



SPLINTERS



**Fourth
Edition**

NEWSLETTER — September 2010

Welcome to ‘**SPLINTERS**’ the newsletter that keeps our members informed of TMA issues.

Membership

Since June 2010 we have secured another 6 new members which is taking our membership towards that magical number of 100!

New members are:

Livos Australia Pty Ltd
MYM Timber & Hardware Pty Ltd
Nullarbor Timber
Rados Bros Pty Ltd
Victorian Timber Wholesalers Pty Ltd
Westwoods Timber

Special NAB Merchant Card Service rate for Members

We are very pleased to advise that we have negotiated a special Merchant Card rate of **0.6%** for TMA members. Please refer to our website to download application details. www.timber.asn.au

Caltex Fuel Card

Members are entitled to apply for Caltex Fuel Cards to receive the following Discounts: **3.25 cents** per litre off the pump price for **Unleaded** and **Diesel** and **1.0 cent** per litre for **LPG** and **Premium**. Refer to our website for application details.

FROM THE PRESIDENTS CORNER

CHAIN of CUSTODY (CoC) documentation for the supply of timber is starting to be requested in some Commercial projects and it is only a matter of time before it enters the Residential sector.

What is the real cost to merchants?

Forest certification was established to stamp out illegal logging in countries where forest practices were questionable or even straight out criminal. I am sure most countries like Australia who have had in place for some time forest management practices and safeguards make them world leaders and if any illegal logging is occurring, it is of such a small scale it is of no concern.

Chain of Custody (CoC) is the passing on of information on the forest that has been certified to the Sawmiller to the Wholesaler to the Merchant to the Truss Manufacturer to the Window and Door manufacturer and any other downstream manufacturer to the builder and finally the property owner. The main forest certifiers are Programme for the Endorsement of Forest Certification (PEFC) which is aligned with Australian Forest Standard (AFS) who use a more scientific approach and Forest Stewardship Council (FSC)(tree huggers) which uses more green ideology than science and driven by the WWF. FSC is also the preferred certifier of the Green Building Council Australia (GBCA) so it is obvious the three are all driven by the same green ideology which is to lock up ALL native hardwood forests regardless of sustainability. "Lock it up and let it burn", or as a senior Victorian politician said to me when I raised the question of high fuel loads in the State's locked up forests some three years ago, "if it burns, it burns". And some of it did!

How did it all come about? The Green movement came up with a brilliant idea of how to shut down Native hardwood logging around the world, including Australia which had in place sustainable forestry practices. The idea was to support the setting up of the Green Building Councils (GBC) around the world. The Australian group is called the Green Building Council Australia (GBCA). They then set about encouraging or shaming councils, architects and large commercial building companies and property developers into building so called "green buildings" and only specifying timber products from certified forests, which just happen to be certified by FSC. By joining the GBCA it was the perfect way for all the big polluters to "Green Wash" their companies. The GBCA member's list speaks for itself, check out their website for all the information on who is behind it.

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CoC and how it will affect the day to day operation of the downstream timber industry sector after sawmillers and what is the real cost?

FSC, AFS, PEFC etc, will tell you it is only a couple of thousand dollars each year to obtain CoC. That is the cheap part. Now, you need to make changes to your computer stock codes to track the various certifications, each product e.g. 90x45 pine framing may have up to four different codes and providing your computer has the space on the product description line to state which Chain of Custody (FSC, AFS, PEFC, uncertified), check with your software program provider. All invoices must have supporting documentation when requested by the auditor, which is done annually, at your cost.

A merchant can choose the 70% proof rule which must be backed up by proof that 70% of the product has been purchased from the designated certification and the balance must be proven to have come from a legally logged source. If FSC pure has been requested by the customer, all the product must be FSC or have a proven recycled timber component (if it can be obtained).

You need to think about what happens when a picking slip goes into the yard and if it requests any CoC the yardman must alter the slip to designate if it is FSC, AFS or any other certifier or non certified timber is being sent to the client. The picking slip must then be altered to indicate which certifier's product is being provided and then checked to see if it is within the 70% rule, if not, back in to the yard to be adjusted again. All of this back and forth, costs time and money and is an ongoing problem. The purchasing department needs to ensure enough certified stock is available on hand as annual audits (for which you pay) are conducted and if you have sold more certified stock than purchased you will be served a non-compliance notice. If you fail to respond you may have your certificate cancelled.

Staff training is ongoing and must be kept up to date. Management time is required to keep checking staff fully understand the implications of non compliance. The major problem is that the property owner expects not to pay extra for certified timber, even though they get to wave the "My building is green" flag, and charge a premium for obtaining a green tick from the GBCA.

Certified FSC, AFS and uncertified stock must be kept separate for audit and order picking purposes, which if you have space constraints, will require double handling of stock. This is another ongoing daily cost you will have to carry.

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There is a simple solution, but it is not favoured by the WWF, GBCA, FSC, AFS or the auditors because it will cut off the biggest flow of funds into their green coffers. This is where the largest group of their customers will come from, the downstream after the sawmills group which runs into the many thousands of companies. 90% plus of all working forests in Australia are certified and the government will eventually stop all illegal timber, timber products and furniture from entering Australia. The simple solution is a certification stamp put on by the sawmill, as we do with grading stamps. All of this auditing, double handling, stock control, training costs, fees, GST and time wasting, for no reward would stop.

You have to ask, is it really about stamping out illegal logging, or a money grab being forced on to our industry?

I estimate in the first year of obtaining CoC in my company Lamcal Builders Supplies, it would cost in the area of \$50,000. An expense I cannot recover, unless certified timber has a premium attached, plus ongoing annual costs as above.

This impost is something we will all have to deal with sometime in the near future, if you have not begun to address it already. We must collectively push for the best option for our industry sector.

Ron Caddy
President
Timber Merchants Association (Vic)
Chairman
Lamcal Builders Supplies

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Total enquiry contacts to the Timber Advice and Display Centre from June to September 2010 were 1440.

Adhesives for Flooring	33	Insulation Acoustic	23
Adhesives for Timber Manufacture	2	Modwood	24
Beams Laminated	16	Mouldings	36
Beams Mechanical	12	MRTFC	6
Bench Tops/Cupboards	12	Particle Board / MDF	14
Cladding and Lining Exterior	46	Pergolas and Carports	21
Cladding and Lining Interior	19	Plasterboard	9
Coatings / Finishes	170	Plywood	23
Preservatives	13	Publications	39
Decking	137	Australian Standards	10
Door Hardware	165	Seminars & Courses	8
Doors	62	Span Table Information	31
Fasteners / Connectors	31	Stairs	10
Fencing Material	26	Termites & Borers	16
Fencing—Looking for Quotes	18	Timber Decay	8
Fire Retardants	3	Timber Technical Data	152
Fire Retardant timbers where to buy?	8	Timber Grading	16
Fire Retardant Timbers What Timbers can I use?	19	Timber Identification	13
Five Star Rating Information	11	How to care for Timber	90
Choosing a Species (Colour)	192	Treated Pine / Durables	67
Floor Laying Techniques	105	Cypress pine	18
Floors Bamboo	93	Veneers	9
Floors Floating	116	Where and What to buy	216
Floors Stick Down	181	Windows	15
Floors T & G	210	Builders Checking what's new	26
Floors Parquet	33	Owner builders browsing all displays	99
Floors Problems	48	Not Ascertained / Other	19
Framing/Structural	105	Total	2998
Furniture Timbers	43		
Insulation Thermal	51		

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Website Advertising www.timber.asn.au

Our new website continues to attract a large number of page hits averaging 16,000 per month over the last 3 months. Search areas such as Member Directory, Product Search, Display Centre and Timber Advice continue to be popular.

Special advertising rates for members and exhibitors are available and your ad can be linked directly to your website. Please contact Peter Roberts for further information.

Showroom

Very exciting to have 7 new displays installed by the end of this year. New exhibitors are Alpine MDF, Urban Salvage, Livos Australia Pty Ltd, Westwoods Timber, ForestWorks and American Hardwood Export Council (AHEC). This will take the number of exhibitors in the showroom to 49 with only a few vacant sites remaining.

Being the only Timber Display Centre remaining in Australia exhibitors and members are seeing a significant increase in referrals. The analysis on the previous page shows the number of visitors and the product enquiries for the last four months.

Consolidation

We continue to liaise with FTMA, TABMA Qld, TABMA NSW, Timber Qld, ATIF, WADIC and VAFI. It is important to discuss industry issues on a national basis and to work towards a united industry.

Regional Meetings

During July and August meetings were held in Benalla, Bendigo, Geelong and Blackburn with presentations by Emma Watt on updates to the Modern Awards and Chris Thomas from WorkSafe.

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Victorian Industry Supply Chain Seminar—May 2010

On the 18th May 2010 the TMA, Aust. Timber Importers Federation (ATIF) and Window and Door Industry Council (WADIC) hosted a very successful seminar at the Radisson Hotel in Melbourne. A diversified list of guest speakers gave thought provoking addresses on subjects related to the timber industry supply chain. This will become a biannual event with the next seminar scheduled for 2012.

Shared Industry Assistance Projects (SIAP) grant program

The TMA was one of 49 organisations asked to apply for the above grant by the Federal Government in June 2010. The SIAP grant program was part of a \$2.7 million package of initiatives for small business announced on 8 January 2010 by the then, Minister for Employment and Workplace Relations, Julia Gillard. The Fair Work Ombudsman is providing grants of up to \$104,000.00 to employer/industry organisations to enable them to provide guidance material for employers in industries the Fair Work Ombudsman has identified as requiring specific assistance with the transition to particular modern awards. This was put on hold during the Federal election and we are hoping this will be put back on the Government's agenda. 29 grants will be issued to the successful applicants.

Womens Leadership in the Timber Industry Seminar—Wednesday 10th November 2010

The TMA and the FTMA are very pleased to host this seminar at the Langham Hotel, Southbank. This is the brainchild of Judy Tilling a long time member of the TMA. Karen Hayes the Director Corporate Engagement and Human Capital with UXC Limited will be the guest speaker along with Judy Tilling and Lisa Marty from VAFI. Please refer to our website for registration details.

TMA/Timber Industry Golf Day—Tuesday 7th December 2010

We are pleased to jointly host with the Melbourne Hoo Hoo Club the annual Timber Industry Golf Day at Kingston Heath on Tuesday 7th December 2010. This magnificent course ranked second in Australia has played host to many international players and was where the Australian Open was played last year. Prizes will be given for the best dressed teams as well as for the normal competitions run on the day. Registration forms will be sent out in October 2010 so don't miss out as the cut off number is 120 players.



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Austbrokers Phillips



Austbrokers Phillips have a proud history of partnership with the TMA. Together, they strive to ensure that members have the best level of insurance cover possible, assuring the risk control of your organisation. Contact David Keys 03 8586 9333.

Bookshop

We have an excellent range of timber publications for sale which are great 'point of sale' products for you.

Check out our book shop on our website www.timber.asn.au for full descriptions of publications available and contact Ingrida for your order form on 9875 5000 or email her at ingridam@timber.asn.au

Peter Roberts
Executive Director