

**VFHCC**

**V**ictorian

**F**orest

**H**arvesting

**&**

**C**artage

**C**ouncil

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Secretary

Senate Employment, Workplace Relations and Education Committee

Department of the Senate

P.O. Box 6100

Parliament House

Canberra ACT 2600

Australia

Dear Sir/Madam,

The Victorian Forest Harvesting and Cartage Council represents 140 harvesting and cartage contractors working in both Native Forest and Plantation in Victoria. The contractors range in size from owner operators to small businesses employing 60 people.

These contractors are small businesses with significant investment in plant and equipment. An owner operator cartage contractor will have a minimum investment of \$350000 and a single crew mechanical harvesting operation will command a minimum investment of \$1.3million. About 700 persons are directly employed by these contractors.

The Owner Drivers and Forestry Contractors Act 2005 was passed by the Victorian Parliament to try and address the findings of the Industrial Relations Victoria Report of Inquiry into Owner Drivers and Forestry Contractors. The Report found that Owner Drivers/Forestry Contractors were subject to lack of adequate information on their business cost structures, contract insecurity, harsh or oppressive commercial terms and practices and had a strong need for alternative, low cost commercial dispute resolution.

The Owner Drivers and Forestry Contractors Act 2005 does not apply a labour law styled-solution to owner drivers/forestry contractors. Instead it accepts that contractors are small business operators and deals with them within a framework of commercial and fair trading laws.

The Owner Drivers and Forestry Contractors Act 2005 requires the establishment of representative industry councils to advise the Minister and facilitate the development of an Information Booklet to advise existing and new entrant contractors on running their business, an indicative Rates and Cost Schedule and a Code of Practice that will identify examples of unconscionable conduct and also acceptable best practice procedures for negotiation and contractual terms and conditions. Importantly the Act also provides for low cost, easily accessible commercial mediation by the Small Business Commissioner and if necessary determination by the Victorian Civil and Administrative Tribunal.

The Act has the endorsement of Forest Industry representatives, who are also members of the Forest Industry Council. The Forest Industry Council is making excellent progress. The cooperation and the relationship that has developed between both Hirer and Contractor members of the council has been such that the

Information Booklet, Rates and Cost Schedule and Code of Practice are almost finalised. Once completed they will be valuable tools for Forestry Contractors in both harvesting and cartage, giving guidance on all aspects of a small forestry business.

The VFHCC welcomes the Commonwealth's decision to include the Owner Drivers and Forestry Contractors Act within clause 7(2) as a state law that is not excluded, and strongly supports the maintenance of this position.

Yours Sincerely,

Gary Blackwood  
CEO  
Victorian Forest Harvesting & Cartage Council