

## CARTER HOLT HARVEY FORESTS LIMITED

### COMPANY POLICY ON QUALITY SYSTEMS

The ISO 9000 series of Quality Standards are another element in a Quality Management System. Kinleith Region has had a Quality Management programme operating since the mid 1980s which has meant our movement to ISO 9002 Certification was greatly accelerated. Our Total Quality Management (TQM) philosophy is focused on

- continuous improvement Appendix I
- universal participation
- customer satisfaction
- Quality System eg ISO 9002

This has led to the following gains by CHH Forests. By documenting the procedures leading to these gains ISO effectively acts as a wedge to maintain our improvements.

The ISO Standard is the guarantee of our quality system which produces the goods and services we provide.

Essentially many of the practices we had to document were already in place. The process was an excellent discipline for all of us and staff commitment has also helped to speed up the process.

We have seen the tangible benefits of achieving ISO 9002 registration. Actions speak louder than words. Our customers can now be absolutely confident about not just our commitment to value and quality, but our ability to deliver to their requirements. An example of this is:

Since the beginning of the project in April 1992, our data shows that log rejects by customers have reduced by 78%.

At Carter Holt Harvey Forests quality is not just represented by a low reject rate or whether sawlogs were delivered on time and to the correct place but is part of all aspects of our business.

Our reputation as a high quality supplier demands that we take our Quality Management Process seriously. This means we apply the same standards to all areas of our business, whether directly managed or contracted.

Log haulage contractors supply us the service of distribution.

We need to know that contractors have a mechanism in place to ensure a continued supply of quality and safe service and if there is a problem there is a mechanism in place to correct it and prevent it happening again.

The Kinleith Region is encouraging and assisting its contractors to undertake a quality management programme - Telarc's "Q-Base" quality management system. Q-Base is designed to operate in the small business environment. It incorporates the fundamental requirements of ISO 9000 standards but at a level which is achievable in a small operation such as a Log Haulage Contractor. But just as ISO acts as a wedge to underpin the gains made by CHH Forests, Q-Base acts as a wedge to underpin the gains made by a contractor in his business.

By the end of 1995 all contractors in the Kinleith Region will be required to have a recognised Quality system.

For log haulage contractors this means they must practice quality in all aspects of their operation from start up in the morning, through vehicle maintenance and on to business management. A quality job is also a safe job.

Q-Base is one management tool that assists them to do this.

As in Kinleith Region Quality Procedure Manual this is done by describing the Log Haulage System in a Quality and Safety Manual.

Our mechanism to assist contractors in getting Q-Base is to facilitate a series of small groups. Each member of the group writes their own Quality and Safety manual with the guidance of a facilitator. We also supply secretarial services and facilitation to assist in the documentation. This manual is a dynamic document that is updated frequently as a change in the distribution business occurs. It is then the contractor's responsibility to implement the quality system, fine tune the manual and pass the accreditation audit.

By writing their own quality manual contractors **own** their quality systems. It is not appropriate or practical for the forest owner to hand their contractors Q-Base on a plate. To be successful they must do it themselves.

#### CODE OF CONDUCT

From a forest owners point of view this Code shall be one part of the Log Haulage Contractors Quality & Safety Manual.

The Code is designed to promote and encourage the transport industry to portray a level of professionalism consistent with the efforts being made by other sectors in the Forestry industry.

With new forests coming on stream it is estimated that log transport alone will increase by 43% from 1990 to the year 2000. The transportation of finished products will also increase by this magnitude.

As logging trucks and vehicles transporting finished material are clearly identifiable from other transport modes, the fear is that the public perception of the forest industry will be based on the sector of the industry they have most contact with which is the forestry road transport industry.

You must remember the general public perception of big trucks is generally negative. In New Zealand when trucks are seen holding people up by travelling in convoys or with wood chips, dirt and bark flying off the back, it is little wonder they get upset by a lack of consideration or courteous action by drivers. Once truckies were known as Knights of the Road. Truckies pulled over to the side of the road for the general public but as the truck specifications changed so has the image of the truckie.

If as an industry we are to be successful in getting super highways or increased gross loading on our present units, we need to turn the negative perception of our industry around. The gains will not be achieved until we have the general public on our side.

In Australia the logging truck fleets are of a high quality. Rigs observed were in a good clean condition. The drivers proclaimed to be thoughtful and courteous and every effort is made to reduce their impact on the road, ie fully enclosed wheel wells around tyres, anti spray mudflaps and even truck washes to remove mud off the load and truck.

Again we may be able to take a lesson from our neighbours where their Transport Industry are obtaining a national accreditation similar to ISO which is aimed at neutralising a push for more regulations on the industry from the Government and the public. Their scheme grades the driver on driving standards, vehicle defects and professionalism through a National Board which includes Government and Trade Practices Commission members. Operators accredited will have this detail displayed on the back of their unit. Example - Appendix II.

Breaches of Safety Standards of an Industry Code of Conduct may be punished with fines, a lowering of accreditation or even cancellation of registration. Both the transport companies and the Government believe this Scheme has gone a long way to counter the image problems the Road Transport industry had.

Yes, we can say, with increased gross loading and super highways there will be fewer trucks on the road, but unless our driving habits improve we will not get the opportunity to find out.

Forest owners will have to work alongside their contractors to:

- Show the public that we operate in a safe courteous way.
- our vehicles are seen to be clean, tidy and well lit with an appearance of a well loaded and securely tied down load.

We need to promote the positive things in our industry

- Ride in a truck day
- ISO 9000/Q-Base Registration
- We are part of the community
- Training programmes and successes.

An example of our training programmes and successes is our Driver Training Programme. Late last year we put all 109 of our contractors and their drivers through the programme.

Before we started all drivers were briefed on the programme, our expectations and what was in it for them. Each driver attended a 4 hour theory session which covered:

- Accident Risk areas and Accident Causes
- Fatigue, stress and diet management
- Knowledge of traffic rules and regulations
- Decision driving principles

Development of perception skills

As well as having a vision screening tests.

This was followed by an on the job assessment, areas covered here were:

Personal safety

Standard of equipment

Driving (Safety and Skill)

Effective use of auxiliary equipment

Adherence to legal requirements

Theory knowledge

Attitude.

Each of the eight areas was marked on a 1-5 scale to establish a profile out of 40 for each driver. Drivers were allocated a number which only they, the Company and the Assessor knew. All the results were made available so drivers could see where they stood compared to the other drivers in our organisation.

The overall observations made by the assessors were good. The most pleasing part of the report was the comment on the driver's attitude. Their report stated:

"We were most impressed with the attitude of all personnel encountered and found the willingness to take part in the programme, after some initial fear and trepidation, extremely positive."

Overall the drivers averaged 32 out of 40. Most drivers failed the written Road Code questionnaire. However we were pleased with the results and the programme identifies the areas where most improvement is needed. Right at the start the drivers were told if weaknesses were identified we would work with them to reach an acceptable standard.

Once a year this programme will be run to catch the new starters and a timetable to retest the existing drivers has yet to be determined.

Results of the programme are attached in Appendix III.

We need to eliminate the negatives that give the public a poor image of our industry. Some of these are

- Speeding trucks
- Trucks dropping bark, or wood chips
- Trucks using all the passing lanes and not allowing other faster traffic to pass
- Diesel smoke and dust
- Engine Brakes being used in built up areas.

In an effort to improve our image with the general public - do we do some of the following:

- Have all haulage contractors attached to our industry display an 0800 number on the back bumper so the public can phone in if they witness an unprofessional act, or to pass on their thanks for the professional approach of a driver to his job.
- Calls will need to be monitored in an effort to note the genuine callers from say another operator or person with a personal vendetta against an operator. In a short time the industry would know the areas of our operation which are upsetting the public. A concerted effort would then be required by the industry to eliminate these concerns. The first 6-12 months will be difficult but I am sure in the end we can fix most of the problems. After all an operator with an 0800 number listed on the back of his unit will be far more considerate to other motorists realising his inconsiderate actions could be reported.
- Move truck simulators around the shopping centres like the Australians do
- Deliver to pre-school centres and primary schools large posters of our units operating in the forest industry - all kids like trucks. Have positive messages printed on the bottom of the posters. These kids will then take them home and hopefully the parents will understand what we are doing.

A real worry to the forest industry is once the District Councils and Transit have succeeded in having effluent drop off points for stock trucks they will start on the forestry companies to eliminate bark and chips coming off our industry's vehicles. This will cause great pain to the industry if we do nothing now, but by being pro-active about this we can avoid being placed on the back foot. An example experienced by one of our staff was a truck and trailer loaded with logs travelling along State Highway 1 on a rainy day - because of the spray off the truck and the bark falling off the logs an elderly couple had to follow this unit for 15 kms before they could pass. Once they got out of the spray the message on the back of the trailer read "eat shit". This couple, who at the next town spotted one of our forestry vehicles, stopped and complained bitterly to our staff member about the logging truck. Yes they did strike the right forestry company and yes the log haulage contractor had to remove that sign before resuming work.

That experience will probably remain with this couple for years and the whole forestry industry will be judged by that contractor's actions.

The industry must avoid arrogance and smugness - despite being flavour of the decade, the virtues of forestry must be proclaimed in a measured way.

In summing up we (the industry) need to

- (i) move to professionalism
- (ii) educate the public about our industry
- (iii) adopt and practise the principles of the Code of Conduct.
- (iv) adopt and practise a Quality Management System whether it is ISO9000, Q-Base or any other Quality Management System that may be available.

We at Carter Holt Harvey Forests will be moving quickly to have all our log haulage contractors adopt the Code of Conduct and incorporate it as part of their Quality and Safety Manual.

APPENDIX I            Kinleith Region Quality Assurance

APPENDIX II          Example of a 0800 Display

APPENDIX III         Driver Training Results

speech1  
BAN/ac  
June 1994

# KINLEITH REGION QUALITY ASSURANCE





**My conduct as a  
Professional Driver  
is on display**

**If you have any comments call toll-free:**

**008 02 3326**

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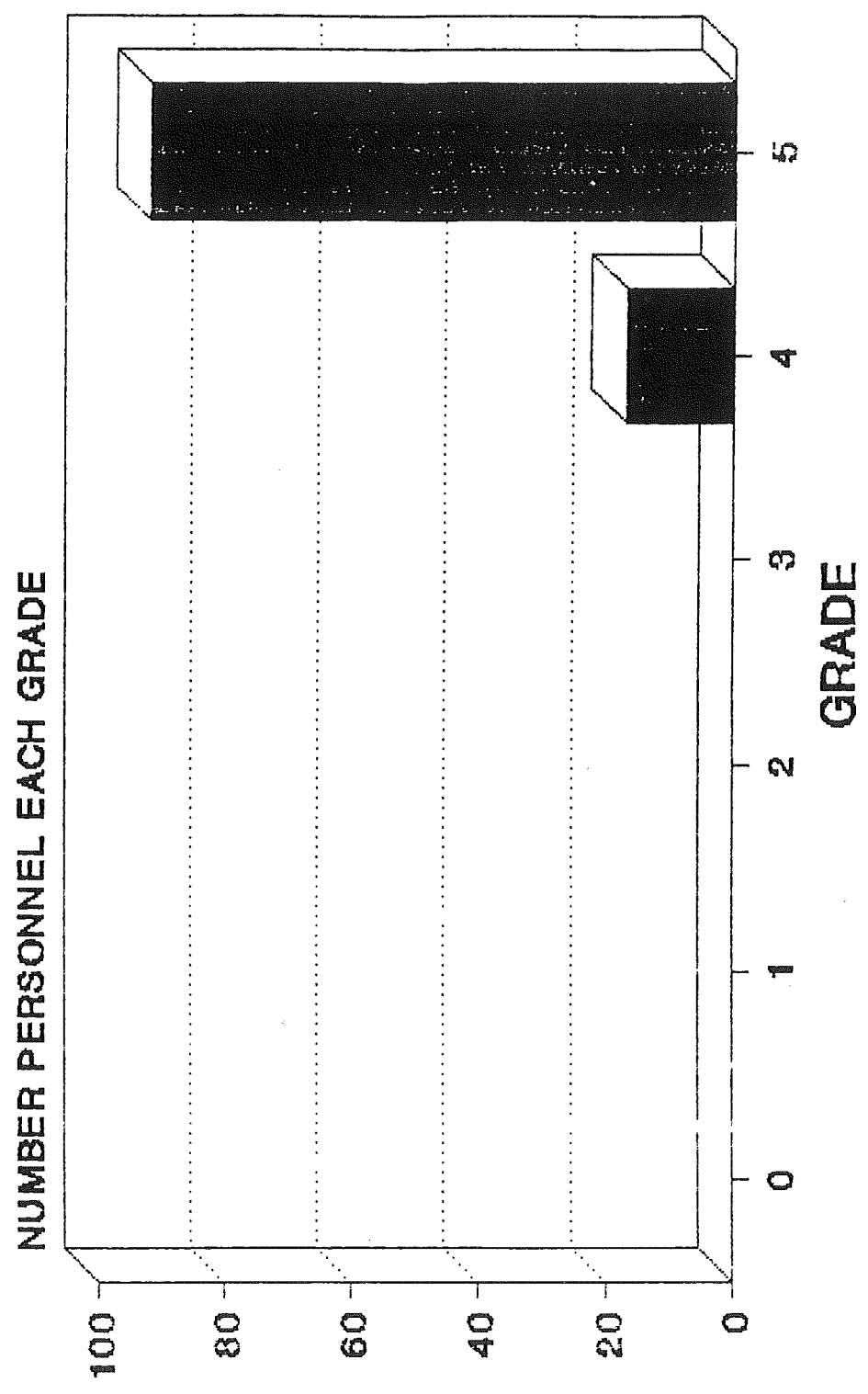
***FINEMORES***

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***CARE ABOUT SAFETY***

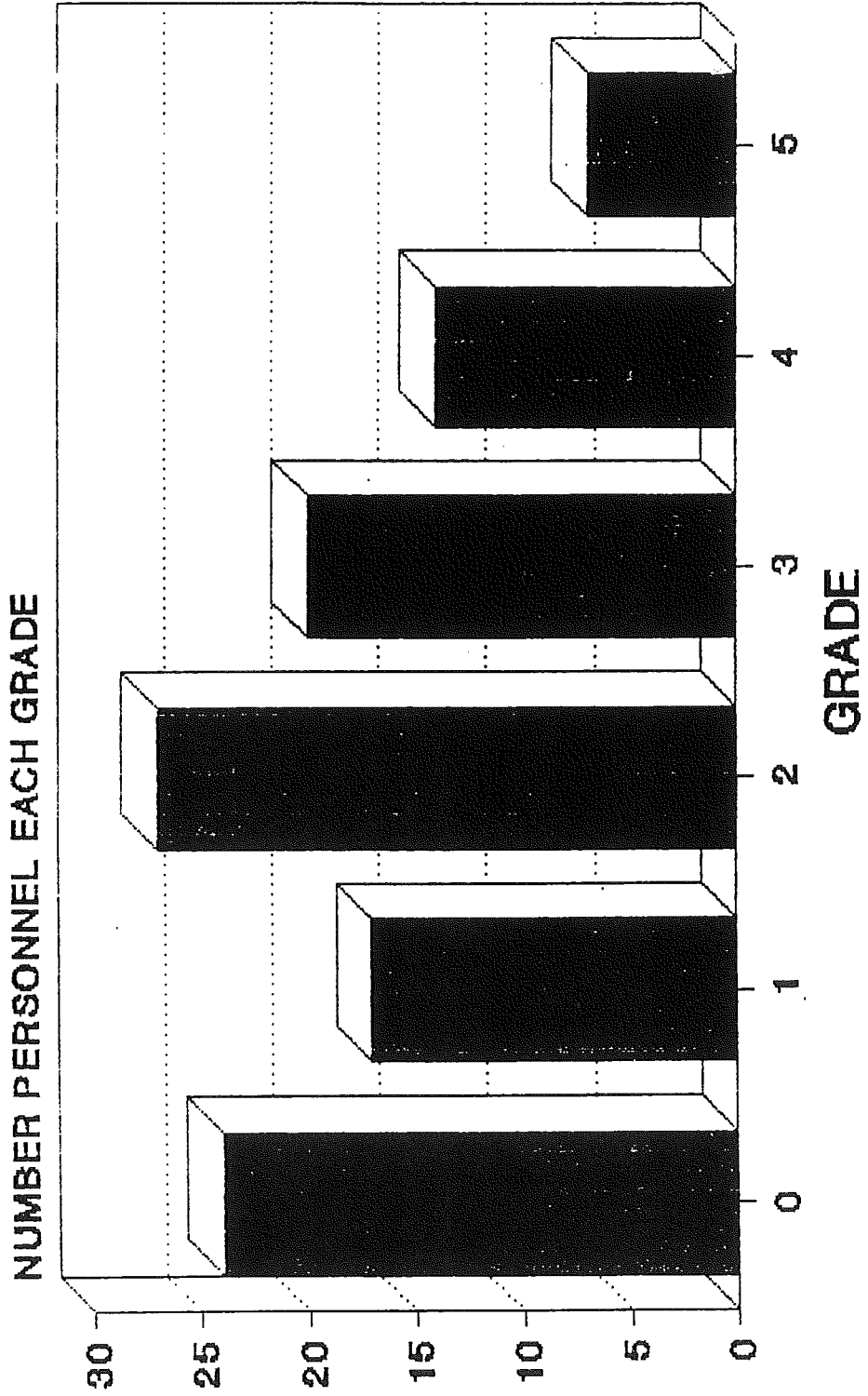
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# ATTITUDE CHART



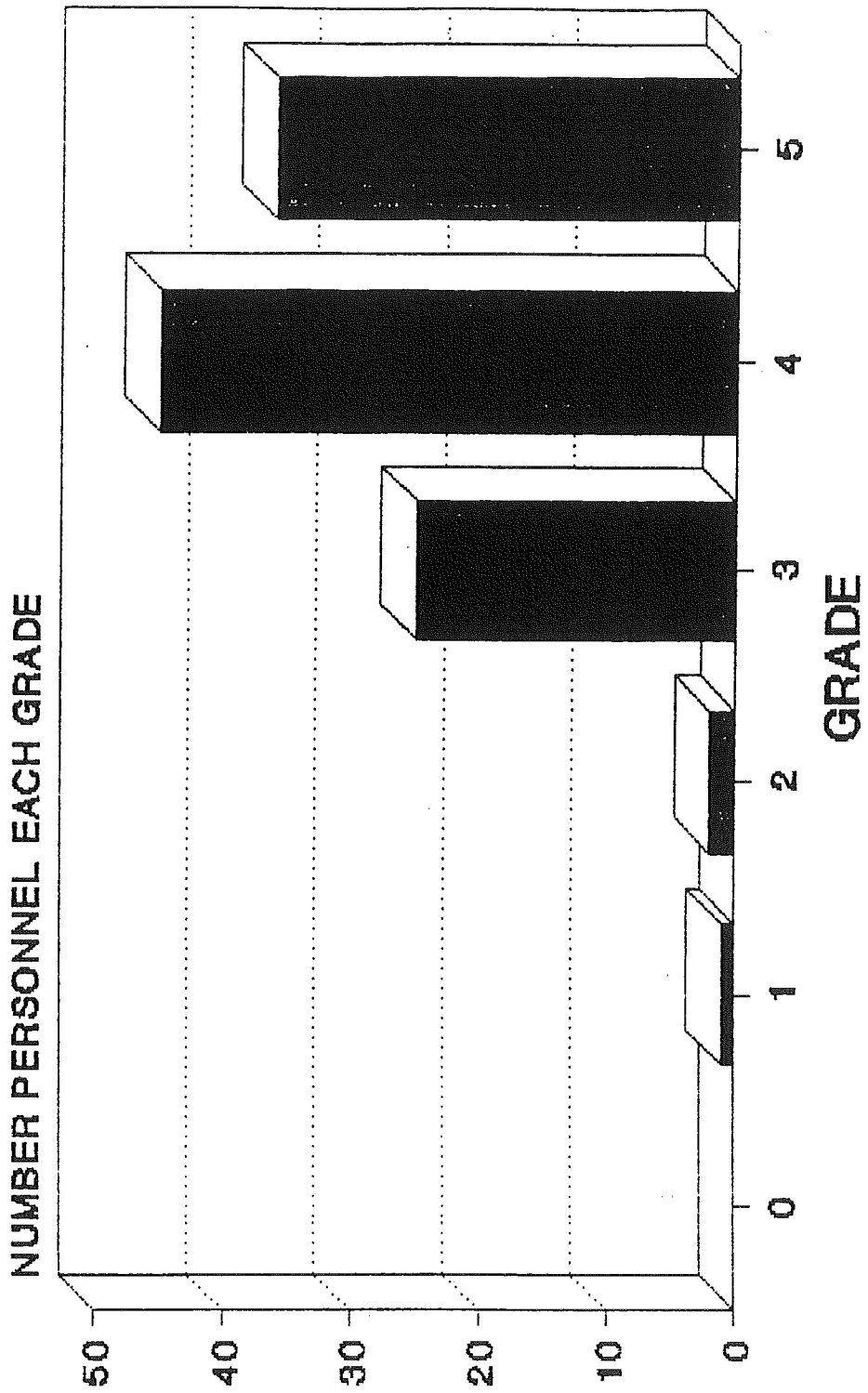
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# THEORY RESULTS CHART



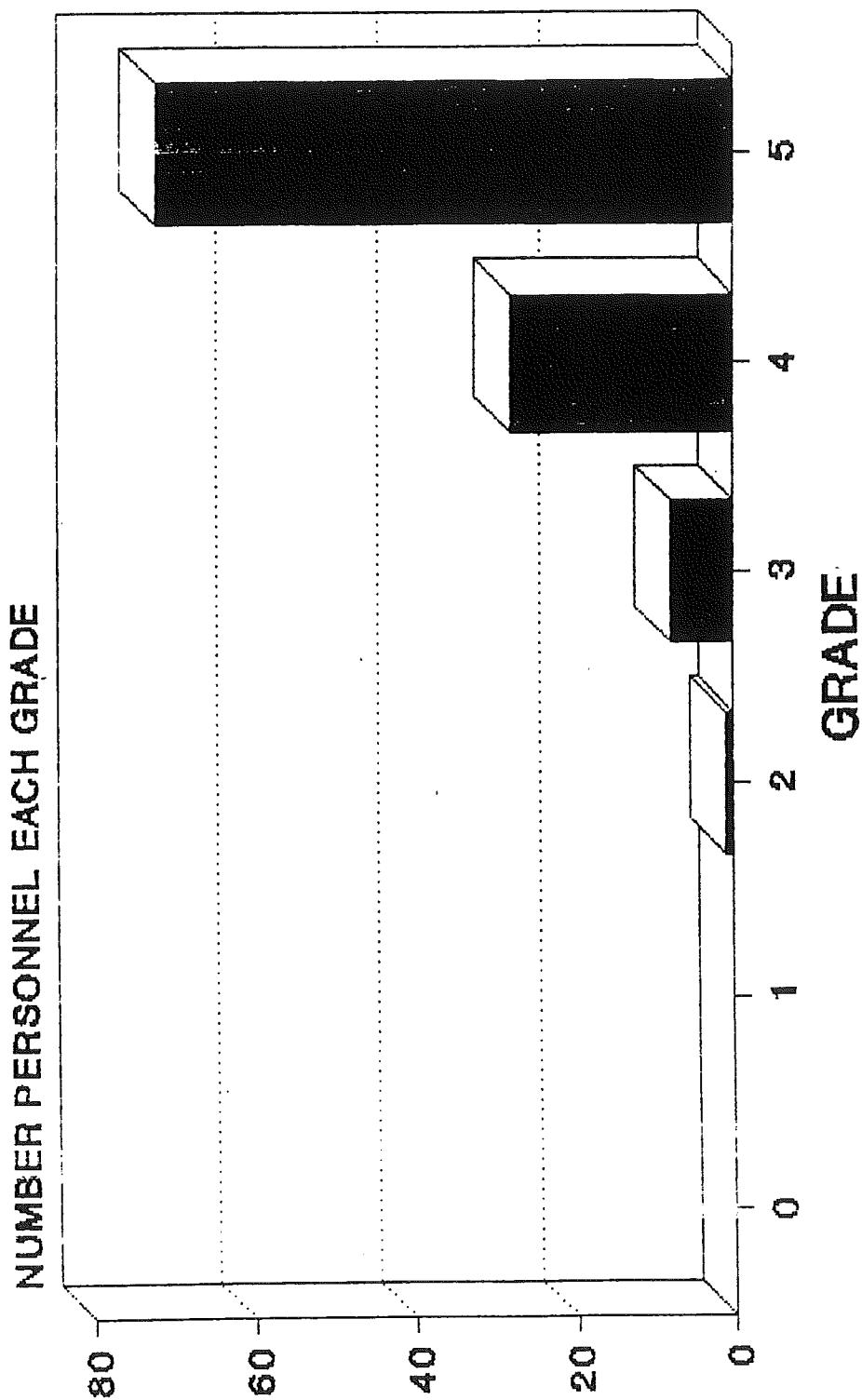
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# AUXILIARY EQUIPMENT CHART



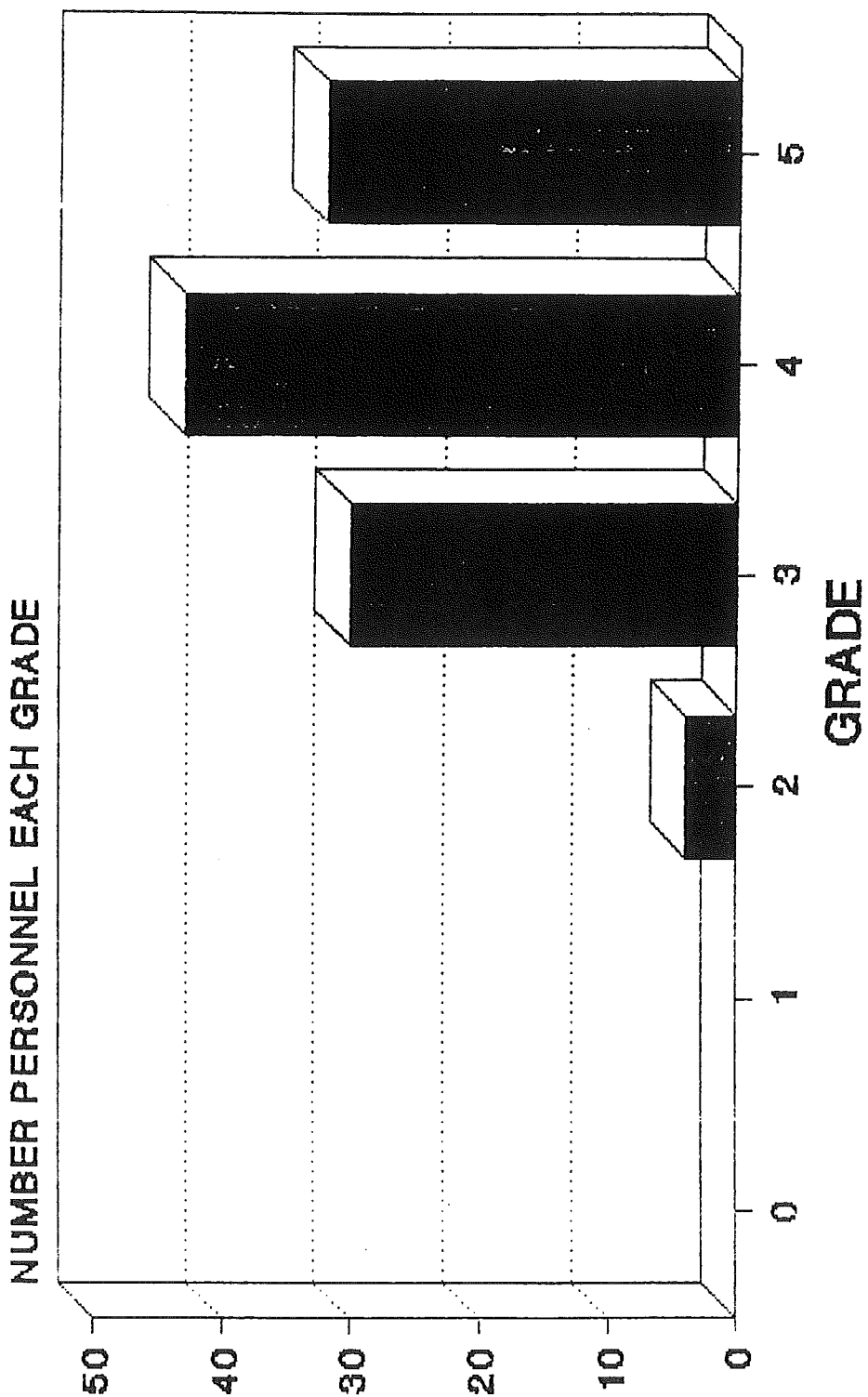
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# LEGAL REQUIREMENTS CHART



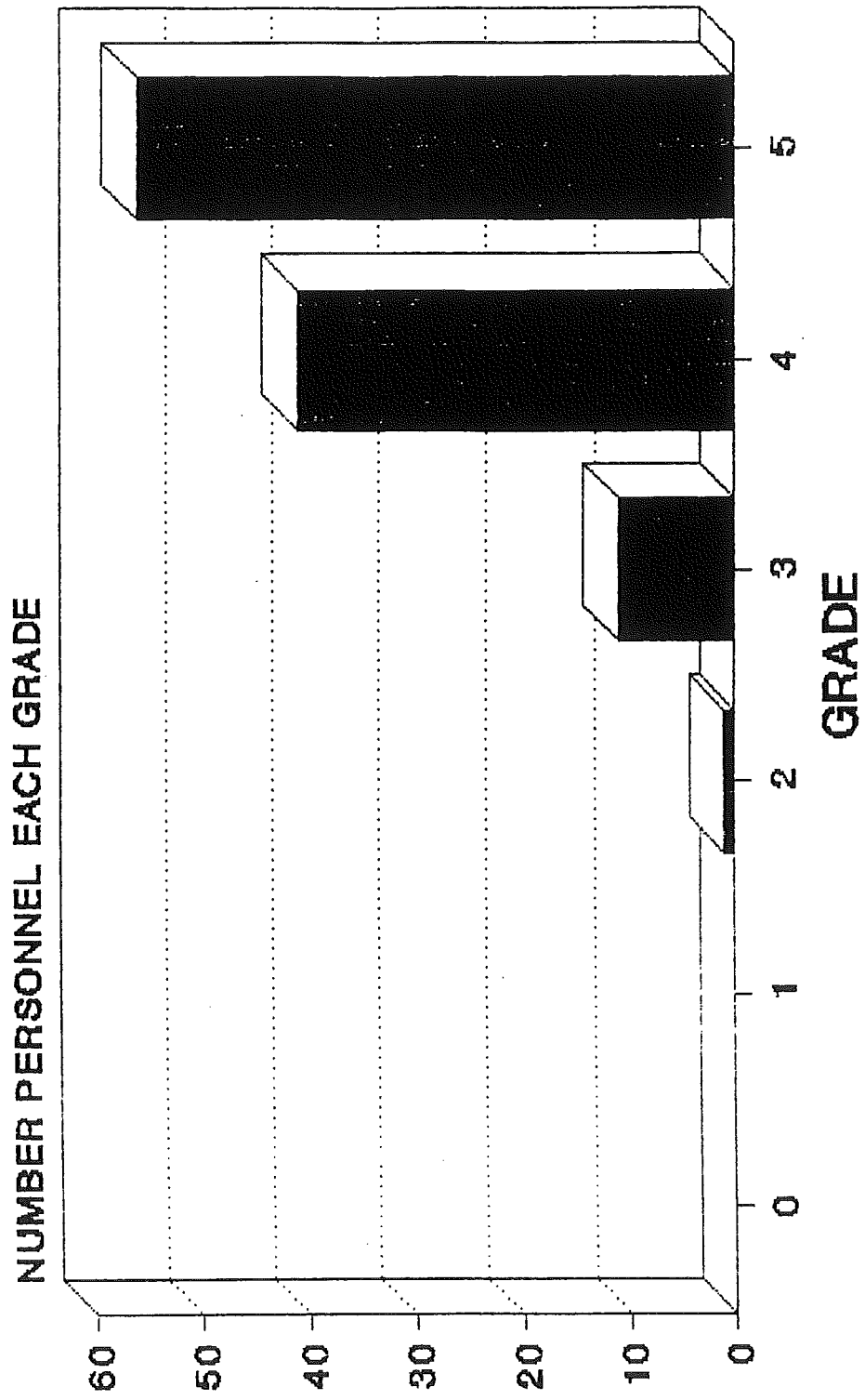
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# HIGHWAY SKILL CHART



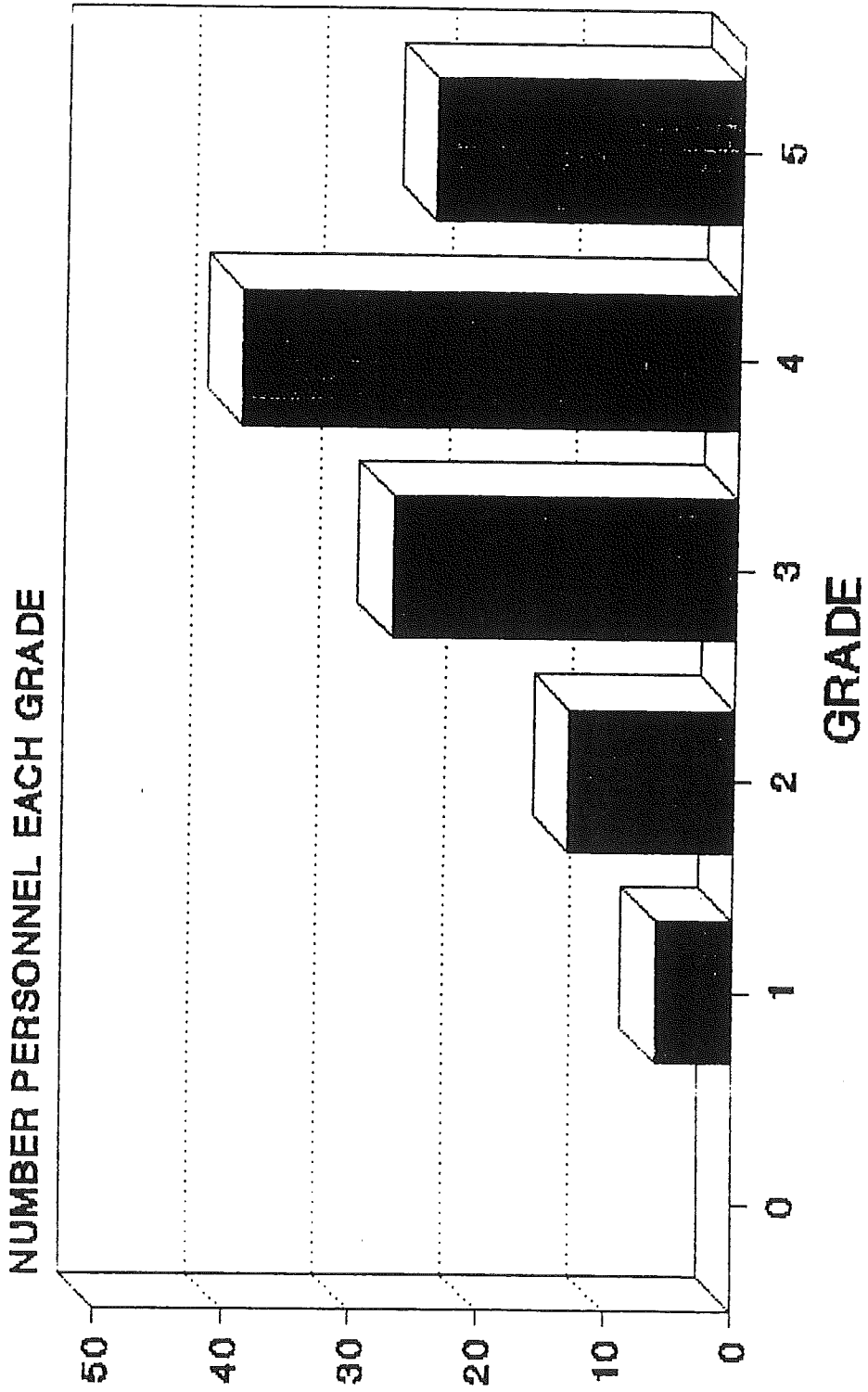
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# HIGHWAY SAFETY CHART



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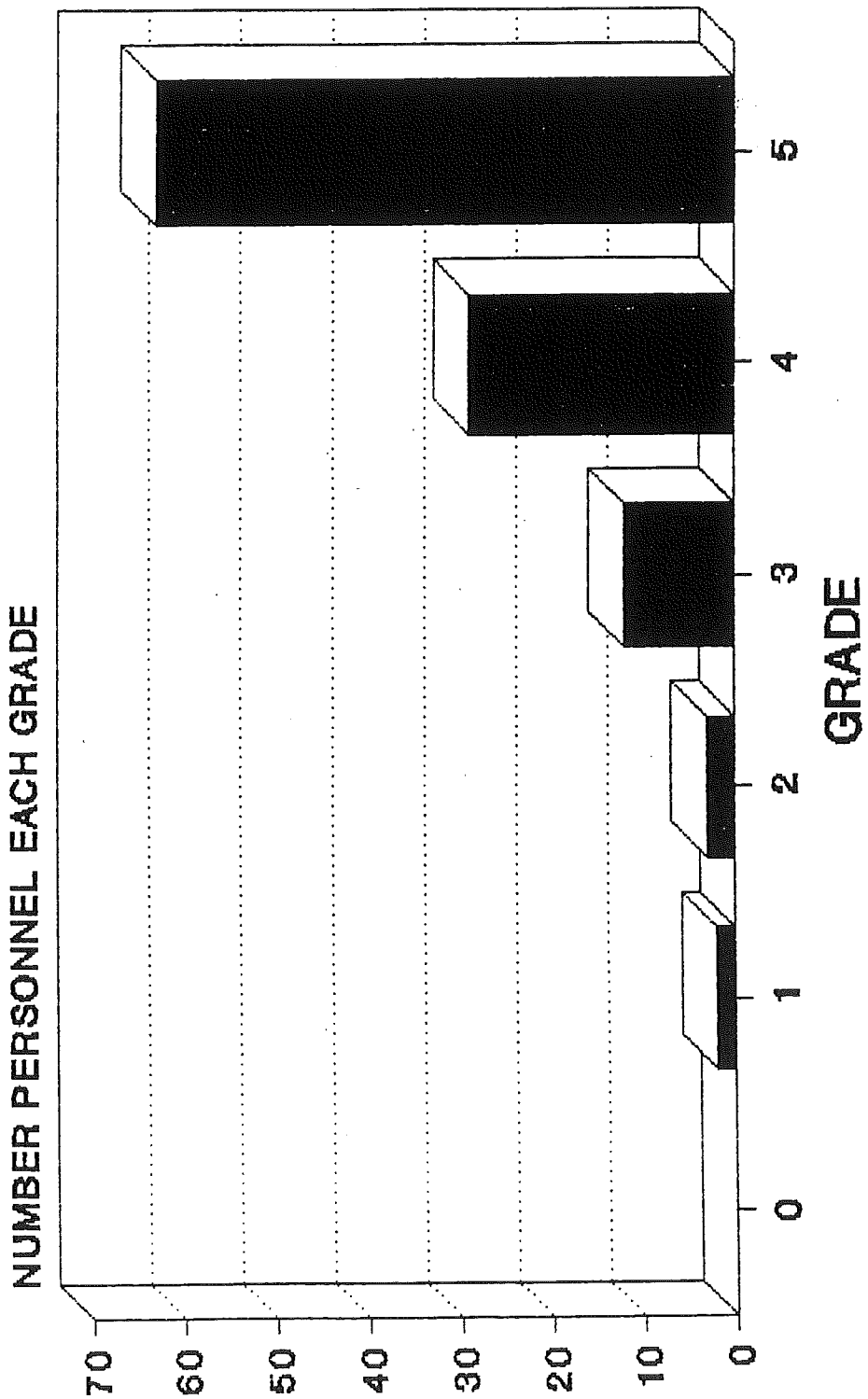
# EQUIPMENT STANDARD CHART



109 PERSONNEL



# PERSONAL SAFETY CHART



109 PERSONNEL

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