

Martin, Cameron

From: David Hazell [david.hazell@southcom.com.au]
Sent: Wednesday, 19 October 2005 1:06 PM
To: Martin, Cameron
Cc: John Triffitt
Subject: Applications for authorisations A90973 and A90974 - including Confidentiality Guidelines

Attachments: 050819 FFCC, TFCA dispute facts.doc; 050712 Green TFCA legal position FFCC.doc; 050525 Green update on TFCA position FFCC.doc; 050122 Byran Green Forestry Fair Contracts Ammendments.doc



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FCA dispute fact.FCA legal positi..date on TFCA pgreen Forestry Fa.

Hi Cameron,

As the interview summaries do not contain any significant deviation from the written submission, to which, the TFCA have provided comments already, the TFCA do not feel any further need to comment on the interview notes (with the acceptance of the two bullet points below) and wish to place on the record once again that the comments made within the original TFCA submission for authorisation and again in the letter provided to you in response to the written submission dated the 3rd of October 2005, still stand as a true reflection of the TFCA and members of the TFCA with regards to both the need for authorisation and the true state of the Tasmanian Forest Industry and the abuse of market power that exists within it.

We would like however to provide some brief comments on two new points contained within the interview notes;
Both DIER and FIAT (in particular) make reference to the supposed ease of transfer of harvesting and transport equipment into other industries. Whilst the observation they make about trucks (prime movers) and excavator based harvesting machines being useful tools in other industries has some element of truth, they miss several key points. Firstly with regards to the trucks or prime movers they assume that these trucks can be used in other industries such as mining etc, this is not true for particular combinations such as 'truck and dog' trailer configurations as the prime mover does not have a turn table (required trailer hitch) and the chassis is too long for any retro fitment. Further they assume all prime movers are quick change i.e. fitted with a release mechanism for the trailer of which the majority are not, next the standard log truck does not have the hydraulic capacity required for tipper work that industries such as mining would require and they (DIER and FIAT) also neglect to explain where the contractor will get the capital from to purchase a different trailer (assuming it was possible) when the log trailers are still sitting in the depot at home without a market. Secondly the point they raise about excavators being transferable to other industries is flawed for similar reasons; less than half of harvesting equipment used today are excavators and they neglect to include expensive capital items such as skidders, harvesters, processors, forwarders etc that can not be used in other industries. Next they make the assumption that excavators can be used in earthmoving when they have no knowledge of the hydraulic systems, the quick hitch and other implements that are not currently owned by harvesting contractors that would be necessary for earthworks and they omit to mention that the majority of the excavators working in the forest industry have complicated and specialised attachments fitted to them that create half the capital value of the machine combination and that they are worth practically nothing when removed from the excavator. The last point the TFCA must make with regards to the DIER and FIAT statements is that it is assumed there are markets for additional trucks and machines in other industries such as mining and agriculture when both of these industries are currently on the decline in Tasmania and that the contractors and their employees have the necessary skills and competencies to make the transaction into another industry when the majority do not. Therefore the TFCA do not agree with the views portrayed of a contracting work that can be transferred into other industries, in contrast the TFCA's

view still remains that they are 'locked in' to contracts.

DIER make the statement that they believe that the Forestry Fair Contracts Code 2003 to be working well for the majority of contractors. It is clear that DIER has not been in contact with the majority of forest contractors because this claim is certainly not substantiated. The TFCA include CONFIDENTIAL copies of correspondence (in accordance with Regulation 24 of the Trade Practices Regulations) that has been written and sent to the State Government regarding our continual concern about the FFCC for information. FIAT state that they are not aware of any substantial fights or problems with the FFCC which is untrue as they are part of the Forestry Fair Contracts working party and have been aware for a very long time of the TFCA concerns with the inadequacies of the existing code.

Regards,

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