



Objection 367

AKD Softwoods Group

5 pages

Objection to the proposed redistribution of the Federal electorate of Corangamite.

As described in the

*'Proposed redistribution of Victoria into electoral
divisions APRIL 2018'*

Report of the Redistribution Committee for
Victoria.

**Associated Kiln Driers Pty Ltd
AKD Softwoods Group
May 2018**

Who are we?

AKD Softwoods (AKD) is a privately owned vertically integrated forest products business specialising in softwood sawmilling. AKD is a proud “Australian” company with its headquarters and Colac sawmill at the same site from where it was originally founded in 1957 by an “association” of seven local hardwood companies. Four of these founding families have remained the primary shareholders when the business converted to softwood sawmilling. AKD is recognised in our industry and by our customers as being a progressive and innovative company that has continued to invest in our business.

The AKD group currently has seven directly managed sites and 600 employees. AKD has fostered long term relationships with its customers, based on a reputation of stability, consistency and reliability of supply. We market a broad range of timber products produced through our vertically-integrated operations, which comprise of:

- Four sawmills, processing a combined 1,070,000m³ of sawlog per annum
 - Colac 450,000m³
 - Irrewarra 250,000m³
 - Caboolture 220,000m³
 - Yarram 150,000m³
- Approximately 9,000 hectares of radiata pine plantations located in Victoria and South Australia
- Three preservation post and pole businesses
- Export woodchip operation in Geelong
- Export logs operating in Portland and Melbourne

Our mission or business purpose is “to ensure that we have a truly sustainable company”. We believe we can achieve this by the following five key business principles:

- Taking a long-term view
- Being internationally competitive
- Having zero-harm workplaces
- Developing high performance teams
- Being relationship focused

Proposed Redistribution

We understand that in preparing its draft boundaries that the driving force is the balance of numerical quotas for the number of voters in each electorate, as determined by the Electoral Act. As such we appreciate that electoral boundaries may change over time.

The proposed boundary redistribution is just one way of achieving this requirement.

The current proposal would see the current electorate of Corangamite being replaced with a new electorate of Cox and an extension of the Wannon electorate. Specifically, Colac would become part of the vast Wannon electorate. We do not believe this is appropriate.

We believe that the following criteria are very significant and have not been consider fully. These criteria being:

- community interests including economic, social and regional interests
- means of communication and travel
- physical features and geography, and
- existing boundaries in the state or territory.

Key Criteria

1. Economic, social and regional interests

1.1. Access to Market

Over 95% of sales generated by our Colac sawmills is associated with customers to the east of our location. The majority of the sales to the west are to Adelaide. As such we have very little interaction with communities to our west in the Wannon electorate.

As stated above, a key pillar of our business is being relationship focused. We have strong and longterm relationships with customers and service providers to the east of Colac especially Geelong and Melbourne. These customers have more issues in common with the Corangamite electorate than Wannon and therefore allows us to raise them jointly with one parliamentary representative.

1.2. Workforce

We employ approximately 450 at our Colac facilities. We have a constant challenge securing skilled employees. A large number of our employees live outside the immediate Colac area to the east in Geelong and surrounding areas. Issues around employment policy and training can be put to one representative covering the one area from where we draw the majority of our workforce.

1.3. Social

A large number of our employees are involved in local sporting, community events and voluntary organisations. AKD is also supporter of these clubs and organisations.

The vast majority of these have links with related bodies located to the east of Colac.

The Colac football club plays in the Geelong Football League. The permanent CFA station supporting Colac voluntary brigade is located in Belmont (Geelong).

In addition, organised clubs, the Otway ranges and Surf Coast provide recreational opportunities for our workforce. Having the majority of these social activities contained within the boundaries of one electorate and represented by one member of parliament is seen as an advantage in having a consistent message for the region.

1.4. Associations

AKD is a member of a number of associations, both trade and otherwise, that are located in Geelong and Melbourne. For example, we are members of the Geelong Manufacturing Council(GMC). With a proud history of a strong manufacturing base around Geelong this organisation represents the interest of manufacturers within the region. With Corangamite electorate encompassing parts of the Greater Geelong area representation by the GMC carry weight with local members. Under the proposed redistribution such representation would be given little or no consideration.

2. Communication and Travel

2.1. Access to local member

Ease of communication with the local member of parliament is very important. Our current member has an office in Colac and at worst has an office an hour away in Geelong.

Under the proposed boundary redistribution our local member would have their office in Hamilton which is over two hours away. This would drastically limit access to our local member. We would, in most cases, have to discuss issues with two representatives which would mean additional time and resources and invariably lead to time delays in decision making. This can be critical to business viability and international competitiveness.

2.2. Transport

Over 95% of all product leaving our Colac facilities travels via road east through the current Corangamite electorate to market. We have over 100 truck movements into our facility and 60 truck movements a day out of our facilities traveling to Geelong and beyond. The condition of major highways and transport policy has a significant impact on our business.

2.3. Export

We have our export woodchip facility located at the Port of Geelong utilising the GrainCorp loading facility. This facility allows us to export plantation grown woodchip to predominantly the Japanese pulp and paper market. We export over 300,000 tonnes of woodchip each year. This is significant for our viability and has provided a key volume for GrainCorp who can have volume fluctuation due to the vagaries of the grain season.

We have built a strong relationship over the past 20 years and have common interests especially in relation to transport through the Corangamite electorate and trade policy. The ability to discuss impacts on business with one representative is invaluable.

3. Physical features and geography

3.1. Local Industry/Land Use

The current Wannon and Corangamite electorates are significantly different in nature. Wannon is a vast electorate covering approximately 36,000 square kilometres with a primary focus on broad acre farming.

Corangamite, whilst having a large farming community has a large industrial sector based around Geelong and Colac, and significant tourism and service industry from Geelong all along its southern coast line and the Otways. Colac is a key hub and is closely aligned to these industries, far more so than the primary industry in Wannon.

The area north of the Hamilton Highway is more in keeping with the Wannon electorate and would therefore be a better fit to be removed from the Corangamite electorate than Colac.

3.2. Plantation estate

AKD has over 1,700 hectares of softwood plantations located to the south of Colac in the Otway ranges. With the proposed redistribution these plantations along with significant other plantation upon which our sawmills rely would fall into the proposed Cox electorate whilst our mills would be in the Wannon electorate.

This could result in differing attitudes toward plantation establishment and management between electorates and/or sitting members that could impact our operations. We may have to make representations to multiple members rather than one. This is time consuming and could delay decision making and investment.

3.3. Local features

The Otway ranges and Surf Coast are an intrinsic part of the local community and the current electorate. As stated previously they provide our community, including our employees, with significant recreational and cultural opportunities that are held in high regard and are highly valued.

For example, being internationally recognised gives the local community a sense of pride and ownership. After all the local shire is called the Colac Otway shire. Separating these features from Colac would see a significantly reduced focus, if any, on this area from the local Wannon member. This could have a negative impact on the community relationship to the region.

4. Existing boundaries in the state

4.1. Colac Otway Shire

The Colac Otway Shire is currently contained within the Corangamite electorate. Under the proposed redistribution the shire would be split between the expanded Wannon electorate and the proposed Cox electorate.

Regardless of which party may hold the seats it would require the shire dealing with two members. As it is likely that from time to time electorates could be held by different parties there are likely to be different policies or priorities that could impact the shire. This could lead to prolonged deliberations before decisions are made. Such delays could seriously impact the operations of our business and the wider economy.

Submission

Based on the information presented in the key criteria above we wish to submit that:

1. Colac should not be isolated from Geelong, the Surf Coast and the Otways.
2. Colac businesses have strong links with markets to their east, especially Geelong and Melbourne. Whereas they have little relationship with parties to their west.
3. It is efficient for business to be able to gain access and talk to their local member about a full range of issues that affect their operations including transport, employment and trade that are all within the one electorate. Hence Colac should not be incorporated into Wannon.
4. The local Colac community has strong social and cultural links to the area to the east including Geelong, the Surf Coast and the Otways.
5. It would be more efficient for the Colac Otway Shire to be contained within one electorate.

We trust that you will give this submission due consideration.

For and on behalf of AKD Softwoods