



South African Wood Preservers Association

Dear Members

CARBON TAX BILL SIGNED INTO LAW

The Carbon Tax Act 15 of 2019 came into effect from 1 June 2019. The act imposes a tax on Green House Gases (GHG) emitters that exceed specified threshold limits given in the schedules the Act and the National GHG Emission Reporting Regulations. The specified threshold limit for combustion devices such as boilers, including heat generators and exchangers, is a combined designed installed capacity equal to or above 10 MW.

Although the tax imposition is largely aimed at the bigger emitters of GHG's from burning or combusting fossil fuels, e.g. coal for energy generation, it doesn't exclude the burning of biomass and wood. The burning of biomass and wood does however emit significantly lower GHG's.

Most production facilities of preservative treated timber that generate heat, i.e. creosote treatment plants, will be significantly below the 10 MW threshold limit and the Carbon Tax will not apply to them. However the larger treatment plants that apply kiln drying of mainly transmission poles may exceed the threshold, as will many sawmills due to their kiln drying processes.

For creosote treatment plants and sawmills where the combined designed installed capacity are equal to or exceed the threshold value the GHG emissions must be reported on the National Air Emission Information System platform (NAEIS) of the DEA. The Tax is calculated at R120/ton of GHG emissions minus a 60% basic discount/allowance for the first phase starting from 1 June 2019 and ending 31 December 2022. In addition there are other deductions/allowances available for companies that can increase the total discount/allowance to 95%. Members who would like to know more can contact SAWPA for copies of the Carbon Tax Act and the National GHG emission reporting Regulations.

NRCS AND ILLEGAL TIMBER TREATMENT

In Newsletter 219 of November 2018 and at the regional meetings earlier this year in March we reported on our efforts to involve DTI and DAFF in finding solutions to the NRCS's operational and logistical incapacity of dealing with the escalating problem of illegal treaters and traders dealing in illegal timber. The efforts resulted in a meeting arranged by DTI in October 2018 and followed up with a meeting at DAFF in November 2018. Subsequent to the meeting at DAFF and on request from the acting DDG for Forestry SAWPA was asked to submit a detailed letter to assist her in understanding a) the extent of the problem, and b) to assist in finding a solution to the NRCS operational and logistical shortcomings.

The letter was submitted to DAFF in January 2019 and since then we have on numerous occasions requested a response from DAFF to the letter. Finally after almost 6 months we are pleased to inform members that we have been invited to meet with the Acting DDG in the first week of July. We know that some members are extremely frustrated with the slow progress in resolving the issue especially since industry is required to pay levies whilst the NRCS is not effectively regulating illegal treaters, but we ask members to be patient as we try and find solutions to the problem through government stakeholders such as DTI and the Forestry branch which now resides with Environmental Affairs.

NRCS AMENDED TARIFFS

The latest NRCS amended tariffs were published in the government gazette on the 3rd of May 2019. With the date of publication being the effective date it is envisaged that the NRCS will impose the new tariff either for the second quarter starting 1 April 2019, or perhaps the third quarter starting 1 July 2019.

Commodity description	Unit	Previous tariff	Previous tariff Type 5 ^{a)} certified plants	New tariff	New tariff Type 5 ^{a)} certified plants
		R	R	R	R
		1 Jan 2018 to 31 Mar 2019		1 Apr 2019 or 1 June (TBC) until next annual increase	
Preservative treated timber (VC 9092)	1 m ³	1.33 ^{b)}	<u>1.20</u>	1.40 ^{b)}	<u>1.26</u>
Application fee for the approval of a manufacturing facility (LOA) for the preservative treatment of timber – Non-refundable	Per facility	1 352.00		1 418.25	
Application for extension or amendment of approval – Non-refundable	Per application	570.00		597.00	
Application for a sales permit – Non-refundable ^{b)}	Per application	2 800.00		3 155.53	
<p>a) The type 5 tariff is applicable on all plants that are certified by a SANAS accredited type 5 certification body i.e. type 5 levy should be applicable to all plants registered and certified in South Africa.</p> <p>b) The higher tariff published additional to the type 5 certified Tariff is assumed to be applicable to new plants in the process of obtaining certification and an LOA.</p> <p>c) Typically sales permits will be required for processing plants that are situated outside South Africa and that supply treated timber to entities in South Africa through a registered associated or partnering business in South Africa. A sales permit may also apply to new plants within South Africa that are in the process of obtaining their certification and for the interim producing under a consignment inspection approval system in order to market and sell their product.</p>					

SAWPA MEMBER SURVEY

The SAWPA member's survey, mentioned in Newsletter 220 of May 2019, was circulated to members on the 19th of June. As stated in the accompanying introduction letter, the aim is to determine whether SAWPA is keeping abreast of the member's needs and expectations, and to guide us on how to proceed going forward, i.e. to continue as is or is there a need to expand on the offering to members. Members are therefore requested and reminded to complete and submit the questionnaire to SAWPA, preferably by the 30th of June but at the latest the 5th of July.

STATUS OF SANS STANDARDS

Members must please note that although the revisions of all the pole standards have been completed, the new standards cannot come into effect until the revised SANS 1288 has been completed. Unfortunately the progress on SANS 1288 has been longer than anticipated and we estimate that it would take at least another 4 to 6 months before it's published.

This means that the previous editions prior to 2018/19, i.e. SANS 457-2:2008, SANS 457-3:2013, SANS 753:2009 and SANS 754:2013 and all the requirements contained therein remains valid and current until SANS 1288:2019/20 is published. Members are again reminded not to purchase any of the new standards as electronic copies will be supplied to all members under a licence agreement between SAWPA and the SABS.

REPORT ON IRG50 QUEBEC CITY, CANADA – 12 TO 16 MAY 2019



The IRG50 Conference were held in Quebec, Canada from 13 to 16 May 2019 and we are pleased to report that SAWPA played both a supporting and participating role at the conference. Firstly as a bronze sponsor utilising excess IRG 49 funds, and Bruce participating as a member of the IRG Executive Council meeting in the two days prior to the conference, and again as a co-convenor of the working party session dealing with Test Methodology & Assessment during the conference.

The conference attracted 211 participants from 30 different countries. A total of 86 papers and 20 posters were presented on various aspects of wood protection related to *Biology, Test Methodology & Assessment, Wood Protection Chemicals, Processes & Properties, and Sustainability & Environment*. Three special sessions were also held dealing with *Knowledge transfer in Wood Protection, Protecting Sustainable Wood Infrastructure, and Mass Timber – Protecting its potential*. Mass timber products like cross-laminated-timber (CLT) are attracting more interest and attention, and in respect of wood protection in relation to protection systems that will ensure mass timber buildings are able to perform on durability and long-term performance.

The following listed papers are just some of the papers of interest that were presented at the conference:

- 19-50361 Durability in climate change – Implications for wood building structures in Canada
- 19-30735 Protecting sustainable wood infrastructure – Improving the performance of poles, piles, ties and timbers with dual treatments
- 19-30738 Copper Naphthenate: A product for all seasons: Protecting America’s infrastructure for over 100 years and potential for expanded usage in Europe
- 19-40875 Durability testing of mass timber building elements: a call for a collaborative trial
- 19-40879 Fungal damage in Norwegian massive timber elements – causes and measures
- 19-20659 Durability classification of preservative treated wood and modified wood
- 19-40858 Study on the ability of wood-destroying fungi to grow through chemically modified wood
- 19-50351 Wood protecting techniques and natural weathering: their effect on aesthetics and preference of people
- 19-30739 Boron dual-treatments for Douglas-fir utility poles: tracking boron migration over time
- 19-30742 Performance of field cut preservatives (*remedial*) above-ground and in ground contact exposures
- 19-30744 Development of a suitable fire retardant for radiata pine and other species (*pressure process*)
- 19-20655 Improvement of analytical methods of wood preservatives and its validation with collaborative testing
- 19-20648 Durability by design – a case study of the performance of wooden decks after 9.5 years of natural weathering

NEWSLETTER OFFCUTS

- 2020 SAWPA Calendar: We would like to request members that have high resolution photos of any project or end application showcasing treated timber use to submit the photos to us for consideration in the 2020 SAWPA calendar. Recognition will be given to the company/person whose photos are used.
- SAWPA recently joined social media with its own Facebook page. The main focus is to use it as a platform to share information on timber preservation and preservative treated timber. The page is still in its infancy stage but will develop as time goes on. Members are encouraged to visit the page, like and share the information posted on

the page as wide as possible. <https://www.facebook.com/SAWPA-South-African-Wood-Preservers-Association-804121316426548>

- Members are reminded of the on-product safety labels available from SAWPA. Please contact Judy at admin@sawpa.co.za or 011 974 1061. With the imminent publication of the revised SANS 10005 Ed 9, the on-product safety information will become a requirement and no longer a recommendation.
- Please take note that the email addresses to SAWPA have changed. The main e-mail address is now admin@sawpa.co.za and Bruce's email is now bruce@sawpa.co.za.

Regards

BRUCE BREEDT

SAWPA accepts no responsibility for any statement or claim made in this newsletter.

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