

VicForests Code of Procedure

04 July 2008

Code of Procedure for Sawlog Buyers

Version 1.0



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TABLE OF CONTENTS

Document Information	2
1. PREAMBLE.....	4
2. Log Docket Management	4
3. Log Tag Management	4
4. Sawlog Volume Sales	5
5. Sawlog WEIGHT SALES	5
5.1. Sawlog WEIGHBRIDGE.....	7
5.2. SAWLOG TRUCK SCALES	9
6. Off specification timber.....	12

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Version: 1.0

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1. PREAMBLE

This document details the procedures for the delivery, receipt and accounting for all sawlog timber sold by VicForests.

This code should be read in conjunction with the Hardwood Log Grading Procedures.

2. Log Docket Management

Type of Dockets	Sawlog deliveries are accounted for on carbonised paper log docketts issued by VicForests - see Attachment Three (3) and Four (4).
Receipt	<p>Buyers are required to sign to acknowledge receipt of delivery by signing at the designated place on the log docket.</p> <p>In the event that the Buyer is unable to acknowledge receipt at the time of delivery the following will occur:</p> <ul style="list-style-type: none">• Truck driver will complete date & time delivered and write “Unattended” in the customer signature• Space• Truck driver to leave customer copy in a secure location• Buyer to return a signed copy within 7 days to the relevant VicForests Office.• At month end. If VicForests identifies log docketts with no customer signature or marked “Unattended” the Buyer will be contacted to provide signed confirmation.
Buyer Copy	VicForests will provide a Pink copy of each log docket delivered to the delivery site of the Buyer.
Return of Log Dockets	Unless otherwise agreed, the Buyer is not responsible for the return of any other copies of log docketts to VicForests or its contractors.

3. Log Tag Management

Log tags will be used to number individual logs for volume sales.

Issue of Log Tags	VicForests will supply all log tags.
Use of Log Tags	Only one tag per sawlog is required, even if multi-graded.

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Version: 1.0

Guardian: Customer Service Manager

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4. Sawlog Volume Sales

The Charges for sawlogs sold by 100% measure will be accounted for in the following manner.

Issue	Requirement
Unit of Measurement	Length = metres. With one (1) decimal point ie 5.5m. Diameter = centimetres. With no decimals ie 56cm
Rounding	Length = down to the nearest 10 centimeters. Diameter = down to the nearest 1 centimetre.
Measurement	Length = shortest straight length from log large end to log small end. Diameter = centre diameter under bark.
Log Marking	VicForests must ensure that each log must have the following items recorded on it prior to departure from the landing: <ul style="list-style-type: none"> • Log Number (one if it is multi graded) • Master Product Code. A Master Product consists of two digit Species Code ie AA (Alpine Ash) plus the applicable Sawlog Grade Code ie B. Master Product code is AAB for the above example. • Species code see Attachment One • Grade Code, see Attachment Two • Length • Diameter
Log Docket Recording Prior to Delivery	VicForests must ensure that each load and customer/destination must have a separate docket. ie two or more customer/destinations on a load will have more than one log docket. VicForests must ensure that each log docket must have the following items recorded CLEARLY IN NUMERALS AND CAPITAL LETTERS on it prior to delivery (see example in Attachment Three): Each Log; <ul style="list-style-type: none"> • Number (one if it is multi graded) • Master Product/Code - see explanation in Log Marking • Length • Diameter Each Load; <ul style="list-style-type: none"> • Dispatch Date and Dispatch Time • Operations Area • Forest Op ID • Coupe Name • Coupe Number • Harvesting Contractor • Log Grader No. • Buyer • Onsell to(if required) • Delivery Destination • Destination Number

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	<p>H&H Chain of Custody requirements</p> <ul style="list-style-type: none"> • Haul Contractor • Truck ID • Load Weight (Truck Scales) • Load weighed by: • Load Measured by • Load loaded by • Load transported by • Harvest Rep Signature – Print Name • Haul rep/Driver Signature – Print Name <p>Destination Chain of Custody Requirement</p> <p>Delivery Date Delivery Time Load unload by – customer/haulage/customer/haulage</p> <p>Docket Number</p>
<p>Calculation of Sale Quantity</p>	<p>The cubic metre volume of each log will be calculated using the formula:</p> <p>$V = (D^2 \times L) \times \pi / 40000$</p> <p>Where: V= volume (m3), D= diameter, L= length rounded down to the nearest 0.3 metre increment, $\pi/40000 = 0.0000785398$</p>
<p>Calculation of Delivered Prices</p>	<p>The delivered prices of each log will be calculated using the formula:</p> <p>$DP = V \times P$</p> <p>Where: P= Delivered Price, Inclusive of Timber Charges and Delivery Costs (\$/m³ Ex GST), V = Volume</p>

5. Sawlog WEIGHT SALES

Where nominated by VicForests Sawlogs may be sold by weight. The conversion factor used to convert volume to weight will be based on historical measurements and reviewed at least annually based on relevant available data.

5.1. Sawlog WEIGHBRIDGE

The Charges for sawlogs sold by weighbridge will be accounted for in the following manner.

Issue	Requirement
Unit of Measurement	Tonnes = Green Metric Tonnes (GMT)
Rounding	To the nearest 10 kg (0.01 GMT)
Measurement	<p>Certified and calibrated weight bridge with accuracy to 20kg (0.02 GMT)</p> <p>Gross and tare weights must be recorded as soon before and after unloading as is possible. No change to a truck that may influence its weight is permitted between gross and tare weights being recorded.</p>
Log Marking	<p>Each log must have the following items recorded on it prior to departure from the landing:</p> <ul style="list-style-type: none"> • Log Number • Species Code, see Attachment One • Grade Code, see Attachment Two • Log Grader Number
Log Docket Recording Prior to Delivery	<p>VicForests must ensure that each load and customer/destination must have a separate docket. If two or more customer/destinations on a load will have more than one log docket.</p> <p>VicForests must ensure that each log docket must have the following items recorded CLEARLY IN NUMERALS AND CAPITAL LETTERS on it prior to delivery from the log landing (see example in Attachment Four):</p> <p>Each Load;</p> <ul style="list-style-type: none"> • Date and Time of Despatch • Job Number • Job Type (To Mill/To Dump/From Dump) • Operations Area • Coupe Name. • Coupe Number. • Forest Operations ID • Buyer Name. • Buyer Destination. • Destination Number. • Product (Species/Grade) • Estimated net weight • Harvesting Contractor • Log Grader Number • Harvesting Contractor Signature

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Version: 1.0

Guardian: Customer Service Manager

Last Updated: 4/07/08

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	<ul style="list-style-type: none"> • Haulage Contractor Name • Truck Rego • Driver Name Signature
Log Docket Recording at Destination	<p>VicForests must ensure that each log docket must have the following items recorded CLEARLY IN NUMERALS AND CAPITAL LETTERS on it at the Buyers destination (see example in Attachment Four):</p> <p>Each Load;</p> <ul style="list-style-type: none"> • Gross Weight • Tare Weight • Net Weight • Date • Time • Weighbridge Operator Signature
Calculation of Sale Quantity	<p>The Net GMT of each load will be calculated using the formula:</p> <p>Net GMT= Gross Truck Weight – Tare Truck Weight</p>
Calculation of Delivered Prices	<p>The delivered prices of each load will be calculated using the formula:</p> <p>DP = Net GMT x C x P</p> <p>Where:</p> <p>Net GMT= Net Green Metric Tonnes, C = Conversion Factor, P= Delivered Price, Inclusive of Timber Charges and Delivery Costs (\$/m³ Ex GST)</p>

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Version: 1.0

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5.2. SAWLOG TRUCK SCALES

The Timber Charges for sawlogs sold by Truck Scales will be accounted for in the following manner.

Issue	Requirement
Unit of Measurement	Tonnes = Green Metric Tonnes (GMT)
Rounding	To the nearest 10 Kg (0.01 GMT)
Measurement	Weight will be measured using truck scales with accuracy of +/-200Kg.
Log Marking	<p>Each log must have the following items recorded on it prior to departure from the landing:</p> <ul style="list-style-type: none"> • Log Number • Species Code, see Attachment One • Grade Code, see Attachment Two • Log Grader Number
Establishing Truck Tare Weight	Truck tare weight for each truck/trailer combination will equal the weight of the truck measured by a certified weighbridge using normal truck running configuration (ie all bolsters, spare tyres and chains) and with a full tank of fuel. This must be undertaken at least every three months in the presence of an authorised VicForests officer.
Establishing the Truck Gross Weight	<p>The gross weight must be measured while the truck is stationary after loading at the next available level and firm site.</p> <p>Unless negotiated with a VF officer the site for gross weight measurement must be no further than 1km from the landing.</p>
Checking Gross Weight	<p>On arrival at the Buyer/destination the driver must ask the Buyer representative to verify the gross weight.</p> <p>If the difference between the gross weight on the docket and that on the truck scales is greater than 1% the gross recorded at the Buyers site shall be recorded, the original gross deleted and original net altered.</p> <p>Both driver and Buyer must initial this change.</p>
Auditing Gross Weight	<p>VicForests must ensure that each truck must obtain a weighbridge docket to verify the Gross Weight of one load each month. The weighbridge docket is to be attached to the original copy of the Delivery Docket.</p> <p>Truck scale weights as read at the weighbridge which are inconsistent with weighbridge recordings for gross weight by more than one percent must have weighbridge dockets attached to the Delivery Docket of every subsequent load until</p>

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Version: 1.0

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	<p>the required level of accuracy is obtained.</p> <p>In the event that the truck scales are not verified to be within one percent of the weighbridge reading the gross weight recorded by the weighbridge will be used for accounting purposes. Otherwise the weights recorded on the Delivery Docket will be used.</p> <p>VicForests may direct any load to be checked on a certified weighbridge at any time. Where the variation in gross weight as measured by truck scales and as measured by public weighbridge exceeds +/- 1%, the certified weighbridge measurement will be accepted and the weighbridge docket attached to the original copy of the Delivery Docket for forwarding to VicForests by the Haulage Contractor.</p>
Inoperable Truck Scales	<p>If truck scales become inoperable or inaccurate, alternate methods of accounting for the load will be made between VicForests and the Company. Alternate methods of accounting may include weighbridge measure or log volume measure.</p>
Log Docket Recording Prior to Delivery	<p>VicForests must ensure that each load and customer/destination must have a separate docket. If two or more customer/destinations on a load will have more than one log docket.</p> <p>VicForests must ensure that each log docket must have the following items recorded CLEARLY IN NUMERALS AND CAPITAL LETTERS on it prior to delivery from the log landing (see example in Attachment Four):</p> <p>Each Load;</p> <ul style="list-style-type: none"> • Date and Time of Despatch • Job Number • Job Type (To Mill/To Dump/From Dump) • Operations Area • Coupe Name. • Coupe Number. • Forest Operations ID • Buyer Name. • Buyer Destination. • Destination Number. • Product (Species/Grade) • Estimated net weight • Harvesting Contractor • Log Grader Number • Harvesting Contractor Signature • Haulage Contractor Name • Truck Rego • Driver Name Signature
Log Docket	<p>Each log docket must have the following items recorded</p>

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Version: 1.0

Guardian: Customer Service Manager

Last Updated: 4/07/08

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Recording in Transit	<p>CLEARLY IN NUMERALS AND CAPITAL LETTERS on it prior to arrival at the Buyers destination (see example in Attachment Four):</p> <ul style="list-style-type: none"> • Gross Weight
Log Docket Recording at Delivery	<p>Each log docket must have the following items recorded CLEARLY IN NUMERALS AND CAPITAL LETTERS on it at the Buyers destination (see example in Attachment Four):</p> <p>Each Load;</p> <ul style="list-style-type: none"> • Date • Time • Buyer Signature
Calculation of Sale Quantity	<p>The Net GMT of each load will be calculated using the formula:</p> <p>Net GMT= Gross Truck Weight – Tare Truck Weight</p>
Calculation of Delivered Prices	<p>The delivered prices of each load will be calculated using the formula:</p> <p>DP = Net GMT x C x P</p> <p>Where:</p> <p>Net GMT= Net Green Metric Tonnes, C = Conversion Factor, P= Delivered Price, Inclusive of Timber Charges and Delivery Costs (\$/m³ Ex GST)</p>

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6. Off specification timber

In accordance with the Terms and Conditions of Licences and Timber Sales Agreements, the Buyer may notify VicForests within 15 days of the date of delivery of logs to a Delivery Site of logs that the Buyer believes are Off Specification. This includes notification where log docketts are incomplete. Such notification by the Buyer is referred to as the Buyer's Notification.

Buyers Notification	The Buyer's Off Specification Notification form is shown in ATTACHMENT 5. The Buyer must fully complete all relevant sections of the form, and the form must be lodged with the nominated Quality for each Buyer.
Log Storage	A Log to which the Buyer's Notification relates, must be stored and cared for in a manner consistent with standard industry practices for a log of that type. The log must be stored and cared for, and until a VicForests' inspection is carried out and an Election to Reject, an Election to Retain, or a Notice of Removal is issued. Failure to store and care for logs in such a manner may result in the logs being unable to be regraded, and will be automatically deemed part of the Annual Timber Intake.
Inspections & Regrading	VicForests shall inspect and regrade the logs to which the Buyer's Notification relates within 15 days of its receipt of the Buyer's Notification. The logs shall be removed by the Buyer from any storage stack and laid out so that the entire log may be viewed in a safe fashion. VicForests assessment will be documented on a Log Feedback Docket, a copy of which will be provided to the Buyer, see ATTACHMENT 6.
Election to Reject	Should a Buyer elect to reject any agreed Off Specification log, VicForests, at its own cost, must ensure that the log is removed from the Delivery Site as soon as practicable after the Buyer reloads. The Buyer may invoice VicForests for the cost of reloading in accordance with the current Reloading Charge.
Notice of Removal from VicForests	Should VicForests give written notice to the Buyer electing to remove the Off Specification logs from the delivery site to which it was delivered, VicForests shall do so within 10 days of such notice. The Buyer may invoice VicForests for the cost of reloading in accordance with the Reloading Charge.

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Version: 1.0

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Attachment One: Species Codes

Species Group	Species Code	Genus	Species	Common Name
AC	AC	Acacia	- not specified -	Acacia species
AC	BW	Acacia	melanoxydon	Blackwood
AC	SW	Acacia	dealbata	Silver Wattle
AS	AA	Eucalyptus	delegatensis	Alpine Ash
AS	AS	Eucalyptus	All ash	Mixed ash species
AS	MA	Eucalyptus	regnans	Mountain Ash
AS	SG	Eucalyptus	nitens	Shining Gum
MS	BG	Eucalyptus	- not specified -	Mixed Blue Gum Species
MS	BG	Eucalyptus	bicostata	Eurabbie
MS	BG	Eucalyptus	pseudoglobulus	Victorian Eurabbie
MS	BG	Eucalyptus	maidenii	Maidens Gum
MS	BG	Eucalyptus	globulus	Southern Blue Gum
MS	BS	Eucalyptus	baxteri	Brown Stringybark
MS	BX	Eucalyptus	- not specified -	Box Species
MS	CB	Eucalyptus	rubida	Candlebark
MS	CT	Eucalyptus	fastigata	Cut-tail
MS	CY	Eucalyptus	cypellocarpa	Mountain Grey Gum
MS	DA	Eucalyptus	dalrympleana	Mountain Gum
MS	DE	Eucalyptus	denticulata	Errinundra Shining Gum
MS	GG	Eucalyptus	bosistoana	Gippsland Grey Box
MS	IB	Eucalyptus	tricarpa	Red Ironbark
MS	MM	Eucalyptus	obliqua	Messmate
MS	MS	Eucalyptus	Mixed	Non-ash mixed species
MS	OS	Eucalyptus	- not specified -	Non-ash mixed species
MS	PM	Eucalyptus	- not specified -	Peppermint
MS	PM	Eucalyptus	dives	Broad-leaved Peppermint
MS	PM	Eucalyptus	croajingolensis	
MS	PM	Eucalyptus	radiata/robertsonii	Narrow-leaved Peppermint
MS	PM	Eucalyptus	nitida	Shining Peppermint
MS	PM	Eucalyptus	willisii	
MS	RB	Eucalyptus	polyanthemos	Red Box
MS	RP	Eucalyptus	elata	River Peppermint
MS	RS	Eucalyptus	macrorhyncha	Red Stringybark
MS	SM	Eucalyptus	botryoides	Southern Mahogany
MS	ST	Eucalyptus	sieberi	Silvertop
MS	VM	Eucalyptus	viminalis	Manna Gum
MS	WS	Eucalyptus	globoidea	White Stringybark
MS	YK	Eucalyptus	consideniana	Yertchuk
MS	YS	Eucalyptus	muelleriana	Yellow Stringybark
SP	BO	Elaeocarpus	holpetalus	Black Olive Berry
SP	CU	Exocarpus	cupressiformis	Cherry Ballart
SP	SA	Atherosperma	moschatum	Sassafras
SP	SP	Minor	- not specified -	Any Genus not specified
SP	BD	Corymbria	gummifera	Red Bloodwood

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Attachment Two: Sawlog Grade Codes

Grade Code	Grade Name
B	B grade sawlogs
C	C grade sawlogs
D	D grade sawlogs
U	Ungraded sawlog
E	E grade sawlogs
P	Poles/Piles/Posts
Z	Cull logs
V	Veneer
S	Sleeper and hewn timber logs
X	Miscellaneous

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Version: 1.0

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Attachment Four – Truck Scales/Weighbridge Sawlog Docket



WOOD CARTAGE AND WEIGHBRIDGE DOCKET

Despatch Date 27.6.06 Despatch Time 10:30 Est. Nett Weight 2780

Job No 168986 Harvesting Contractor Name RCC

Job Type (tick) To Mill To Dump [] From Dump [] Log Grader No. 123

Operations Area CANN RIVER Harvesting Rep Signature [Signature]

Coupe Name NEW WAY Print Name MAX SMITH

Coupe Number 3691257010 Haulage Contractor Name JONES TINKERS

Forest Op ID 109911 Truck Rego 96E95H

Buyer HALLMARK OAKS Driver Signature [Signature]

Delivery Destination CANN RIVER Print Name MARY SMITH

Destination No. 10129 Docket completed by: [] Harvesting [] Haulage Harvest/Haulage

Product E GRADE AAE

WEIGHBRIDGE INFORMATION

Gross 4338 Remarks

Tare 1432

Nett 2906

Delivery Date 27.6.06 Delivery Time 14:30

Weighbridge Operator [Signature]

Office Use Only

Entered on Logsales []

Web-UI Pink-Customer Green-Harvesting Contractor Blue-Haulage Contractor Yellow-Book

Serial No. 063001

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Version: 1.0

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Attachment Five

Attention: _____



VicForests Use Only.
 Date Notification Received: ____ / ____ / ____
 Name of Recipient: _____

OFF SPECIFICATION NOTIFICATION

From:

Company	_____
Site Address	_____
Contact	_____

Load Details:

Coupe Number	____ _ / ____ _ / ____ _
Forest Operation No.	_____
Contractor	_____
Grader Number	_____
Docket Number	_____
Date Load Received	____ / ____ / ____
Date of Notification	____ / ____ / ____

Disputed Log Details

If Whole Load Tick Box

	Log Number	Delivered Grade [List]	Requires Regrade [✓]	Unacceptable Presentation [✓]	Other
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

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Attachment Six

No. 100001



LOG FEEDBACK DOCKET

Customer Name : _____ Date:/...../..... Delivery Docket No.						Distribution: White – Original VicForests, Pink – Customer, Yellow – Book Copy Green – Harvest Contractor, Blue – Haulage Contractor						
Log Location: _____ VF District: _____						NOTICE OF REMOVAL (VicForests use only) Redirection of log(s) New Customer : Authorisation : New docket No. : VF Officer : Name : Signature						
Contractor : _____ Coupe No / Forest Op No: _____												
Date of receipt of Off Specification Notification: _____ Original Grader No: _____												
Reason for Off Specification: 1 Measurement; 2 Mechanical Damage; 3 Sloping Grain; 4 Pipe; 5 Stain; 6 Sweep; 7 Scar; 8 Log Preparation; 9 Shatter or Splitting; 10 Shake; 11 Gum Pocket; 12 Loose Gum Vein; 13 Tight Gum Vein <3mm; 14 Tight Gum Vein >3mm; 15 Stem Defect; 16 Drying; 17 Log Upgrade; 18 Species ID; 19 Cull length; 20 Log No; 21 Coupe No / Forest Op No;												
Original Log Information						Final adjustment on Log						
Log No.	Grade	Species	Length (m)	Diameter (cm)	Volume (m ³)	Reason for Off Specification (insert no from above / comments)	Grade	Length (m)	Diameter (cm)	Volume (m ³)	Retain	Reject
Disputed Section to be completed by Arbitrator :- (only requires completion if Independent Arbitrator required) Arbitrator's Name : _____ Grader No. _____ Signature : _____ Date : ____ / ____ / ____						Authorisation of Adjustments: - (2 signatures required) For and on behalf of VicForests: _____ Grader No. _____ Customer: _____ Date: ____ / ____ / ____ <i>Invoice completed:</i> ____ / ____ / ____						

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