



AUSTRALIAN FOREST CONTRACTORS ASSOCIATION LTD.

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“The Log” 13 September 2011



Hello and welcome to another weekly edition of “The Log”, the Australian Forest Contractors Association Ltd’s own internal electronic Newsletter for all of our Members and Corporate Partner Sponsors

Firstly this week, once again the Henty Field Days that are held in southern New South Wales are fast approaching. They are to be held from Tuesday 20th to Thursday 22nd September. They are reputed to be a huge event and must be because I know of Company’s who have tried to exhibit there, but who have been refused a spot because its booked out, and also because I was hoping to attend at least part of the event but unfortunately accommodation around the region is booked out, and I left my efforts to try to get some far too late.

But why are we mentioning them? Because this year the Tumut based Forest Industry Council (FIC) will be exhibiting there and are looking for some assistance from their members to staff their stand. Council Chairperson Theresa Lonergan has told us that:

“in the interests of promoting awareness of our great industry, FIC will exhibit at the Henty Field Days. Besides the FIC members we are already aware of, commitments of time and gear have also been made by Waratah, John Deere, and Komatsu, with others trying to ‘get in’, but our 20m x 50m site (sponsored by Visy) is now full.



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What we need now is to confirm stall-holders/resources for the 10m x 21m marquee, so we are looking for FIC members who are able to help sometime through the 3 days, and/or set up on the Monday (and possibly Friday for pulling down). It is important that we have a response a.s.a.p to enable planning and passes to be arranged so please if you can assist please contact Megan Arragon at megan.arragon@tafensw.edu.au”

So FIC members, if you haven’t replied yet and can help out, please contact Megan as soon as possible.



AFCA brochures will be available at the stand, and we thank the Council for having our material there. So if you are in the region and are going along, make sure you visit the FIC stand and say Hi.

We hope the FIC stand is very busy throughout the three days and wish them all the best. Also I apologise to them again for not getting organised earlier and am disappointed that we won't be able to help out.

Some good and not so news no from Victoria. Firstly the not so good.

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JOHN DEERE
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The East Gippsland Forest Management Co-operative which has been based in Orbost in east Gippsland, has been in existence for many years and has at times been comprised of anything up to 20 Contractors at times, will unfortunately have to close its doors in coming months.

The slow demise of the logging industry in East Gippsland, together with a reduction in the number of high quality experienced contractors who have not had their tenders renewed by Vic Forests, are contributing factors to what will be a disastrous future for the east Gippsland region. Little towns like Orbost will suffer enormously as a consequence.

Co-op Manager Lindsay Stevens tells me that he expects the organisation will fold in about seven months.

We will watch with interest but it's a shame that an industry that has played such an important part in the ongoing prosperity of the region is crumbling down.

However there is some brighter news now from Australian Paper which should be good for Contractors in Victoria, especially those who harvest and haul timber to the Mill at Maryvale in the Latrobe Valley.

Australian Paper, the only manufacturer of fine paper in Australia, has announced a strategy that will see the company significantly increase the amount of plantation fibre used in its operations. The strategy provided a 30 year planning window, helping ensure Australian Paper could continue to manufacture iconic brands, such as Reflex in Australia and continue as the largest private employer in the Latrobe Valley.



“Through a combination of maximising usage from existing plantation suppliers, utilising investment plantations in Central Gippsland and accessing some of the closest parts of the Western Victorian plantations, we expect to progressively increase our plantation fibre usage.” said Mr Jim Henneberry, CEO of Australian Paper.

“While this announcement is an important step in our Future Fibre Strategy, we will continue to source our wood from certified fibre sources as well as looking at ways we can adapt our manufacturing processes to maximise efficiency and minimise our environmental footprint,” Mr Henneberry said.



Mr Henneberry noted that although the company is under intense competitive pressure from imported papers with the exceptionally strong Australian dollar, the Future Fibre Strategy would maintain the company's commitment to getting the economic, social and environmental balance right.

“Australian Paper maintains a high standard in Chain of Custody and fibre sourcing certification and has strict policies that do not allow any old growth wood to be used in our operations. The company is the largest private employer in the Latrobe Valley, directly employing 1,300 people” he said.

AFCA suspects that the decision was based significantly upon the Company’s intention to regain its FSC accreditation which it recently announced that it was not renewing, due to the pressure being applied to it by the Green movement



Let’s hope that Hancocks Plantations, the company that supplies much of the wood to the Maryvale mill acts in a fair and equitable manner when it comes to employing the Contractors who will be carrying out the harvesting and haulage processes.

We noted some time ago that Worksafe in New South Wales would be conducting information sessions in that State in relation to the new standardized national work health and safety regulations which come into effect on 1 January 2012. We have now received news of similar workshops that will be conducted across Victoria during October 2011.

Business owners, managers and employees will all have increased roles in making sure that workplaces are safe under these new laws.



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The workshops in Victoria will be conducted both by the Victorian Employers Chamber of Commerce and Industry (VECCI) and by Worksafe Victoria. For more details, go to their websites: www.vecci.org.au, and www.worksafe.vic.gov.au,

Members in other States should also be on the lookout for similar workshops in your State. If we learn of them we will highlight them in “The Log”. However in the interim, please keep an eye out for them in your local area and try to attend too make sure you are ready for when the new laws come into place. You will then not be subjected to the new increased fines and penalties that are part of the new regulations.

AFCA is very lucky to have Phillipsons Accounting Services of Sale Victoria looking after our financial reporting responsibilities and acting as our agents to the Australian Securities and Investment Commission (ASIC).

From their latest Newsletter we are pleased to reprint the following information about the new Employers and Paid Parental Leave Laws

What is it about?

This scheme, which the Federal Government made available from 1 January 2011, offers eligible working parents paid parental leave for up to 18 weeks at the minimum weekly wage of \$570. By early May 2011, nearly 50,000 women had already applied for this benefit, including nearly 16,000 women in NSW, around 12,000 in Victoria and 10,000 in Queensland.



What does it mean for employers?

Until 30 June 2011, the Government fully administered eligible payments, but this responsibility passed to employers from 1 July 2011. So although the payment is funded by the Government, from 1 July 2011, employers are responsible for processing the payments for up to 18 weeks' pay at the national minimum wage (currently at \$570 per week) to eligible employees who have a child, or adopt a child. This includes providing pay slips in accordance with each business's usual pay cycle.

Employers may choose to pay the employees if they have worked for the business for less than 12 months, or are accessing less than eight weeks of parental leave pay. In those cases where the employer decides not to pay the employee, the Government will assume administration responsibilities. Superannuation is excluded in the scheme.

How should employers prepare?

We strongly recommend that businesses should get their payroll systems realized before an employee decides to take parental leave. Although most employers are aware of the paid parental leave scheme, they don't all realize that they play a key role in this government-funded scheme. It is wise to ensure that payroll systems are up-to-date, and that payroll officers are fully aware of the new obligation to transfer payments to those on leave.

How does the scheme operate?

Under the program, employees have to make the initial request for the benefit to the Family Assistance Office (FAO) to be assessed for eligibility. Once the employee has met all the eligibility criteria for the benefit, the FAO contacts the employer to inform them that the employee has applied, met the criteria and identified the business as the employer. The business is now obligated to administer the payment and has 14 days to respond. The employer can request a review. It is expected that most employers will agree with the application.

What happens next?

Once the employer accepts the application, it needs to provide the FAO with its bank and pay cycle details. The FAO then makes the payment to the employer, which in turn passes it onto the employee. While the employer is not required to pay the benefit if it has not received the money from the FAO for some reason, the employer must notify the FAO of any changes in its payments; such as changing the pay cycle to weekly instead of fortnightly. The employer must also provide the employee with a pay cheque."

Once again, our thanks to Phillipsons for this information.

If you as an employer could be asked to pay this new benefit, make sure you are prepared when the request comes. Please discuss the matter with your Accountant, or if you require any additional information, we recommend that you contact our friends at Phillipsons (Ph 03 5144 4566 or email queries@phillipsons.com.au.)

Well, that's all for this week. Thanks for taking the time to read this edition of "The Log". We hope you all have a safe and profitable week and we look forward to bringing you some more news from our industry again next week.

Regards to all
David Drane

