



Feb 2014

Mar 2014

THE SPLINTER

EMPLOYEE NEWSLETTER

AKD EMPLOYEES CONTAIN FIRE

Inside This Addition

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A HUGE thanks to YOU our dedicated employees for working through the unusually warm start to the year that we have experienced.

Remember if there is any sign of smoke or fire please report it to your Supervisor or Manager Immediately!

3.2 hectares of AKD's pine plantation was lost over the January heat wave which saw temperatures reach well over 40 degrees. Our Moreep site, south-east of Ballarat, became ablaze after a bolt of lightning struck the 6 year old crop on the night of January 15th 2014. Morrison's CFA brigade were amongst the first on the scene as well as one of our neighbours. AKD's Forestry team liaised with them and CFA headquarters Ballarat by phone whilst we tracked down a dozer and dispatched a crew to the scene.

AKD Forestry Supervisor Russell Rodda and Ralph Hossack arrived on the scene by 2am to take over control of the incident and the dozer which had just arrived. By that stage the CFA brigades had stopped the spread at access tracks. Russell directed the dozer to pinch the fire off on the northern flank through the plantation to confine it with mineral earth break around the perimeter. The dozer left at daybreak and Russell and Ralph were happy to see the relief crew appear to continue the blacking out which allowed them to go home for a well earned rest. The AKD crew continued to black-out and monitor the fire site for the next couple of days on a 24-hour roster to ensure it was safe.

Our ability to look after the incident from the time the dozer arrived released the CFA crews, who then spent the next few days attending other fires started by lightning strikes in the area. This contribution was acknowledged by the Ballarat CFA incident controller.

During the fire season, forestry staff continually monitor weather conditions and forecast Forest Fire Danger Index's (FFDI) 7 days a week and when FFDI's exceed certain trigger points we will impose restrictions on all activities in the field, from harvesting to silvicultural work. When the FFDI exceeds 45, we will close the bush and sit tight!!!

Fire is an ever-present threat in the Australian landscape and in the forest industry in particular. With a plantation estate of over 8,000 hectares spread from Ballarat and the Otways to the South Australian border, AKD is very active in minimising and controlling the risk and impact of fire on the plantation asset. We operate with a comprehensive Fire Management Plan that we review annually and AKD is a CFA "Forest Industry Brigade" which means that we are effectively a CFA crew and all members are trained to minimum wildfire and plantation fire skills. Prior to the fire season we undertake a range of protective measures, including slashing, ploughing and/or spraying of firebreaks, pruning of strategic areas and grading or dozing of breaks in more difficult terrain.

Let's hope that we can get through the next few weeks without any further incidents although fires in March and April are still common.

Neil Harris—Resources Manager





FAREWELL TO



Myra and Lance Duvall



Early 90's main office

Mr. Lance Duvall retired from the Board of AKD Softwoods at the end of December 2013 after 48 years with the company.

In announcing the retirement, the Chairman of Directors of AKD, Mr. Ian Colless paid tribute to Lance's valuable contribution and his energy and dedication in taking the company from humble beginnings in 1965 to one of the largest privately owned softwood processing companies in Australia.

Mr. Duvall had previously worked in the softwood industry in Mt Gambier before moving to Colac in 1965 to take up the role as General Manager of AKD. He stood down from the role of CEO in December 2002 and joined the board as a non-executive director. In total this represents well over 50 years unbroken involvement in the softwood timber industry.

He is a well known figure in the softwood industry and has become a sounding board for many who seek his advice or opinions on all matters.

The company has grown through expansion and acquisition under the stewardship of Mr. Duvall. In the early 1970's the company commenced the establishment of pine plantations. Today the company owns a plantation estate in excess of 8,000ha.

In 1975 a 50% interest in Shelton Timber Treatment Company Pty Ltd was acquired. This relationship has developed to the mutual benefit of all parties. STTCo preservative treats AKD timber under contract.

In 1980 AKD acquired Portland Pine Products Pty Ltd. Located at Heywood, Portland Pine Products produces treated pine posts and poles. They are now one of the largest manufacturers of these products in the Country.

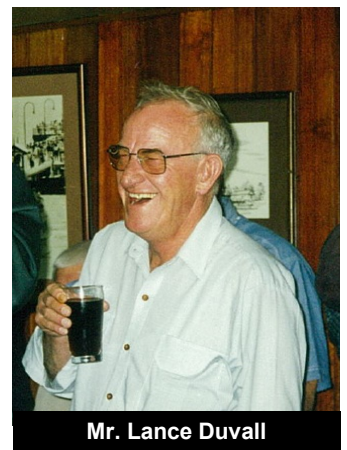


Board of Directors 2013

John Hayden, Graham Harris, Lance Duvall, Laurie Bennett and Ian Colless



SPE chip export



Mr. Lance Duvall

LANCE DUVALL

Almost twenty years ago the box and pallet making business, Southern Specialty Packaging, was purchased. The business is located in Geelong from where it is ideally positioned to service customers especially Alcoa.

He was instrumental in setting up a joint venture partnership (SPE Management) between AKD and Hancock Plantations Victoria for the exporting of softwood chips to Japan from the Port of Geelong. A world class chipping plant was constructed, and linked with the storage and loading facilities of GrainCorp at Geelong provide an internationally competitive service to customers. He has represented AKD on the board of SPE since its creation in 1996.

The late 1990's was a significant period for the company. We built a new sawmill, heat plant and kilns, and acquired the sawmilling assets of Victree Timber Products. Our production volume increased almost threefold during this period.

During his time with the company Lance has seen the capacity of the sawmilling operations at Colac grow from 6,000 to now approaching 600,000 cubic meters of saw log per annum with a commensurate rise in technology to sophisticated computerized log conversion and handling. The number of employees has risen from 25 in 1965 to the current total of 280.

The board praises Lance for leading AKD Softwoods to its current position of being able to provide to customers a complete range of softwood products of high quality from first class manufacturing plants.

David McGinness - Risk Manager



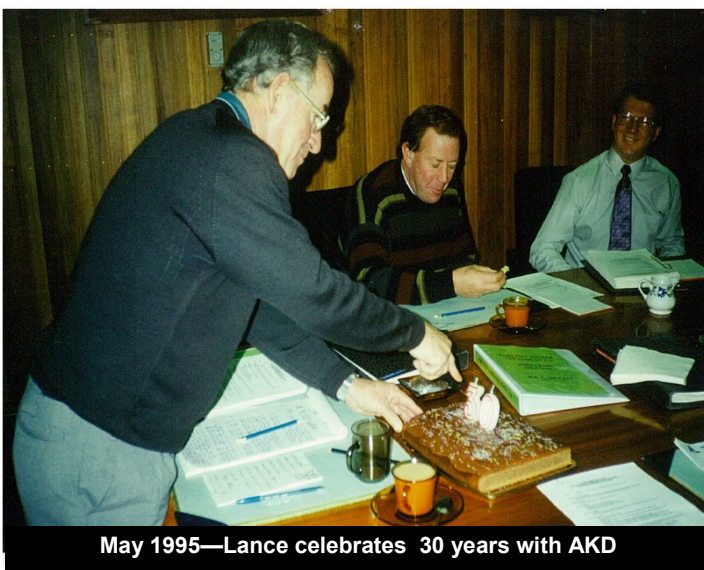
SPE Terminal Opening 1998

Board Members:

David McGinness, Lance Duvall, John Hayden, Martin Hayden, Laurie Bennett, Graham Harris and Ian Colless



One of many birthdays Lance celebrated at AKD



May 1995—Lance celebrates 30 years with AKD



Early 80's—Dodge Truck

Introducing AKD's new Maintenance Manager



Hi I'm Paul Muscat, I'm the new maintenance manager at AKD. I have relocated to Colac from Myrtleford where I was working for Carter Holt Harvey as their engineering manager. This was a hectic role as I was part of the commissioning team that helped get the new ply mill running. Previous to this I was at Hyne Tumberumba. I have worked in the timber industry for quite some time and also in mining which saw me help and commission gold mines in Mali West Africa, Waihi NZ & Western Australia.

I have a fifteen year old son that has also moved across to Colac with me. Max is a mad sports person and is a keen soccer player to boot. So far we love the area with so many things to do within forty five minutes as well as being apart of a great town with good infrastructure.

I'd like to thank all the people on site and within the community that have made us so welcome. In the following newsletters I'll try to keep you all informed on what we are doing over in maintenance, but here is a little on what I see as our core business:

What is Maintenance?

Maintenance and reliability has evolved over the years and has had to change for AKD to be able to gain the edge and compete on the world market as well as adapting to the evolution of high technology equipment. Gone are the days where maintenance workers wait for breakdowns then travel to jobs in large numbers similar to fireman turning out to a call, (this is called reactive maintenance!) We try to reduce this as much as possible.

Technology is about improving and being able to prevent or predict when equipment will fail, so as to prevent down time to the plant. The art is to replace equipment just before its end life to not only reduce or eliminate down time but to ensure we get good use out of our assets (over maintaining is just as bad as under maintaining as costs spiral). To do this well we will use tools and introduce systems on site. This type of maintenance is what we call condition based monitoring/maintenance. Some things that make condition based maintenance systems include.

- Preventative maintenance checks.
- On line or on run maintenance checks.
- Vibration analysis.
- Failure mode analysis.
- Pre start operator checks.
- Oil analysis.
- Thermography.

Over the next couple of months I will try to elaborate on these headings and explain how you can help us and hopefully give maintenance customers an understanding of what we are doing.

Paul Muscat— Maintenance Manager

Introducing AKD's new Projects Manager



Having been with the Company for 4 years, Graeme Hall has been responsible for the maintenance of all AKD equipment and vehicles, as well as being responsible for the delivery of our key projects around the site. Graeme has done a fantastic job over this time in the face of huge time pressures, and deserves a big 'well-done'.

With an ever growing workload and the recruitment of Paul Muscat, Graeme's role was split into two allowing Graeme to focus on the high quality delivery of AKD's projects without the intense pressures of managing the maintenance function as well.

We look forward to Graeme's continuing loyalty and also the next exciting phase of the delivery of AKD's long line of future projects!

New Employees

AKD welcomes these new employees to our team, and encourages everyone to make them welcome and work together to keep them safe.



Jaden Angus
On Site Carpenter



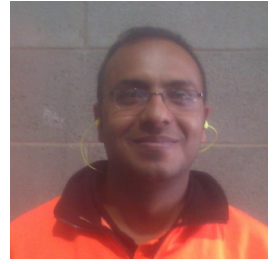
Dale Conway
Residue Truck Driver



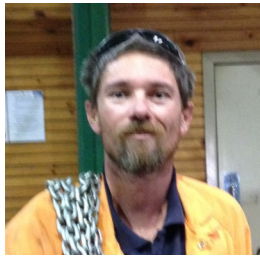
Rob Flannigan
Green Mill Irrewarra



Tim Sproules
Dispatch Forklift Driver



Randeep Cheema
Dry Mill Colac



Ben Grinter
Maintenance Fitter



Chris Day
Maintenance Mechanic



Jason Biddle
Stock Controller/
Production Planner



Aaron Harrison
Dry Mill Colac

We spoke to some of the AKD team just before Valentines Day to find out what they had planned...

Yard Talk...

Do you have any romantic plans for Valentines Day?



"Well I'm gonna get in the day before because the flowers are cheaper and I'm a tight ass"
Shane McKenzie
RMC



"Hopefully my other half will cook dinner for a change"
Gillian Finnigan
DMC



"No. We're working aren't we? I'll probably get her something, not chocolates. She's had enough"
Andrew Spence
GMI



"I am going to message one of my many lady friends and invite them out for a romantic dinner with the expectation of a very fulfilling night"
Ben Jenkins
DMC



Kenny embracing some quality time with 'Barbara the sheep'.

"What Baaaaarbara and I do in our spare time is none of your business!"
Kenny Garrett
KIL

THE SAFETY HOT SPOT!



After a cool lead into summer throughout December, January well and truly struck us over the heads as we saw unusual heat waves. The attention has therefore been on surviving the heat.

Working In Heat:

AKD has made significant headway in improving the conditions when working in heat and let's face it when you are working in a humid hot mill in the peak heat of the day and standing near machinery which is giving off extra heat-it's not exactly fun. We recognise this. We have been rolling out the misting fan project since early December 2013 with misting fans being installed at key works stations. Other initiatives have been adjusting shift times so as to avoid the worst heat of day and we are currently rolling out our 'Chill It' scarves which when soaked in water, provides cooling to your neck. This has been accompanied by our usual bottled water drops, icy pole drops and the supervisors doing regular checks on your progress throughout the day.

So How Do You Beat The Heat?

What keeps the body cool and what allows you to cope in hot conditions is staying hydrated (keeping water up). Sweat evaporating from the body takes body heat away. If you stop sweating then your destined for trouble. The first and measurable sign of dehydration is when your urine becomes darker in colour. A well hydrated body will produce clear urine at least every three hours. Urine that is yellow or dark yellow in colour means that you are already dehydrated and it's time to drink water NOW. If you haven't had to open your bladder for over three hours then you are also likely to be dehydrated as the kidneys will shut down to preserve body water.

Cooling breaks are important and we have been doubling cooling breaks on really hot days. We ask that you don't go and have a smoke as nicotine actually reduces your ability to sweat and may affect your ability to cope in the heat. Ongoing dehydration leads to heat illness which includes a range of conditions and various signs and symptoms. Unfortunately the onset can be quick and unpredictable. But the stages are Heat Exhaustion and Heat Stroke. **Heat stroke can be fatal.**

Early signs of heat illness are yawning and that foggy or groggy vague feeling in the head where you can have trouble concentrating clearly. If you feel that way drink water NOW. Keep in mind that mistakes and accidents can happen as we misjudge or slip in our intended action. Reaction times can be slower too. More severe symptoms are hot dry flushed skin, headaches,



muscle cramping, feeling sick or even vomiting. Extreme signs are very pale skin and profuse sweating with disorientation and collapse into altered consciousness or unconsciousness and then into coma. Watch out for the Mumbles, Fumbles and Stumbles.

Unfortunately the absence of thirst isn't always a reliable sign that everything is good. So be Alert and be Aware. Compare your urine colour to this easy chart.

We suggest that on hot days, you start the shift with drinking at least one litre of water before you start work. Then every hour drink at least one bottle of water. Keep an eye on your urine colour and aim to wee at least every 3 hours. At the first sign of darker urine, drink water and drink, drink, drink.



If you are concerned for yourself or someone else, alert your supervisor immediately.

Fire Drill:

The Maintenance Department conducted their fire drill with everyone being successfully evacuated and accounted for in just 8 minutes. The warden did a sweep through each work area and notified employees to evacuate to the muster point, while the First Aid officer treated those casualties with smoke inhalation and calling 000. Remember this was a drill and not the real thing.



Alex Nicoletti—Work Health & Safety Coordinator

HYDRATION URINE COLOUR CHART		
Well Hydrated		
Drink water regularly ie 250ml every half hour		
Dehydrated		
Drink at least 500ml water now and keep drinking water regularly until urine is clear		
Severe Dehydration		
No symptoms? DRINK 1-2 L WATER NOW Minor symptoms? Move to a cool area. See a doctor NOW		
Blood- see a doctor Immediately		
Severe symptoms? Do not drink water		Call 000

& Safety

AKD Safety Cross

History shows that there are generally more incidents leading up to and immediately following an upgrade or a break.

To try and prevent this at the beginning of this year we conducted induction refreshers across all sites. These sessions were designed to let everyone know of any changes made over the Christmas period and emphasise the shared responsibilities for safety.

December was an improvement on previous months with six incidents being reported and no LTI's. Then in January we had 16 incidents and 4 of them were LTI's. This is a disappointing start to the New Year. This year we have put a lot of effort into start up meetings and induction refreshers, but we need to collectively move to a higher level of personal commitment. This is needed from all staff. We need to be vigilant for ourselves and for our fellow workers. We need to get the Hazards identified and fixed.

However on the positive side none were greater than 5 days and all employees are back at work. We need to apply the 'Courage for Safety' principles to ensure that together we make the move to a **GREEN** Safety Cross.

David McGinness—Risk Manager

December - OVERALL

1st	2nd
3rd	4th
5th	6th
7th	8th
9th	10th
11th	12th
13th	14th
15th	16th
17th	18th
19th	20th
21st	22nd
23rd	24th
25th	26th
27th	28th
29th	30th
31st	

Nil
NLTI - No Loss in Time Injury
LTI - Loss in Time Injury

January - OVERALL

1st	2nd
3rd	4th
5th	6th
7th	8th
9th	10th
11th	12th
13th	14th
15th	16th
17th	18th
19th	20th
21st	22nd
23rd	24th
25th	26th
27th	28th
29th	30th
31st	

PRODUCT PRESENTATION

The Quality of wrapping or presentation of our packs of timber is a critical step in the production of our product. The primary reason is to protect the product from the elements, but the secondary reason which is just as important is "first impression" or "perception of quality". As consumers we all make decisions every day about the products we buy, and we all make decisions on brands, logo recognition, product attributes and product wrapping. For example in the supermarket, you will choose what products to buy based on a number of reasons, and you will typically avoid the product that is poorly wrapped, or put that to one side as you pick the product that's wrapping is not damaged. Our customers are the same, and their customers (the consumers) are the same. Our product, when it goes to market, needs to be perfect.

We have had significant feedback from our customers about how our wrapping has continually improved over the past 2 years. However we still need to continue to improve, we need to be that much better than our competitors. Every pack needs to be perfect. We are effectively putting our signature on every pack, letting the customer know we are proud of the product. This has to be real.

I would like to take the opportunity to thank and congratulate all staff who are involved with the high quality wrapping of our products, it makes selling and representing our product that much easier. Our challenge is to take "the step" to the next level, which is continuing to improve, and to ensure all of our products are reaching the market in perfect condition, and that we are wrapping or presenting our product uniformly every time. Over the next 12 months we will be working on how we can improve the quality of wrap we use, the logo placement and the ease of wrapping, if you have any suggestions please do not hesitate to contact me or your supervisor.

Craig Walton—Sales and Marketing Manager



Milestones

Congratulations to the following staff on reaching a milestone this February – March 2014

15 Years— John Dunlop (5/02/1999)
Debra McLeod (01/03/1999)
Sharon Wilson (29/03/1999)

30 Years— Rodney Fridey (22/03/1984)

Rodney has been a long standing Green Mill employee with AKD, working in our old Green Mill on the west side of Forest Street, before moving to our brand new mill in 1997 and now as one of our Team Leaders. Rodney has seen many changes and played an important part in these ongoing improvements. Rodney demonstrates great reliability for the team. Thanks Rodney.
Craig Conway—Green Mill Supervisor



Thank-You!

CURRENT VACANCIES

If you think you or somebody you know would suit the following available roles at AKD Softwoods or you have any further queries, please contact Clark Rodger in the main office or provide a cover letter and resume. Alternatively email recruitment@akd.com.au

Shift Diesel Mechanic and Maintenance Fitters

Working as an active member of our Maintenance Team, these trade qualified positions will apply general and preventative maintenance across the site playing an integral role in production efficiency.

Commitment and hard working attitude essential, with heavy manufacturing experience preferred.

This position is based on a 12 hour shift rotation, including both days and nights.

For a copy of the roster please see HR or the maintenance department.

Kiln Relief Operator

The purpose of this role is to act as a back-up/relief kiln operator for our Irrewarra Kilns.

The successful applicant would remain on their current shift, but require a high level of flexibility to be able to fill in 12 hour shifts on either day or nights at short notice.

Onsite training will be provided with great future prospects.

More information available on notice boards or via the main office.

Apprenticeships

AKD continues to invest in its' Trainee and Apprenticeship Program.

Throughout the next 12 months we hope to put on the following apprentices:

Saw Doctoring
Fitting and Turning
Mechanical
Wood Machining

Although not everybody can be successful in obtaining an apprenticeship, we encourage you to register your interest with your supervisor and continue to demonstrate your performance and commitment in your current role.

CEO'S CORNER

Amazingly enough we are nearly at the end of the second month of 2014, and the start of this year has been very hectic. I would like to personally thank the teams that worked through Xmas and New Year to have the plant ready for the start of 2014. Also I would like to recognise everyone's efforts over the past 3 months, as we have had some very hot working conditions to deal with. The two sawmills had a rough start to the year production wise (not helped by the heat) and our safety result for January was particularly disappointing. But one month does not define a year, nor does it define our business, and the true sign of character is how you respond to these challenges.

The Irrewarra project has taken longer to commission than planned and to get the sawmill to the production levels we know it is capable of. It's been a tough start to the year for this team, but the positive approach that is being taken to persevere and "knock over" the list of issues is impressive. The patience of the operators who have had some really trying times and uncomfortable working conditions is appreciated. We really need to lift the productivity and recovery performance of the Irrewarra mill for its future. Following the 2013 performance and the project over Xmas this should be achieved.

I would like to acknowledge Lance Duvall's contribution to AKD Softwoods. It is hard to put into words how to recognise the 48 years of leadership and direction Lance has given our company. He is absolutely recognised across our industry as being one of the pioneers of softwood sawmilling and AKD has benefited immensely from his contribution. I certainly feel a profound feeling of responsibility following in both his and John Haydens footsteps. To Lance, thank you for the support you have provided me in my first 2 years at AKD, and thank you from AKD for the past 48 years.

The last thing I wanted to mention was Health and Safety. Simply put we have AKD employees getting hurt too often. We need to see "green safety crosses". Collective responsibility, we are all responsible, you, me, the company, your team, your supervisor, your manager, your colleagues, everyone. Don't walk past something that is concerning. Follow the rules, ask if you don't know, don't take any chances, report the hazards, and then follow up make sure they are dealt with. My door is always open. I want us to have a safe working environment where no one gets hurt, ever! Production is important, but a safe work environment is even more important.

Shane Vicary—CEO