEST Analysis

<p><b>POLITICAL</b></p> <ul style="list-style-type: none"> <li>• The regulatory and legislative environment faced by the timber importing industry are significant, <u>in particular noting</u> increased and aggressive DAFF enforcement, nebulous and changing regulatory requirements for illegal logging due diligence, looming obligations to conduct due diligence for modern slavery in supply chains, and potential impacts of new climate change financial reporting requirements.</li> <li>• ATIF’s previously non-compliant governance practices mean it now carries substantial latent risk in the event of a full association audit under the Associations Incorporation Act 2008 (NSW).</li> </ul>	<p><b>ECONOMIC</b></p> <ul style="list-style-type: none"> <li>• Uncertain economic outlook may result in businesses being unwilling or unable to consider membership, or membership attrition increasing and so reduced revenue for ATIF.</li> </ul>
<p><b>SOCIO-CULTURAL</b></p> <ul style="list-style-type: none"> <li>• Consumer interest in wood in some sectors may be at risk of reducing as consumer sentiment continues to grow in favour of sustainable products. For example, misconceptions as to the sustainability of wood products as opposed to substitutes may result in a slow reduction in demand for timber construction.</li> <li>• Increasing attention to modern slavery and supply chain labour conditions means consumers demand greater visibility and accountability from organisations over their supply chains. Many customer-facing retailers are implementing aggressive procurement policies that will exclude organisations that fail to maintain sufficient sustainability and visibility.</li> </ul>	<p><b>TECHNOLOGICAL</b></p> <ul style="list-style-type: none"> <li>• Developments in technology are indicating that there will soon be a need for complete supply chain traceability over certain commodities, with wood being one such commodity in focus. Technology solutions that enable this will become increasingly relevant and organisations will need to be prepared to incorporate this             <ul style="list-style-type: none"> <li>• E.g. <u>block chain-based</u> traceability, product passports, extensive digital supply chain information gathering and mapping</li> </ul> </li> <li>• Regulators are beginning to experiment with fibre testing and DNA identification technology for timber products. This is likely to manifest in new legislated powers for the regulator and additional risk for importers.</li> </ul>

# Statistical and Regional Analysis

The availability of comprehensive data made available by DAFF has empowered greater statistical analysis of timber importing into Australia that has relevance to how ATIF should assess its strategic position. The below data is filtered by the product commodity classifications for these products:

- Builders joinery
- Densified wood
- Particleboard
- Plywood
- Sawnwood
- Wood in the rough



<b>Top 12 overseas locations (22-23)</b>
<b>New Zealand</b> \$106,133,482
<b>Germany</b> \$57,865,941
<b>USA</b> \$41,025,196
<b>Russian Federation</b> \$36,620,714
<b>Estonia</b> \$34,756,293
<b>Lithuania</b> \$34,747,504
<b>Canada</b> \$32,259,537
<b>Sweden</b> 29,285,141
<b>Czechia</b> 23,887,344
<b>Finland</b> \$23,856,972
<b>China</b> \$22,644,620
<b>Malaysia</b> \$18,479,695

<b>Top states (22-23)</b>
<b>Victoria</b> \$226,843,904
<b>New South Wales</b> \$166,700,854
<b>Queensland</b> \$110,327,109
<b>Western Australia</b> \$55,441,431
<b>South Australia</b> \$46,138,761
<b>Tasmania</b> \$2,300,195
<b>Northern Territory</b> \$49,110

ATIF notes that the volume of Russian Federation timber being imported has now significantly reduced as a consequence of the ongoing major conflict in the region and subsequently imposed tariffs. However, this has also resulted in an increased risk of illegally logged timber entering supply chains through other bordering countries, misrepresented as to its harvest origin. It has also resulted in the hiding of Russian timber in certain products, ATIF has particularly identified structural timber products (e.g. LVLs) as a high-risk product for inclusion of this timber and for consequent non-compliance with the relevant standards.

It is critical that ATIF continue to be particularly discerning in its membership application process to ensure that members comply with the ATIF Code of Ethics. ATIF will also strategically alert DAFF to this matter in order to generate a more level playing field for its members.

Geographically, Victoria undertakes the most importing by value, followed by NSW and Queensland. This indicates that the East Coast states should be the focus for ATIF, particularly Victoria, for growing membership as a proportion of the value of the timber import industry.

## 5. New initiatives in 2024/25

ATIF will introduce the following initiatives in 2024, in addition to our ongoing business activities shown in Section 6.

Focus area	Initiative	Deliverable/Activity
<b>Teaching &amp; Learning</b>	Create and commence 2024/25 training program	Training or workshop sessions run by ATIF for members to attend on areas such as: <ul style="list-style-type: none"> <li>- Certifications</li> <li>- ESG &amp; reporting requirements</li> <li>- ILPA</li> <li>- Modern Slavery</li> <li>- Commercial &amp; Employment matters</li> <li>- Border force and customs</li> <li>- Any other matters that arise which members require training on</li> </ul>
	Mapping LVL compliance requirements and testing methods	Create and publish resources for importers re non-compliant LVLs to be distributed to members, to relevant regulators (e.g. Border Force) and publicly to increase general awareness of unethical and non-compliant practices in structural timber
Focus area	Initiative	Deliverable/Activity
<b>Industry Advocacy &amp; Development</b>	Establish advocacy position papers	Position papers to be produced for ATIF on relevant and topical areas for which ATIF will engage in advocacy and provide uniform guidance to both CoM and members.
	Establish regular contact with the Government	Contact to be maintained with the Government and relevant regulators to allow ATIF to have greater insight into regulatory activity and allow industry to be represented where decisions are being made that impact it.
	Lead regulatory change agenda - ILPA	A concerted effort will be made to have greater involvement in the drafting and development of the new amended ILPR which is incoming in 2024.
	Additional offering for purchase – ATIF Supporter	The introduction of the ATIF supporter category for purchase for organisations that do not meet the criteria for membership but want to support ATIF and access resources, or that are working on meeting the relevant criteria to become full members.

Focus area	Initiative	Deliverable/Activity
<b>National Collaboration &amp; Brand Awareness</b>	Increase two-way member communication	Two-way communication with members via all relevant channels to be increased, especially regarding providing regular updates on ATIF's activities and encouraging member engagement and participation in ATIF activities.
	Regular newsletter and LinkedIn posts	ATIF to increase the regularity of its newsletter publications, and to begin to increase its presence on LinkedIn with frequent posts concerning ATIF's activities and matters of relevance to industry.
	ATIF Membership forums	ATIF will begin hosting members meetings or forums which will allow members outside the CoM to bring attention to issues of concern to the membership and for which action from ATIF may be required. This will also assist in ensuring that position papers are as reflective of membership sentiment as possible to provide the highest quality of representation/advocacy.
	ATIF brand kit	ATIF to update marketing and design resources and transition away from use of legacy design themes for a newer look.
Focus area	Initiative	Deliverable/Activity
<b>Engaged, Trusted and Resilient Partnerships</b>	Enhance depth of relationships and strategic co-operation with other timber associations	
	Be a trusted advisor to government on industry issues	Organise meetings and if possible workshops to build relationships and gain traction.
	Explore potential for mergers with complementary organisations to consolidate strength	
Focus area	Initiative	Deliverable/Activity
<b>Secure, enduring &amp; Future-ready Organisation</b>	Create compelling membership value proposition	Create a value proposition document which can be provided to existing and prospective members that explains ATIF's activities and how these benefit members.
	Maintain good governance internally within ATIF	It is important for ATIF to meet its governance requirements and obligations to remain in compliance with the Associations Incorporation Act. It is also essential to the integrity of the association to comply with internal governance requirements.
	Develop board succession plans	ATIF will create and implement CoM succession plans in the event that unforeseen circumstances render any individual unable to fulfil their obligations to the association due to sudden injury or ill health. This will allow the

		association to continue operating its vital functions in such a circumstance.
	Implement service delivery model	
	Complete full digital systems overhaul	ATIF's previous systems were fragmented and in some areas outdated. Upgrading to new software (such as Xero) and centralising and reorganizing the digital management of ATIF's files will increase efficiency, assist with record keeping and allow any relevant persons needing access to ATIF's files to be able to do so without encountering navigation barriers.

## 6. Ongoing activities 2024

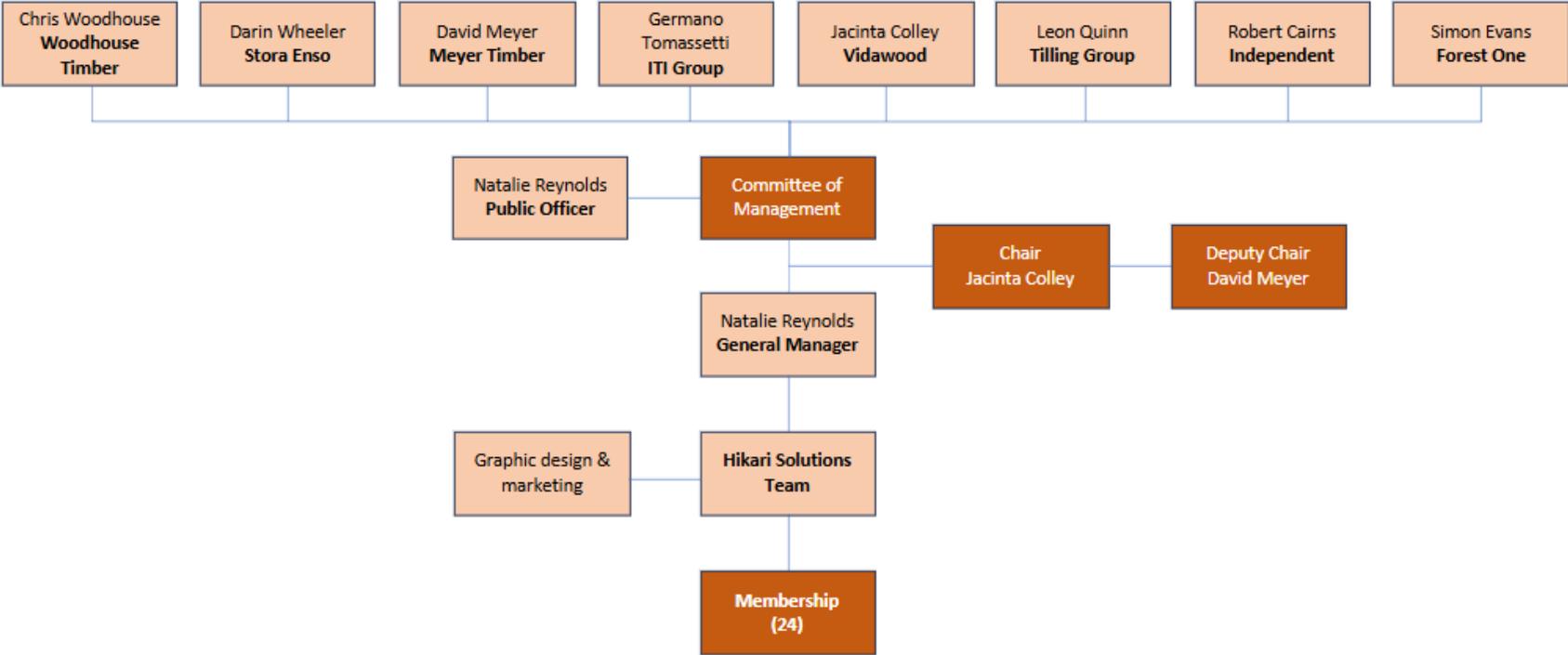
Focus area	Activity	Deliverable
<b>Advocacy &amp; Development</b>	Illegal Logging Prohibition Regulation Advocacy	Barrister brief to be completed and counsel opinion obtained which can be utilized in ongoing discussions with DAFF.
<b>National Collaboration &amp; Brand Awareness</b>	ATIF Members' Bulletins	Continue to deliver monthly members bulletins to provide members with an ongoing and up-to-date stream of information relevant to both the industry and the association.
<b>National Collaboration &amp; Brand Awareness</b>	ATIF contributions to external newsletters	ATIF will continue to produce and distribute articles and content to be published in partner publications (such as TTN, Wood Central, Timberbiz) to reach a broader audience.
<b>National Collaboration &amp; Brand Awareness</b>	ATIF newsletters	ATIF will continue to produce its own newsletter periodically for broad distribution (beyond members).
<b>National Collaboration &amp; Brand Awareness</b>	Attendance at industry events and conferences	ATIF representatives attend industry events and conferences on behalf of the association to increase awareness and maintain the association's professional network.

# 7. Financial plan

Australian Timber Importers Federation				
<b>Profit &amp; Loss [Budget Analysis]</b>				
July 2024 to June 2025				
	Selected Period Actual	Selected Period Budgeted	Selected Period\$ Difference	Last Year Actual
<b>Income</b>				
Member Contributions		\$140,800.00		
Training/Sundry Income		\$0.00		
Interest Income		\$0.00		
<b>Total Income</b>		<b>\$140,800.00</b>		
<b>Expenses</b>				
Subscriptions		\$2,500.00		
Computer/IT Expenses		\$2,500.00		
Accounting Expenses		\$5,000.00		
Advertising/Promotion		\$2,000.00		
Training Related		\$1,000.00		
Bank Fees		\$250.00		
Audit Fee		\$750.00		
Board Functions		\$1,000.00		
Contracted Integrated Management Services		\$84,000.00		
<b>Total Expenses</b>		<b>\$99,000.00</b>		
<b>Net Profit/(Loss)</b>		<b>\$41,800.00</b>		

# 8. Organisation Chart

## Association Chart



## 9. Key relationships

ATIF has a variety of stakeholders in industry, government and other associations. Over the coming year, our priority will be to ensure that we regularly assess the state of our relationships and manage these accordingly.

Organisation	Our relationship & 2024 focus
DAFF	DAFF is a regulator with involvement in the majority of importing activity, and is the most aggressive body for ATIF to consider. <b>We will actively pursue communication and undertake advocacy to this body on behalf of the industry.</b>
Australian Border Force	Australian Border Force is a key regulatory body for ATIF to maintain strong communication with. <b>We will actively seek to strengthen connection with this regulator.</b>
NSW Fair Trading	The regulators for our association under the Associations Incorporation Act. <b>We will prioritise compliance and governance to reduce enforcement risk.</b>
Commonwealth Government, opposition and other parties.	We work with politicians and their offices to represent members' interests and effect change. <b>We will prioritise building professional relationships with key advisors and parliamentarians</b> to improve access and consultation in policy formulation and agency oversight.
State Building Authorities and Fair Trading Departments	We work with authorities to understand the importance of compliance of timber products and the impact on building integrity without surveillance.
Suppliers and service providers	We rely on a number of organisations to provide us with value-for-money, efficient and ethically sourced products and services. <b>We will prioritise improvements to higher-risk processes/transactions, including procurement, finance management and enhanced document systems</b>