

e-bulletin

March 2008

Welcome to the first edition of the e-bulletin for 2008.

This quarter we cover issues relating to carbon trading and touch on the potential change of ownership of CHH Wood Panels business. We also highlight new formaldehyde information sheets available from NICNAS and provide details of two conferences of interest.

Hope you enjoy the content. As always I am happy to follow-up on any issues you may have.

Cheers Glenn

Purchase by Sumitomo opposed

The Australian consumer watchdog, the ACCC has stated that they will oppose the purchase of the Wood Panels business of Carter Holt Harvey.

In a statement following their investigation into the purchase the ACCC raised concerns regarding the potential market power of the merged entity in the domestic supply of raw medium density fibreboard (MDF) and additionally the ability of the merged entity to utilise this power to foreclose downstream competition in the supply of value-added MDF products.

"After conducting extensive inquiries, the ACCC concluded that the proposed acquisition would, or would be likely to substantially lessen competition in the manufacturing and supply of raw MDF," Mr Samuel said.

"The merged entity would have a very strong position with respect to the manufacturing and supply of raw MDF in Australia in circumstances where barriers to entry are substantial.

"While the remaining alternative supplier would be likely to impose some competitive constraint on the merged entity, this constraint is likely to be weakened by its incentives with respect to supplying its own distribution channel in Australia.

In addition, the ACCC considered that current and potential raw MDF imports of comparable quality are unlikely to constrain the merged entity from implementing an increase in the price of raw MDF in Australia," Mr Samuel said. Flowing from these conclusions, the ACCC considered that the merged entity would be likely to have the ability and incentive to foreclose downstream competition with

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respect to value-added MDF products.
The future of this proposed purchase is not clear at the moment.

Carbon Trading

Carbon trading schemes are of great interest at the moment. Forest and Wood Products Australia (FWPA) have recently published a report of research that has been carried out to investigate the effects of the proposed Australian trading scheme on the timber industry.

The report concludes that "...the most significant issue for wood is the potential for emission intensive trade-exposed industries to be compensated for the impacts of carbon trading." This compensation will greatly affect the ability for wood to benefit from its low emission status.

Benefits could be gained by wood if the scheme accepted the carbon storage benefits of wood during and after its life. There is now a huge task involved in industry ensuring that the advantages of wood in sequestering carbon even in landfill are recognised.

NICNAS Information sheets

Following the publishing of the PEC report on Formaldehyde last year NICNAS have finally published a series of Safety Information sheets on Formaldehyde.

The sheets cover general issues as well as specific sheets for mobile home users, as well as mortuary and pathology laboratory workers.

The sheets can be found at <http://www.nicnas.gov.au>

Conferences

As well as the normal run of conference this year we would like to draw your attention to two particular areas for 2008.

Firstly the IPPS has changed the dates for their 12th International Panel Products Symposium in Finland. The move follows a clash with the 6th Wood Based Panel Symposium held in Hannover. In a break from tradition BC will now move their conference to the 24-26th of Sept. 2008 in Helsinki. For more details please visit <http://www.ipps.uk.com> or <http://www.bc.bangor.ac.uk/>

Secondly the Pacific Rim Bio-Composites conference will be held in Rotorua, New Zealand from the 5-8th of November. Initial announcements can be found at:
<http://www.ensisjv.com/NewsEventsandPublications/EventsandSponsorship/tabid/147/Default.aspx>

And Finally

Stupid people awards

(15 July 1999, Alabama) A 25-year-old soldier died of injuries sustained from a 3-story fall, precipitated by his attempt to spit farther than his buddy. His plan was to hurl himself towards a metal guardrail while expectorating, in order to add momentum to his saliva. In a tragic miscalculation, his momentum carried him right over the railing, which he caught hold of for a few moments before his grip slipped, sending him plummeting 24 feet to the cement below.

The military specialist had a blood alcohol content of 0.14%, impairing his judgment.

(25 May 1999, Ukraine) A fisherman in Kiev electrocuted himself while fishing in the river Tereblya. The 43-year-old man connected cables to the main power supply of his home, and trailed the end into the river. The electric shock killed the fish, which floated belly-up to the top of the water. The man waded in to collect his catch, neglecting to remove the live wire, and tragically suffered the same fate as the fish. In an ironic twist, the man was fishing for a mourning meal to commemorate the first anniversary of his mother-in-law's death.

(August 1999, Australia) Drinking oneself to death need not be a long lingering process. Allan, a 33-year-old computer technician, showed his competitive spirit by dying of competitive spirits. A Sydney, Australia hotel bar held a drinking competition, known as Feral Friday, with a 100-minute time limit and a sliding point scale ranging from 1 point for beer to 8 points for hard liquor. Allan stood and cheered his winning total of 236, (winners never quit!) which had also netted him the literally staggering blood alcohol level of 0.353, 7 times greater than Australia's legal driving limit of 0.05%. After several trips to the usual temple of overindulgence, the bathroom, Allan was helped back to his workplace to sleep it off, a condition that became permanent. A forensic pharmacologist estimated that after downing 34 beers, 4 bourbons, and 17 shots of tequila within 1 hour and 40 minutes, his blood alcohol level would have been 0.41 to 0.43, but Allan had vomited several times after the drinking stopped. The cost paid by Allan was much higher than that of the hotel, which was fined the equivalent of \$13,100 US dollars for not intervening. It is not known whether Allan required any further embalming.

About Us.

Tech Partners Australia is an independent Technical Service provider to the composite wood panels industry. Glenn Ryan who has 25 years experience in industry runs the organization. His experience covers Quality Management, Technical Service and R&D Management.
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