



# AUSTRALIAN FOREST CONTRACTORS ASSOCIATION LTD.

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## “The Log” 31 May 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.

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Firstly this week, the Australian forest and wood products statistics for the September and December quarters of 2010 have just been released, and show that Australia's forest industry has experienced significant changes with more logs sourced from hardwood plantations than native forests for woodchip exports, and sawnwood manufactures facing increased competition from imports.

While the domestic softwood sawnwood industry recovered strongly in the financial year 2009-10, it faces tougher times as house starts fell in the September and December quarters of 2010, especially in rain and flood-affected Queensland, while sawnwood imports from Europe continued to increase.

There were some positive signs for exports, with the value of Australia's forest product exports in the September and December quarters of 2010 increasing by 19 per cent compared to the same period in 2009, suggesting recovery in some overseas markets.

The bi-annual report produced by the Bureau of Statistics from which these figures are taken provides quarterly and annual data on the consumption, production, import and exports of wood and paper products.

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Among the many things that a Contractor has to do at the end of each financial year is to remember to renew their Insurance policies. Often policies are tied in with financial years and fall due at this busy time.

AFCA's Insurance Partners Insurance Advisernet Australia Pty Ltd would like to remind members that they are specialists in providing insurance to the Harvesting and Haulage industry. They too acknowledge that many businesses like to have their insurances fall due at the end of the financial year, and this is just a reminder to please keep them in mind when considering renewal of your policies.

All classes of insurance can be arranged, including liability, commercial motor, plant and machinery, business insurance, transit, domestic, management liability, income protection and others.

Insurance Advisernet Australia can service you wherever you are located across Australia, so when your Policies come up for renewal, we would like to encourage you to contact them for very competitive rates and guaranteed service.

Please call Darren Alps on 1300 474 010  
(Authorised Representative of Insurance Advisernet  
Australia Pty Ltd Authorised Representative  
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At AFCA, we have just completed transferring all of our Insurance business across to Insurance Advisernet Australia and we are very pleased with the increased coverage and financial savings we have achieved.

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**HITACHI**

Hitachi Construction Machinery (Australia) Pty Ltd



**JOHN DEERE**

Nothing Runs Like A Deere

While the two new harvest and haulage timber contracts that have been announced for Southern New South Wales are expected to be valued at up to \$14 million a year and will provide a significant boost to the Monaro economy, Contractors are reminded of the warnings that we issued in previous editions of "The Log" about dealing with Forests NSW.

Media releases about the new Contracts being tendered by Forests NSW say that they represent approximately 70 per cent of its business in the region and provide a substantial opportunity for forestry businesses in the Monaro.

However we repeat our warning that Contractors should read the tender documents thoroughly, get some legal and financial advice, and make sure that they understand all of the minor details to ensure that they do not become bound into arrangements that are not financially viable for them.

The media releases say that the new contracts "will encourage efficient and quality contractors to join the industry at a critical time of regional growth. The combination of expiring harvest and haulage contracts and additional sales to existing customers has triggered the need to tender 460,000 tonnes a year of mechanised harvesting and 485,000 tonnes a year of log haulage in the Bombala area.

All very well as long as the Contractors are rewarded accordingly for their efforts.

**KOMATSU**

**Forestry  
Quality™**

AFCA also agrees with Forest NSW's claim that health and safety management is an essential aspect of forest management, and is pleased to note that it is claimed that both are part of the new contracts. However we urge them to take into account the costs associated with making sure that they can be implemented and maintained when assessing the rates tendered by prospective Contractors.

We understand that conditions of the new contracts will require log hauliers to invest in safety improvements such as automatic trailer breaking systems, low centre-of-gravity trailers, GPS tracking and fatigue management procedures. Again we urge Forest NSW to take into account the costs associated with implementing them.



Tenders close on 30th June. The contracts are expected to be awarded by August 2011 and we will be monitoring the process and the outcomes.

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Later this week I will be attending the next series of meetings of the Forest Industry Council (FIC) in Tumut NSW. They will be followed by the organisation's Annual General Meeting and Dinner.



FIC does a great job looking after the interests of the timber industry in the Tumut region. As we have reported previously, they have been responsible for a lot of improvements not only in the timber industry, but also in local associated and supporting infrastructure around the region.

The Council is made up of representatives from Forests NSW, local timber Companies (e.g Visy, Hyne & Norske Skog,), harvesting and haulage Contractors, CFMEU, local Government and the Riverina Institute of TAFE.



The Safety Solution Committee which is part of the Council includes all of the above plus representatives from the RTA. They too have achieved many improvements in safety and have initiated many really good projects throughout their many years existence.



AFCA is pleased to be affiliated with FIC and looks forward to contributing where we can to assist their work.

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

Best wishes  
David Drane

