

<b>ACCC MEETING NOTE</b>			
<b>File number:</b>	C2005/1078	<b>Meeting with:</b>	Forests and Forest Industry Council of Tasmania (the FFIC)
<b>Date:</b>	12 September 2005	<b>Participants:</b>	Trevor Bird Sean Riley
<b>ACCC Officers:</b>	John Martin Scott Gregson Cameron Martin	<b>Time:</b>	2pm
<b>Subject:</b>	Tasmanian Forest Contractors Association – application for authorisation		

On Monday 12 September 2005 John Martin (JM), Scott Gregson (SG) and Cameron Martin (CM) met with Trevor Bird and Sean Riley of the Forests and Forest Industry of Tasmania (the FFIC) to discuss issues relating to the Tasmanian Forest Contractors Association's (the TFCA) application for authorisation in respect of proposed collective bargaining and collective boycott arrangements.

The issues discussed at the meeting are presented below.

ACCC staff outlined the reason for the meeting, discussed the role of the ACCC in assessing applications for authorisation and outlined the public register system.

The FFIC gave some examples of negotiation in the industry that led to collective action on such issues as access to markets for controlled export mass, access to public forest produce, and the removal of export controls.

The FFIC noted that the price at which wood products can be sold is squeezed at both ends so that gains for participants in the supply chain can come only through improvements in productivity or technological efficiency.

The FFIC observed the change in workload expected of forest contractors, with forest contractors having to de-bark, segregate more products and end-grease saw logs. The FFIC noted that debarking and splitting had previously been carried out at the mill. The FFIC also noted that the contracts often cover volumes from 80% to 120% of the nominal tendered amount and that fluctuation between these extremes introduces an element of risk to operations. It may be difficult to sustain maintenance schedules when operating at the upper limit. The FFIC also noted contractors faced risk in the form of vandalism to equipment and that insurance costs have increased as a result.

The FFIC noted that forest contracting businesses are now more professional and are increasing in size.