

Oct 2016

Dec 2016
Ed. 15

**Christmas
Edition**

SERVICE RECOGNITION

AKD has seen some considerable change and growth over its' 60 years of operation, but the one thing that hasn't changed is our reliance on a dedicated, hardworking and loyal team.

People are what shape and define an organisation, and you, our employees are critical in continuing to ensure we progress as an organisation.

In September, we recognised our **"Lumber Legends"**. Those employees who have 20 plus years of service.

Through December and January we recognised employees who have passed 5, 10 and 15 year service milestones on their way to also becoming a Lumber Legends. AKD would like to acknowledge them for their service, loyalty and commitment with more than 100 people will be recognised for their service in December & January.

Thank you all for doing your part in making AKD what it is today and have a safe and happy Christmas!



Thank You
for your service



WINTER

2016 Round up with **John Brown** - *Operations Manager* -



I can't believe it's the end of another year and what a year it has been!

The year started off with an expectation that Irrewarra would lift to 50m³ per hour from their pre-Gangsaw average of 35.3m³ per hour and they did it, since April Irrewarra has averaged 51.7 m³ per hour, a massive 46% lift!



Irrewarra Bioluma Trimsaw Scanner

What was possibly more exciting than the productivity lift was the fact that during all the disruption of the project the Irrewarra crew quietly worked away and achieved 12 months without a lost time injury in October this year, and they are still clocking up lost time free days. This result is an all-time record for Irrewarra (and AKD if I'm not mistaken).



Irrewarra EWD Gangsaw



Drymill Golden Eye

The next center of focus for AKD in 2016 was the Drymill upgrade and the installation of the new Golden Eye.

This project was ambitious to say the least. One week down, Two weeks to commission and ramp up to full speed.

While the target result was a little late the results have been impressive with the Drymill hitting the stretch target by September and staying within 4% ever since.

I can remember having conversations with people wondering if we were ever going to get the dry stock down again but the way the Drymill is improving we are going to need more drying capacity before next winter! What a problem to have. Well done to the Drymill Team!

EWP has also done a great job all be it without the capital investment that some of the other areas have had. The team over there have really stepped up to the plate and I know that John Stephens (and AKD) is very proud of the job his people are doing.

Colac CDKs (Continuous Drying Kilns)



The kilns have also produced more than ever with quality and moisture ranges really becoming a focus in 2016. As in most Supplier/Customer relationships the internal customer's (Drymill) expectations will continue to increase and I know the kiln guys will continue to meet the challenges.

This leads us to the Colac Greenmill. The guys have done a great job in this area. The old variation between the best day and the worse day have largely disappeared and they are now a model of consistency. This consistency has

helped in giving the owners (shareholders) of AKD the faith to invest in a brand new Saw Line, after all, if we can't run an old mill we know consistently how could we expect to have people trust that we will run the new mill well.

None of these results are by accident, a more respectful, open and cooperative relationship between Operations and Maintenance as well as an extremely engaged workforce is the key to all these results. Anyone with money can buy the equipment but only great people can make it work consistently well.

Looking forward as a 'whole team', one of the greatest challenges we face in the new year is to reduce our rate of incidents, in short, we must stop hurting people and damaging plant.



Proposed Greenmill sawline



Kayne Ogle received a certificate for Leadership for Manufacturing Excellence Program

While the severity of incidents has gone down the number of incidents have failed to reduce, this should be of concern to all of us.

Our key strategies in 2017 will be attacking the issue from both ends, thorough root cause investigations into incidents that occur, and proactive Risk Assessment that identify hazards before they cause an incident. This strategy will only work if we ALL participate, and take ownership for the issues.

On that note I'd like to wish everyone a happy and safe Christmas and New Year and look forward to seeing everyone back in January safe and sound and ready for the challenges 2017 throws at us.

- John Brown, Operations Manager





AKD welcomes a new member to the group

On the 30th of September this year AKD took control of the Jelfor Timbers business. This followed thorough negotiation and evaluation over the past couple of years.

The company was founded by members of the Jelleff family in 1984, and specialises in the processing of raw pine logs into a full range of treated pine posts and poles used for fencing, viticulture, and many other applications within both the rural and building industries. Since its beginnings in the eighties, Jelfor Treated Timbers has grown into the largest producer of treated pine round wood in the Victorian South Eastern region. Some 25,000 tonnes of wood was processed in 2016.

Jelfor Timber is located in Traralgon which is approximately 150kms south east of Melbourne, making it an approximate 4 hour drive from Colac.

Jason Biddle, *pictured left*, accepted the position as Site Manager and has done an excellent job with the transition from the previous owner, Max Jelleff, to AKD. Jason was previously AKD's Production Planner and over the past 6 months has worked hard to gain an understanding of the pole industry. Jason has based himself in Traralgon and returns to Colac on the weekends.

Through in-house innovation the business has developed an efficient post handling system that makes the site very productive. This was a key attraction for AKD.

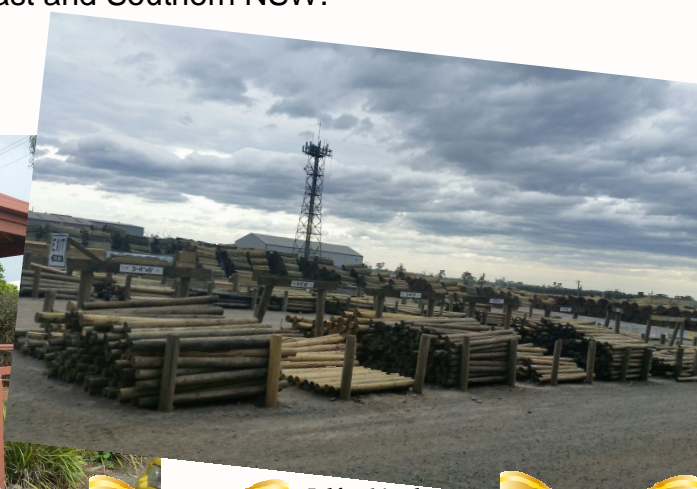
Jelfor Timbers is a perfect addition to our existing post and pole businesses of Portland Pine Products and Shelton Treated Timber. This addition allows us to service a wider group of rural customers across Victoria, South Australia and southern NSW, improving our access to the Gippsland, Emerald Coast and Southern NSW.



Jason Biddle, Site Manager



Jelfor Main Office



Jelfor Yard



We welcome Jelfor Timber employees to the AKD group.

We wish to thank Max Jelleff for his help during the changeover and wish him all the best in his future endeavours.

Recently the team from Jelfor visited AKD's Colac and Irrewarra mill to gain an understanding of what we do. It was a long day, leaving at 5am, but from all reports everybody had a great time.

We will continue to trade as Jelfor Timbers but with a revised logo and corporate colour scheme (*see logo pictured far left*). To complete the transition, the team will receive new uniforms in December.



The Jelfor team on their recent visit to AKD Softwoods.

L-R: Tony Segond, Barb Jelleff, Brendan Mundy, Rob Dawson, Steve Lewis, Peter Nolder (hiding), Jason Biddle, Rob Ahuriri, Carlo Herrera, Rick Pilcher, Matt McDonald, Beau Nottage, Guy Leech



Sorter / stacker



Stacker round table

CONTINUOUS IMPROVEMENT PROGRAM

Collaborative effort leads to safer work environment through a reduction in interventions and increased efficiencies.

Colac Greenmill employees have had a win with their skill up project coming to fruition.



STEP FEEDER PROJECT

The Project Team:

Project Sponsor - Craig Conway

Project Leader - Kayne Ogle

Project Team - Luke Day, Lawrence Missen, Brett Pearce, Neil Welsh (Fred), Les Rowarth, John Westlake, Steve Bennett, Matt Cowell

The Problem

Interventions and downtime creating safety issues with unstable footing and awkward postures from skewed boards on the green chain.



Photo sourced from another mill

Our Approach

The Project team lead by Kayne Ogle worked through the LEAN manufacturing principles. Lean is a customer-centric methodology used to continuously improve any process through the elimination of waste in everything you do; it is based on the ideas of "Continuous Incremental Improvement" and "Respect for People."

The Results

They coupled the safety aspect with the production loss from interventions and came up with a solution to reduce interventions and downtime by 50% giving the project a 2-year payback. Over the Christmas 2016/17 shut AKD project team with Skookum Technology will be installing a USNR board step feeder at the bottom of the Green chain unscrambler. This project is also the start of the major works for the new sawline project. A review will be conducted June 2017 to evaluate the results from the project.

Feedback:

Project Sponsor - Craig Conway

I would like to congratulate Kayne, Michael and their teams on all the projects completed through the LEAN Manufacturing course (Skill Up) and all the work that went into justifying the capital expenditure. These projects will further enhance our safety performance through a reduction in interventions also improve Overall Equipment Effectiveness (OEE). What's even more remarkable is the impact has been seen through employee behaviour and buy in. Across both shifts all employees are having input into continuous improvement and coming up with ideas to improve safety, quality and productivity. "The real stars have been the employees. They've taken these concepts, developed them and driven them forward for the benefit of the whole organisation. I'm proud to have such a brilliant team." "Bring On 2017"



Greenmill Colac - day shift



Ron Smith is a retired Simpson dairy farmer who spends his time making toys for less privileged kids at Christmas. The toys are all handcrafted by Ron, out of timber offcuts donated by AKD Softwoods. Ron began this tradition over 15 years ago donating toys for Colac's 'Spirit of Christmas Festival'.

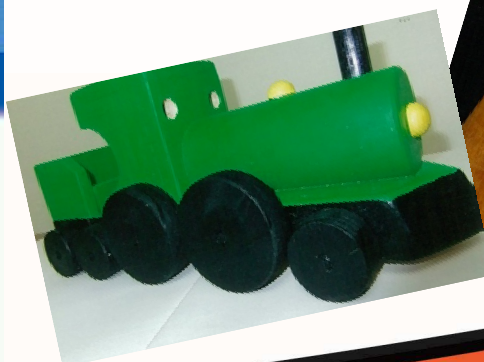
From there Ron began donating his toys all around the country and even overseas to help those struggling from droughts, fire, floods and poverty. Some of these included Colac Uniting Church, Wydinia Kindergarten, Anglicare SA, Wycheproof Community Resource Centre, Women for Women in Africa, Rotary Club of Charlton, Monash Children's Cancer Centre, St Vincent De Paul, St Mary's Catholic Church, The Salvation Army and many more. This year Ron's chosen charity is the Ronald McDonald House in Melbourne.

Ron creates around 700-1,000 toys for charity's and kindergartens annually with the help from his own grandchildren. AKD is proud to have been donating our offcuts to Ron since he started his work and wishes to congratulate Ron on his inspiring generosity.

Despite not doing it for the praise, AKD would like to acknowledge a great act of kindness by one of our Dispatch employees, David Tekiri-Tuwairua. This is a great reflection of his character.



COMMUNITY SPIRIT: Colac Specialist School early years co-ordinator Jill Rodger has praised the generosity of Colac's David Tekiri-Tuwairua who helped a disadvantaged family by buying \$200 of groceries.



SNAPSHOT

SALES



79 million Lineal Metres of timber have been sold this financial year... enough to circumnavigate the world twice.

DISPATCH



7823

trucks have been loaded Jan-Nov 2016 in Dispatch

PURCHASING



AKD has purchased **50,277 Ltrs** of oil for the year. This is used for vehicle servicing, heating plants, hydraulic packs & general lubrication.

FORESTRY



AKD owns and manages **51 plantations** with approx. 17,300 acres of productive radiata pine. **18 in the Ballarat region, 17 in Otway region & 16 in Sth West Vic.**

PEOPLE

6.5 years

the current average employee length of service

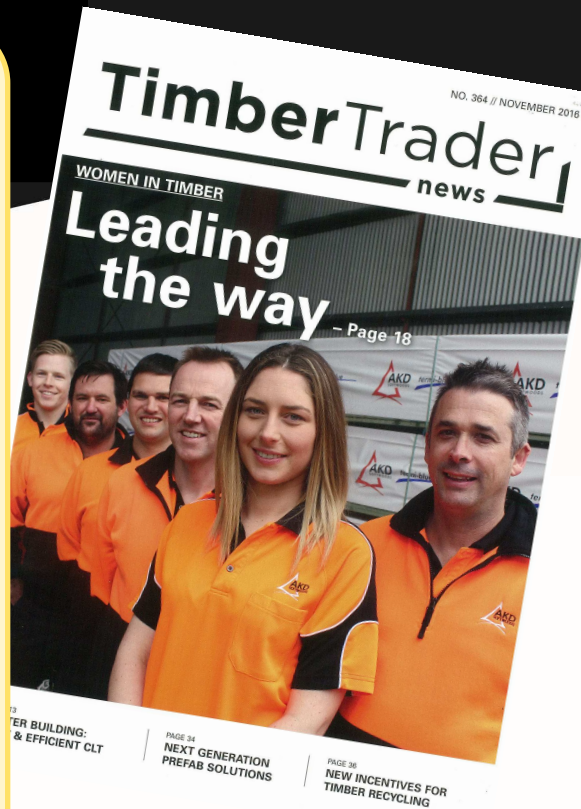
AKD Softwoods is proud to have a featured article in this months "TIMBER TRADER NEWS" Magazine, showing the success of females in the timber industry and for our Company to be highlighted.

Pictured Left, is Taylor Towers and the Sales Team.

Pictured below (middle pic) is Taylor Towers, Account Manager (sales), Josephine Fletcher, Finance Manager, Toni Kirkup, Heath & Safety Manager and Joanne Foster, Harvesting Manager.

Picture below (bottom pic) is from a recent Forestry Tour.

L-R: Bree Meesen (accounts), Taylor Towers (sales), Melissa Schultz (forestry), Karen Johns (forestry), and Jo Foster (forestry).



Brave new world

The timber industry is no longer a man's world. Today, women are at the forefront of driving industry change.

In the past, the phrase "timber industry" would have conjured up images of bulky men logging logs around in the forest or sawing through giant logs in noisy sawmills. These days that image couldn't be further from the truth. New technologies have created an entirely different industry – one where machines and computers do the heavy lifting, and one where the customer is king. Ideally, this is the type of industry where diversity and gender should be irrelevant. However, the timber industry is still primarily comprised of men.

"The industry does tend to be heavily male dominated in the 'hands on' work – operating the machinery, working on the tools," says Emma Watt, CEO of the TMA. "This kind of work environment can be intimidating to some women, to the extent that I don't believe too many women actually consider applying for the job."

But this is slowly changing. Women are now beginning to make their mark on the industry, and we are now seeing an increasing number of female staff in timber – across manufacture, wholesale, forestry, sales, marketing and management.

"More women are entering the industry as a result of the diversity of roles continues to grow," says Kerstin Gerdie, Executive Officer, PTMA Australia. "Women are in leadership positions within all sectors of the industry, from forest harvesting through to furniture and everything in between."





AKD SOCIAL CLUB

One company. One team. One Social Club.

Our Social Club is in seeking new members!

The employee based club are looking for a variety of people from all departments to help contribute to the ongoing growth and enjoyment that the Social Club brings to AKD and its employees – and for only \$2 a week you can be a part of this!

Some of the Club's past events include:

- * Golf Days
- * Dinner and Drinks
- * Paintball
- * Fishing Charter Boat
- * Colac Races
- * Trots
- * Greyhounds
- * F1's

2017 brings this new look Social Club and with everyone's help it can include a new committee, new ideas and much more fun! We are looking to introduce a wide range of activities and outings including family days and other ideas listed.

If you are interested in joining, please feel free to come along to our Christmas Function on the 22nd of December at the PTB from 6pm until late where you can join up.



JOIN NOW

Talk to your Supervisor, or visit the Main Office today to join the Social Club



Social Club

DEC 2016



**XMAS FUNCTION
@ PTB**

**Thurs 22nd Dec
6pm to late**

Drinks at half price*

PARTNERS WELCOME
MEMBERS & NEW MEMBERS WELCOME

2017 IDEAS

Bowling
Family Movie Nights
Trivia Night
Bus Tours
Happy Hour
Charity Fun Runs
Avoca / Colac Races
Golf Days
Adventure Park Family Day
Simpson Speedway
Warrnambool playground/BBQ
A day on the green trip
Barefoot bowls

NEW MEMBERS ALWAYS WELCOME

And can sign up on the night!



Employee Rides for Charity



Colac's Ben Cardinal and Daniel Madden are riding from Adelaide to Geelong to raise money for children's charity, Kids Plus Foundation.

Drymill employee Daniel Madden has recently experienced an interesting way to travel from Adelaide to Geelong.

Together with Ben Cardinal and 13 seasoned cyclists, Daniel took part in the annual Tour 4 Kids Plus charity bike ride which raised an impressive total of \$18,000. The first Tour 4 Kids was held back in 2009 which has since become an annual event which is now in its 7th year. Of the funds raised, 100% goes directly to the Kids Plus Foundation which helps children with neuro-physical disabilities and supports their families.

The 2016 tour started in Adelaide on the 10th of October and what followed was an 825km ride that included a picturesque route that passes through rural South Australian and Victorian towns before arriving in Geelong on the 15th of October.

Daniel flew to Adelaide on the 9th of October where he was welcomed with some of the worst stormy weather South Australia has ever seen, which resulted in the pilot having to abort a landing due to strong winds. After safely landing in Adelaide, Daniel's journey finally began with him spending the rest of his first day organising his gear, which he would rely on for the following 6 days of riding.

Riding started the following day where the group averaged 137km. Each night they would stay in local caravan parks where they would relax and rest up, as another big day of riding was to follow. Sadly, on the last night of the ride, one of their fellow riders suffered a heart attack and passed away. Although this devastated the group, they pushed on through the final day of riding, always keeping him in their hearts. After 6 long days, Daniel and the rest of the group arrived in Geelong and were warmly welcomed by family, friends and families of the children helped by the Kids Plus Foundation.



Daniel has "always tried to raise money for any charities and has done a few things in the past [including] another bike ride from Adelaide to Darwin" which was a 3027km ride. When he was approached by Ben Cardinal, who would be doing his 3rd consecutive year in the ride, he simply "couldn't say no".

Daniel has said he will never forget this trip for many reasons, but his favourite thing was seeing the "endless amount of wildlife along the way that you would simply fly past in a car". He continued to say that it was quite a challenge to keep up with the seasoned cyclists who have been riding their whole lives.

Overall Daniel said "it was great to meet so many new people and see so much of the country from a new point of view".

Well done Daniel!

New Employees - WELCOME TO THE TEAM

AKD welcomed these new employees in Oct-Dec 16



Natalie Said



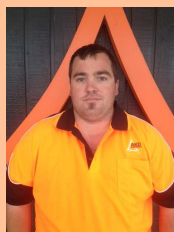
Brendan McEwan



Keith Shields



Daniel Madden



David



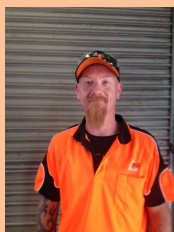
Greg Moorfoot



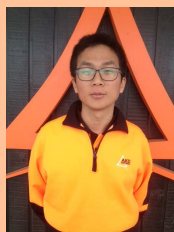
Sam Westmoreland



Wyatt Roe



Ben Surtees



Hyun Gee Kim



Kye Johnstone



Michael Foord



Adam Leach



Nathan Percy



Tony



Korean Nicholls



Joshua McKenzie



Congratulations!

Congratulations to the following staff on reaching a milestone this Oct-Dec 2016

| Name | Surname | Date Hired | Years | Location |
|--------|---------|------------|-------|----------|
| Robert | Connley | 7/11/2011 | 5 | DMD |
| Mark | Fulford | 7/11/2011 | 5 | DMD |
| Troy | Garlick | 7/11/2011 | 5 | KIL |
| Brett | Pearce | 7/11/2011 | 5 | GMD |
| Ben | Drew | 12/12/2011 | 5 | R/M |



Christmas Safety

During this special time of year, please remember to stay safe so you can enjoy the Christmas period...



Food Safety:

- Store food at the right temperature to prevent food poisoning bacteria from growing.
- Refrigerate leftovers immediately.
- Use separate cutting boards & utensils for raw meats and ready to eat foods.



Travel Safety:

- Ensure you have planned your trip and allocate appropriate rest breaks.
- Ensure all safety checks have been conducted on the vehicle, trailer, caravan etc prior to leaving.
- Buckle up and use correctly fitted child restraints.



Fire Safety:

- Do not leave Xmas lights on when you go out or when you go to bed.
- Do not place candles near Xmas trees, presents or decorations.
- Do not use party poppers, streamers etc near naked flames from candles etc.



Be careful putting up the Xmas decorations:

- Use a ladder
- Maintain 3 points of contact.
- Ensure lights are approved for outdoor use.



Water Safety:

- Always check the conditions before entering (i.e. lakes, beaches etc).
- Avoid alcohol.
- ALWAYS watch the kids when near water, no matter how deep.
- Slip, slop, slap!





Celebrate SUCCESS



October saw a real milestone for the **Irrewarra team** – they reached

1 year Lost Time Injury Free!!

This is a great result and just goes to show that we can work

SAFELY & EFFICIENTLY – injuries can be prevented.

The team came together and took some time to celebrate their success (ok, we may have also had some treats at the same time) and were rewarded with a certificate and a voucher which they could spend on something they enjoy outside of work.

We (as a business) are striving to achieve a **Zero Harm** workplace – we are not there yet, but success stories like this show that we are heading in the right direction.

Keep up the good work Irrewarra – We look forward to celebrating 2 years LTI free with you!



Getting to know our team



Chris Lidgerwood, Fitter & Turner, AKD Softwoods

Friends and I first visited Mt Panorama for Bathurst in 1992. What struck us most was how steep that hill really is and the enormous trouble we had carrying the eskies to the various viewing spots on top of the mountain. Easier at the end of the day, not so at the start. Several weeks after the event during a debrief at a mates place, an off the cuff remark was made about putting a motor on the esky so as not to strain ourselves upon our return next year. What happened over the next 20 odd years was out of control, a simple idea that got complicated by people that should have known better. It just seemed to get bigger each year we made the trip and at its peak in 2012 was 40ft long. By this stage the leading race teams were in it neck deep supplying paint, decals and taking specific trailers and having them wrapped by their sign writer in an effort to be sharper than a rivals cart. The "authorities" were taking quite an interest as anything with a motor up there was banned and you were not supposed to have beer on tap. We behaved and were shown leniency, mostly. During its peak the "esky train" had the following comforts. The bar, by far the most popular spot, the biggest year involved 13 Kegs. The 'Buffet Cart' had a BBQ, Spit roast Oven and a pop up TV. The 'Tunes' cart had an 1100 watt stereo with subwoofer's and Mp3 player. All the other eskies had various goods within them to sustain the day. The set up that pulled it all had a Honda 750 through a Datsun Diff geared very low to pull the weight. They were great days with great people and although the trains days are numbered, I built a smaller cart because that hill is still steep. It features an esky, pop up TV, Webber BBQ, 400 watt amp & stereo with a little 5 horse power motor to crawl along.



Chris Bridgeman

Mill hand, Portland Pine Products

Chris Bridgeman, who has been with Portland Pine Products for over 20 years, is a widower and has done a great job in raising his two daughters, Shelby and Dempsey. His other pride and joy is his beloved 1957 Chevy Belair (pictured).

Chris has owned the car for approximately 6 years, with the vehicle having a full restoration over that time. Like most car enthusiasts, he has invested a lot of time and money into the project, but would not part with it now. He is quick to say that colour scheme (blood-orange) was not influenced by the company colours; otherwise he would have hit us up for a donation.



Graham Mutch

Mill hand, Portland Pine Products

An oldie but a goodie! Graham Mutch of Portland Pine is the proud owner of an Atlantic Blue 1978 H2 Sandman panel van, auto, 308 V8.

Those employees who were in their prime in the 1970s know panel vans were iconic and were every mother's worst fear when their daughters were picked up for a date.



Congratulations!

I would like to take the time to recognise the achievements of Joseph Muvengi and to congratulate him on becoming an Australian Citizen.

Joseph moved to Australia from Zimbabwe in 2008, to be with his wife and 2 young children. 1 year later he began working with AKD, which was a bit of a change from teaching Math, Geography and spending 10 years in the National Army in Zimbabwe.

Originally Joseph began working as a casual employee in the Drymill until Steve Baudinette welcomed him over to EWP.

From there Joseph worked on the paint line learning how to operate the machine through to stacking boards as they came out of the drying oven. He then moved over to the moulder learning all aspects of the machine, from the infeed to the outfeed, including all the machine set up.

Next, he moved into the grinding room preparing cutters for the moulder and finger jointer as well as learning how to set up and operate the FJ.

During his years at AKD, Joseph was given the opportunity to take on further training and successfully completed a machinist apprenticeship nearly 2 years ago. Joseph also recently became an Australian citizen.

In the time I have known Joseph, he has shown real dedication to his work, from the early starts to the late finishes and the training of employee's in his Team Leader roll (including myself when I started on the Moulder).

Congratulations Joseph you deserve it.

- John Stevens, EWP Team Leader



WHAT'S THE WORST PRESENT YOU HAVE EVER RECEIVED FOR XMAS?

"A girls t-shirt.... That was when I was 17." - Jackson Lewis

"Very ugly percaline statue. I re-gifted it, then received it back again the next year!" - Mick Ritchie

"My husband once received a small 'block' of wood from my grandmother... she said he needed to run around the block a little more to lose weight" - Anonymous

I gave my wife a whipper snipper one year... bad idea!
- Richard Schaffner

A Croc's handbag (as pictured below)—Mel Schultz

A pink t-shirt, apparently it was "salmon"—Justin Osborne

A tin of biscuits from my Grandmother
- Matthew Laity

**YARD
TALK**



Merry Christmas



Another jam packed year comes to an end and what a year it has been. AKD just continues to grow, and we can look over our shoulder and see the successful completion of several projects big and small that will continue to see AKD improve.

As a company, we believe there are three key requirements to **"ensure we have a truly sustainable company"** which is our business objective. These three foundations are:

1. To be internationally competitive
2. To have a zero harm workplace
3. To have high performing teams

I think bullet points one and three, we have well and truly underway, but bullet point two is our big challenge.

To consider 2017 a truly successful year, we must make meaningful progress to AKD becoming a 'zero harm' workplace. We must eliminate the incidents and injuries! Therefore our "catch phrase" for 2017 will be **"Towards Zero"**. As a whole organisation, our key focus point for 2017 will be striving towards a zero harm workplace. This will require energy, effort and ownership for everyone. We have a number of new and exciting programs we will look to roll out to help us make AKD a safer place to work, "to have a zero harm workplace". Our collective energies and programs will all contribute **"Towards zero"**.

2016 has been a big year for recognising our hardworking and loyal employees, which started in September when we celebrated the *Lumber Legends* – a group of dedicated employees from various departments who have served 20 plus years of service with AKD. Since then, we are proud to have started recognising those who have been with us for 5, 10 and 15 years. It is our employees who shape AKD as a company and we want to celebrate their loyalty and hard work. More than 100 people will be recognised this December and January - this initiative is closely linked to bullet point three, we have high performing teams and we intend on continuously improving.

I would like to take this opportunity to congratulate Ike Smit for his 11 years of service, and wish him all the best in his retirement. I would also like to recognise Joseph Muvengi on recently becoming an Australian citizen and acknowledge his achievements whilst he has been with us. AKD was also recently featured in *Timber Trader News* magazine highlighting the success and importance of females in the timber industry. AKD values all of our employees regardless of gender, but we are very proud to be recognised in this national publication which is sent to all of our customers.

Congratulations to the whole Irrewarra team for their 1 year LTI free achievement, followed by the Electrical & Automation Department and the Forestry Department. This is a fantastic achievement and shows that AKD has made real progress, and we will look to build on this success **"Towards zero"**.

The Step Feeder Project I personally find a real highlight. I look forward to the success of this project, delivering the outcomes intended from all of the contributors who designed this project from concept to approval.

On that note, I would like to thank you on behalf of myself, the Directors and the Management Team for your contribution in 2016.

I would like to wish you a very Merry Christmas and Happy New Year, and I hope you have a great time, a merry time, and a safe time with friends and family.

