

# STA Review

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March 2008

## STA Annual General Meeting

Mesyuarat Agung Tahunan STA telah diadakan pada 31 Mac 2008 di Wisma STA, Kuching yang dihadiri oleh wakil dari 212 syarikat ahli.

Datuk Leo Chai, Pengerusi, membentangkan laporan tentang aktiviti-aktiviti Persatuan bagi tahun 2007. Ini diikuti oleh laporan penyata kewangan persatuan oleh Bendari Kehormat, Encik Patrick Teng.

Mesyuarat juga berbincang tentang hal-hal berkaitan dengan empat anak syarikat Persatuan iaitu STA Entreprises Sdn Bhd, STA Training Sdn Bhd, STA Mutual Sdn Bhd dan STA Ventures Sdn Bhd.

■ The Annual General Meeting (AGM) of the Sarawak Timber Association was held on 31 March 2008 at Wisma STA, Kuching. The AGM was attended by representatives from 212 Member Companies.

The Chairman, Datuk Leo Chai, presented his report on the activities of the Association for the year 2007. This was then followed by a detailed report of the Association's audited accounts for the year 2007 by the Honorary Treasurer, Mr. Patrick Teng.

The meeting also dealt with matters related to the Association's four wholly owned companies, STA Enterprises Sdn Bhd, STA Training Sdn Bhd, STA Mutual Sdn Bhd and STA Ventures Sdn Bhd.

The following is the Chairman's Report for the year ending 31 March 2008:

### "1.0 INTRODUCTION

1.1 Thank you for your attendance and support. As there will be an election at this AGM, I hope members who may have personal differences will set aside their differences and elect members who are prepared to serve and lead the Association to greater heights as Office Bearers and Council Members. It is extremely frustrating to postpone or cancel a Council or Special Committee meeting due to lack of a quorum. When there are urgent matters that require Council approval the Secretariat often have to call up members to ensure that we have a quorum for the meeting.

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Picture: Datuk Leo Chai (3<sup>rd</sup> from right) presenting his annual report

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1.2 I regret that the proposal to amend our M & A discussed at our Extraordinary General Meeting held on 15 January 2008 had to be deferred due to the lack of ascending votes. Any member who requires additional information on the proposed new election system please see Ms. Annie Ting.

1.3 I am delighted and relieved that my concern that differences between some members or groups would lead to polarisation of some members into factional groups is unfounded.

1.4 With the completion of our landmark building "Wisma STA", our previous Chairman the late Dato Sri Lau Hui Kang and some senior members of STA felt that STA should now play a wider role for the rural communities by providing more educational, social and welfare services to forest communities.

1.5 To provide such services we need to re-organise and recruit more staff for the Secretariat. I was elected (i) Hon. Secretary (2000 - 2001) and (ii) Chairman (2002 - 31 March 2008). I overstayed and spent 8 years of my retirement with STA but I have no regrets.

**2.0 REORGANIZATION AND EXPANSION OF THE SECRETARIAT**

2.1 To accommodate the new range of activities and services STA engaged a Consultant company, Ernst & Young to restructure the Secretariat and provide manuals for all the important activities e.g. HR Manual, Financial Manual and Budget Manual, etc.

2.2 Dr. Lee Hua Seng, the retired Deputy Director of Forests was recruited on contract as the CEO. Since the majority of Office Bearers and Council Members are traditionally based outstation it may be necessary to consider amending the Financial and other manuals to allow Office Bearers who are not in Kuching the option to authorize those officers in

Kuching and the CEO to sign documents and cheques on their behalf.

2.3 With the various Manuals provided by the Consultant (Ernst & Young), it is now easier for the Office Bearers to monitor all the activities in the Secretariat.

2.4 When Mr. Barney Chan the General Manager retired, Dr. Peter Kho was promoted to fill his post.

**3.0 STA ENTERPRISES SDN BHD (STAE)**

3.1 This company established in 1996 is the property holding company of STA. Except for some space surrendered by a Bank, the building is almost completely occupied. Rent collected last year was RM2.6 million.

3.2 A new Manager, Mr. William Tan has been recruited to replace the Manager who left.

**4.0 STA TRAINING SDN BHD (STAT)**

4.1 This company incorporated on 26 March 2002 was set up with the primary objective of drawing up a training programme to provide "skilled forest workers" in accordance with Section 54B of the Forests Ordinance. FITEC (Forest Industry Training and Education Council) of New Zealand was engaged to draw up a training programme for our "Forest workers".

The courses offered and the number of trainers and workers who had completed the courses are listed in Table 1.

**4.2 Problems encountered on training**

4.2.1 Reluctance of employers to release their workers for training.

4.2.2 Many employers are not convinced that their workers would benefit from the training as most of them are very skillful themselves.

**Table 1: STAT Courses and Number of Trainers & Workers**

	Trainers		Operators	
	Completed training	Under training	Assessed	Pending assessment
Certificate in Tree-felling	48	12	51	-
Certificate in Log Extraction (tractor)	68	2	68	25
Certificate in Log Loading (Rubber-tyred Front end wheel loader)	-	25	8	40
Certificate in Clear-fell Site Preparation	-	2	-	-
Certificate in Mechanical Site Preparation (Excavator)	-	2	-	-
<b>TOTAL</b>	116	43	127	65

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4.2.3 Poor communications between the Human Resource Manager and the Camp Manager in selecting workers for training resulting in late submission and shortfall in nomination of candidates.

4.2.4 The fear that trained workers would ask for higher wages or they would move to other companies.



Picture: Representatives from STA Member Companies at the meeting

4.2.5 There is still no decision among STIDC, Forests Department, SFC and STA on which organisation could issue the certificate to them when they completed the course. I understand that the Forests Department and SFC are still waiting for the new Forests (Trained Workmen) Rules to come into effect.

4.2.6 STA feels that since they are the ones conducting the courses they should be allowed to issue and renew the Certificates i.e. The Accreditation Authority while enforcement would be left to the Forests Department, SFC or the STIDC.

**5.0 POSTGRADUATE DIPLOMA IN APPLIED SCIENCE (SUSTAINABLE TROPICAL FOREST MANAGEMENT)**

5.1 This is a joint program with Lincoln University of New Zealand. This post graduate Diploma course was launched by YB Dato Sri Awang Tengah Ali Hassan, the Second Minister of Planning and Resource management in October 2006. 25 students are enrolled in this 24-month course. The students will graduate in the last quarter of 2008.

5.2 If there is good response from STA members, Forests Department, Sarawak Forestry Corporation and STIDC, we might conduct another course next year.

**6.0 FINANCIAL CONTRIBUTION TO EDUCATIONAL INSTITUTIONS**

6.1 STA Council approved donation to the following Education institutions-

**(i) Riam Institute of Technology**

2 Donations of RM200,000 each to date - first in October 2005 and second in September 2007

The donations were provided to Riam Institute of Technology in Miri to help defray some of the costs incurred for training technicians, most of whom will end up working for the forest and timber industries after their graduation.

**(ii) The Independent Chinese Schools**

The donations were provided to the Independent Chinese Schools as they do not receive much funding from the Government. The financial contribution also helps to provide scholarship to poor students. Again quite a few of the students end up working for the forest and timber industries.

Four donations of RM300,000 annually for the past 4 years - from 2005 to 2008

**7.0 FINANCIAL CONTRIBUTION FOR RESEARCH AND DEVELOPMENT**

7.1 Most of the forest plantation owners are still not sure what species to plant. Acacia mangium is the most widely planted species highly recommended but it is difficult to obtain quality seeds. Similarly there is little information on the indigenous species recommended. What is required are large quantities of seeds of the species recommended at reasonable price from certified sources.

Such species include exotic such as Paraserianthes falcataria or Albizia falcataria, Hevea brasiliensis (Rubber) and indigenous species such as Shorea macrophylla (Engkabang Jantong), Duabanga moluccana (Sawih), Anthocephalus chinensis (Kelampayan).

7.2 The following companies are receiving

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financial contributions from STA:-

**(i) Borneo Tree Seeds and Seedlings Supplies Sdn Bhd**

Project title - Research Support Services & Capacity Building on Forest Plantation.

A three-phase programme of research support services and capacity building that will enable Sarawak to support a large sustainable forest plantation estate with optimal economic and environmental outcomes

So far a sum of RM1 million had been contributed to BTSSSB on 1 September 2004 during the MoU signing ceremony.

**(ii) Grand Perfect Sdn Bhd**

Project title - Planted Forests Project Research & Development Programme.

The project involved careful study and evaluation of all factors that can influence plantation productivity and efficiency by means of a comprehensive research and development programme aiming to continuously improve and sustain production of high quality fibre at the lowest possible cost.

**(iii) Sarawak Forestry Corporation**

Project title - Viability assessment of Indigenous Tree Species and Propagation Techniques for Planted Forest Development in Sarawak.

The project sets out to assess the technical and economic viabilities of various propagation techniques for the mass production of high quality planting stock of kelampayan, sawih, meranti sarang punai and kapur bukit.



Picture: Casting of ballot papers

**8.0 STA MUTUAL SDN BHD (STAM)**

8.1 This company launched by YAB Ketua Menteri Pehin Sri Abdul Taib Mahmud on the 16 May 2005 is established to provide social and welfare assistance to communities affected by natural disasters like fire, flood, strong wind, landslides etc. STAM also provides scholarships to needy students to attend local colleges and Universities. To date one scholarship each had been provided annually to Universiti Putra Malaysia (UPM) and Universiti Malaysia Sarawak (UNIMAS) since 2005 with an additional scholarship awarded to Swinburne University from 2008 onwards. Preference will be given to deserving students from poor rural communities.

**9.0 GLOBAL ISSUES**

**9.1 The European Union - Forest Law Enforcement Governance and Trade - Voluntary Partnership Agreement (EU - FLEGT - VPA)**

This initiative is from the Federal Ministry of Plantation Industries and Commodities to address the issue of legality verification of timber. Our Association had taken part in all four Stakeholders Consultations that had been organised by the Ministry of Plantation Industries and Commodities to date. The Voluntary Partnership Agreement involves a Legality Assurance System. Our Association submitted representations to the Fourth Stakeholder Consultation held in Kuala Lumpur from 17 to 18 March 2008 emphasising the following salient points:

- The regulatory framework in Sarawak ensures that there should be no illegal logging or timber trade in Sarawak.
- For reasons that the timber industry is being stringently regulated, logs produced and exported by its members are not, therefore, logs from any illegal sources.
- Disputes on Customary Land Ownership
- While the industry acknowledges in some cases that there are disputes between its members, either as licensees or contractors, AND natives pertaining to claims over land and the right to enjoy certain privileges such as the collection of forest produce and timber from the forest for strictly domestic use, STA's firm stand is that any disputes of such nature should be resolved through established channels such as by reference to Lands & Surveys Department whose decisions thereon should be final.
- Such disputes should not affect the legality of

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any timber taken from any licensed area.

- Furthermore, violation of any other laws including laws pertaining to the environment should not affect the legality of timber so long as the timber taken from licensed area, that is to say, the timber is from a lawful source. Infringement of any other laws can be dealt with by the relevant authorities in Sarawak.

## 9.2 Timber Certification

Following a Workshop on "Collaborative Approach to Research for Forest Management Certification" organised by our Association in April last year at Wisma STA, a Forest Management Certification Steering Committee chaired by the Sarawak Forestry Corporation and comprising representatives from our Secretariat, Forest Department Sarawak and Member Companies undergoing certification was formed to assist Member Companies to take the certification process forward. The Steering Committee had met four times since its inception during the previous 12 months.

## 9.3 Sarawak Labour Ordinance

Members will be aware that our Association made a submission to the Federal Ministry of Human Resources for exemption from the application of 7 provisions of the amended Sarawak Labour Ordinance (viz Sections 11, 104, 105, 105A, 105B, 105C and 105D). The Ministry subsequently decided that an Independent Panel should be appointed to study whether the submission by STA has any merits. The Independent Panel was appointed and engaged the services of a survey team made up lecturers from the Universiti Malaysia Sarawak to assist it in its study. The Panel finally submitted its report by the end of June 2007. After due consultations involving the State Ministry of Planning and Resource management, the State Attorney-General's Office and the submission of a special Forestry Labour Remuneration Package by our Association, the Federal Minister of Human Resource finally grants exemption for timber companies carrying out timber operations in the upstream areas and those areas not categories as urban from the application of the 7 sections in question. The exemption is currently in the process of being gazetted by the Attorney-General's Chambers.

## 9.4 Industrial Relations

STA joined the Malaysian Employers' Federation in 2007. The Association has been rather concerned about the quantum of awards dished out by Industrial

Courts to employees whose employment had been terminated by companies and who took their employers to court. There is concern about proper conduct of domestic inquiry and all procedures prior to dismissal of employees. Our Association will continue to work with the Malaysian Employers' Federation towards establishing harmonious relationship between employers and employees and ensuring fair compensation in the event of any employment disputes.

## 9.5 EN 636 Plywood Specifications

STA is addressing concern on the downgrading of the durability classification of Meranti used in manufacture of plywood with help from MTIB, FRIM, FDS, STIDC and UNIMAS.

## 9.6 IUCN Red List

STA is funding research to look into the conservation and investigate the threatened species of the Dipterocarpaceae species as 72% of the Dipterocarpaceae species (191 species) in Sarawak are listed in the IUCN Red List of Threatened Species 2007.

## 9.7 New International Standards affecting Trade on Tropical timber

ISPM #15 - Guidelines for Regulating Wood Packaging Material in International Trade. STA is in the National Working Committee as well as a member of the Auditing Team for Sarawak Region. To date, 40 heat treatment facilities in Sarawak had been audited and certified for registration under Department of Agriculture.

## 10.0 LOCAL ISSUES

### 10.1 Request for increase of premium on use of logging roads

The Hill Logging Category met on 2 October 2007. The Meeting decided later that toll charges would remain status quo but would be reviewed this in April 2008.

### 10.2 STA Timber Industry Museum, Bukit Lima Forest Park - Sibiu

Architectural drawings for this have been finalised and tenders are being called for construction.

## 11.0 APPRECIATION

I was elected Hon. Secretary from March 2000 to 31 March 2002 and as Chairman for 6 years from 31 March 2002 to 31 March 2008. Having spent 8 years

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of my retirement with STA I am not standing for re-election as Council Member or Chairman. I have no regrets because the appointment kept me busy and provided me with an opportunity to gain more experience on how the private sector deals with conflicting interests and the international communities on market and environmental issues. By "sitting on the fence" I can see both sides play their game. I observed that the private sector is always proactive and aggressive and also some of the internationally based environmental NGOs never play football on level ground and kept on changing their goal posts.

## 12.0 ACKNOWLEDGEMENT

12.1 Since I am not seeking re-election I take this opportunity to thank all our members for their support, cooperation, tolerance and understanding. I have also to thank the Forests Department, SFC, STIDC, NREB, DOSH and Advisors for their assistance and cooperation. I acknowledge the vital role played by Dato Henry Lau Chairman of STA Working Group on the Sarawak Labour Ordinance and its members in successfully obtaining the approval from the Federal Minister Dato Wira Dr. Fong Chan Onn to

exempt the timber industry in Sarawak from complying with 7 provisions in the amended SLO.

12.2 I must also thank Mr. Lau Swee Nguong, Vice Chairman, Ms. Loretta Lau, Hon. Secretary, Mr. Patrick Teng, Hon. Treasurer for their support and cooperation at Council, Board of Directors and Committee Meetings. Since all Office Bearers are honorary appointment, without remuneration and honorarium, they and Committee Chairmen have to depend very much on the Secretariat under the Chief Executive Officer Dr. Lee Hua Seng, General Manager Dr. Peter Kho, Manager Ms Annie Ting and the rest of the staff for most of the secretarial services. With the appointment of Dr. Lee as CEO my work has been much easier and I spent less time at Wisma STA.

12.3 I am confident the Secretariat will continue to provide excellent service and support to the new Council and Office Bearers to be elected today. If I had unknowingly offended any one during my 8 years at STA I apologize for it.

Thank you." ❁



Picture: Newly elected Council Members having a meeting right after the AGM to elect the Office Bearers

## STA Council Members for the year 2008 & 2009

Mesyuarat Agung Tahunan Persatuan telah diadakan pada 31 Mac 2008 di Wisma STA, Kuching. Berikut adalah Ahli Majlis dan Pemegang Jawatan yang baru bagi tahun 2008 dan 2009.

■ The Annual General Meeting (AGM) of the Association was held on 31 March 2008 at Wisma STA, Kuching. The following are the 37 newly-elected Council Members for the year 2008 & 2009.

### STA COUNCIL MEMBERS FOR 2008 & 2009

#### Forest Plantation

Datuk Abdul Hamed Haji Sepawi (Chairman)  
Dr. Ir. Tan, Gary

#### Furniture & Other Wood Working

Yek Siew Liong (Chairman)  
Cheng Hwa Tang, Desmond

#### Hill Logging

Datuk Ling Chiong Ho (Chairman)  
Tan Sri Datuk Tiong Hiew King  
Dato Lau Lee Kong, Henry  
Datuk Tiong Thai King  
Law Kiu Kiong  
Wong Haw Yeong, Patrick  
Wong Ing Yung  
Yong Nyan Siong

#### Log Marketing

Datuk Wong Kie Yik (Chairman)  
Datuk Lau Hieng Wui, Jimmy  
Dato' Tiong Ing  
Hii King Chiong  
Ho Yam Kuan  
Lau Lee Ming, Vincent  
Ling Lu Kuang  
Yaw Chee Ming

#### Moulding

Law Buong Hoo (Chairman)  
Tiong Chiong Chung

#### Panel Products

Lau Lee Kiong, Stephen (Chairman)  
Dato Wong Kuo Hea  
Ling Chiong Sing

#### Sawmilling

Wong Haw Bing, Annie (Chairman)  
Chuo Kwong Hing  
Lau Swee Nguong  
Lau, Loretta  
Ting Kuok Cheng

#### Swamp Logging

Choo Kwong Hui, Philip (Chairman)  
Lau Ngi Chong

#### Timber Products Marketing

Wong Hee Sing (Chairman )  
Lau Tee Mei, Roland  
Ling Kwong Hung  
Teng Kheng Hong, Augustine  
Teng Kheng Huh, Patrick

The newly-elected Council Members met immediately after the AGM and elected the following Office Bearers.

### STA OFFICE BEARERS FOR 2008 & 2009

Chairman	: Datuk Wong Kie Yik
Vice Chairmen	: Tan Sri Datuk Tiong Hiew King
	: Datuk Ling Chiong Ho
Honorary Secretary	: Dato Lau Lee Kong, Henry
Honorary Treasurer	: Mr. Choo Kwong Hui, Philip

## STA Timber Certification Committee Meeting

■ The STA Timber Certification Committee met on 7 March 2008 at Wisma STA, Kuching. The meeting was chaired by Dato Henry Lau Lee Kong. He was appointed as the Committee Chairman in the 62<sup>nd</sup> STA Council Meeting held on 23 November 2007.

Also present at the meeting was Datuk Fong Joo Chung, who briefed Members of the background of the European Union (EU) Forest Law Enforcement Governance Trade (FLEGT) Voluntary Partnership Agreement (VPA). In 2006, there was a discussion between the Ministry of Plantation Industries and Commodities Malaysia and the European Commission (EC) to conclude the VPA under EC's FLEGT Action Plan, to establish a Timber Licensing Assurance System for the

importation of legal timber from Malaysia into the member states of the EU. This Agreement focused of the legality of the timber.

Among other matters deliberated were timber certification particularly on the Malaysian Criteria and Indicators 2002 [MC&I(2002)], the Chain-of-Custody System in Sarawak, Forest Stewardship (Malaysia) Sdn Bhd and incentives for STA Members who have achieved certification or undergoing the certification process. ❁



Picture: Meeting in progress

Jawatankuasa Pensijilan Kayu STA telah bermesyuarat pada 7 Mac 2008 di Wisma STA, Kuching. Mesyuarat ini dipengerusikan oleh Dato Henry Lau Lee Kong. Isu-isu yang dibincang termasuk *Forest Law Enforcement Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA)*, pensijilan kayu, Sistem Rantaian Kayu di Sarawak, Forest Stewardship (Malaysia) Sdn Bhd dan insentif kepada ahli STA yang telah berjaya mendapat sijil atau dalam proses mendapatkan sijil.

### Physical Inspection by STIDC

STA received a letter on from the Sarawak Timber Industry Development Corporation (STIDC), Ref.: STIDC.20.PPD.08.10 (12) dated 29 February 2008.

Effective 3 March 2008, all timber products exported using container(s) must be physically inspected by STIDC officers first before the said container(s) can be sealed/ closed. If physical inspection is not carried out, STIDC will not issue any Export Licence for the timber products concerned.

This procedure is important to fulfill the requirements of STIDC MS ISO 9001:2000 for export/ import of logs and timber products which will be implemented on 3 March 2008.

*Note: The above announcement has been made through the STA Grapevine on 3 March 2008.*

Mulai 3 Mac 2008, semua produk kayu yang dieksport menggunakan kontainer perlu diperiksa secara fizikal oleh pegawai STIDC sebelum kontainer ditutup. STIDC tidak akan mengeluarkan Lesen Eksport jika langkah ini tidak diambil.

## STA Labour (Industrial Relations) Committee for year 2007

Jawatankuasa Tenaga Kerja (Hubungan Industri) STA telah ditubuhkan dengan tujuan untuk meneliti pandangan ahli-ahli tentang proses resolusi tenaga kerja dan perdebatan pekerja dibawah Akta Perhubungan Industri 1967 (Akta 177) (Pindaan 1976) terutamanya Seksyen 20 Akta tentang pemecatan pekerja.

Jawatankuasa telah mendapatkan khidmat Battenberg & Talma Advocates, Penasihat Undang-undang Persatuan, untuk menyediakan borang soal selidik kepada ahli-ahli Persatuan untuk memberikan maklumbalas berkenaan isu yang dibangkitkan pada Seksyen 20 Akta ini. Jawatankuasa kemudian menggunakan perkhidmatan Pricewaterhouse Coopers Advisory Services Sdn Bhd (PWCAS) untuk menyediakan laporan berdasarkan keputusan daripada senarai soalan tersebut.

Laporan PWCAS telah menyebabkan Jawatankuasa mengambil tindakan selanjutnya dalam isu-isu berkaitan dengan Hubungan Industri.

Jawatankuasa telah mentakrifkan beberapa inisiatif yang perlu diambil untuk memupuk hubungan jangkamasa panjang dalam membaiki undang-undang dan peraturan Hubungan Industri.

Pada tahun 2008,

■ The STA Labour (Industrial Relations) Committee was set up with the task of examining the views of the members regarding the resolution process of labour and workmen disputes under the Industrial Relations Act 1967 (Act 177) (Revised 1976) with particular reference to Section 20 of the Act referring to dismissal of employees.

The Committee arranged for Battenberg & Talma Advocates, the Legal Advisor of the Association, to prepare a questionnaire for Members to respond to the issues raised by Section 20 of the Act. The Committee subsequently engaged the services of Pricewaterhouse Coopers Advisory Services Sdn. Bhd.

(PWCAS) to prepare the report based on the results of the questionnaire. A copy of the report is placed in electronic format at the STA Exhibition Centre and a hard copy can be examined at the STA Secretariat.

The report from PWCAS had prompted the Committee to take action on the issues relating to Industrial Relations from a broader perspective. The Committee has defined a number of initiatives that can be taken in an effort to foster a long-term improvement to the laws and regulations pertaining to Industrial Relations.

The initiatives that were agreed upon are as follows:

### (A) Internal strategies/ Initiatives

	Action Activity	Description
1	Forum/ Expert Group	This will be for general consultation. It will be a member's forum where we can tap onto each others experience. There were ideas of setting up an external panel made up of experts to provide consultancy for Members of STA.
2	Training	This can be done to enhance knowledge of Industrial Relations and its relevant issues. It was suggested that it be run through STA initiative as it would carry more credibility.
3	Form Repository/ Archives	-relevant to item no. 1
4	Training and guidelines on basic HR infrastructure.	To source training programmes relevant to our industry.

### (B) External Advisory and Consultancy services

	Action Activity	Description
1	Article writing	This can be a series of articles to be published in various newspapers. This could create awareness of Industrial Relations issues and prompt others to consider labour reforms.

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	Action Activity	Description
2	Exploring the possibility of engaging advisors.	To appoint experienced and knowledgeable advisors on the issues relating to Industrial Relations, preferable those involved in the legislation formulation process.
3	Continuous contact (or establish info-sharing mechanism) with other agencies such as MEF, MOHR, IR Department, Labour Department, ACCI, etc.	A suggestion was to invited one agency each time the committee meets to enable the relevant agencies to understand our situation

(C) Policy related initiatives - involving more manpower and budget

	Action Activity	Description
1	Case Studies on wage issues	Case for competitiveness -what is the wage structure of other countries -what is the wage structure as a % of cost productivity ratios It was suggested that we should look into providing alternative structures
2	Respond to retrenchment fund	Retrenchment Fund * are there better ways to administer the fund i.e. by having our own fund. * From Industry prospective * It is also current issue  Retraining Services
3	Study the possibility of having alternative institutions	(a) setting up an Ombudsman (b) In-house Domestic Inquiry with the possibility of independent party as panel member.

The Committee resolved to embark on three initiatives in 2008 which are as follows:

1) To take action to secure a representative from STA to the Council of MEF and to engage new key organizations that are aligned towards our cause.

2) To study and recommend training needs in relation to Industrial Relations matters; and

3) To engage and network with the Industrial Relations Director and his officers.

In 2007, the focus was not only Section 20, but also a wider and

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Jawatankuasa akan mengambil tiga inisiatif iaitu;

1. Untuk melindungi wakil STA dalam Majlis MEF dan mengambil organisasi utama yang selari dengan tujuan kita.
2. Meneliti dan mencadangkan latihan yang diperlukan untuk hal-hal berkaitan dengan Hubungan Industri; dan
3. Menjalinkan hubungan dengan Pengarah Hubungan Industri dan pegawai-pegawainya.

Jawatankuasa akan berusaha dalam melibatkan diri dalam inisiatif tertentu untuk tahun-tahun akan datang dan berharap akan mendapatkan sokongan daripada Majlis STA dan ahli-ahli dalam semua aspek.

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general areas of Industrial Relations i.e. the relationship between management and workers. Hence the name of the Committee was subsequently changed from STA Labour (Industrial Court) to STA Labour (Industrial Relations). The Committee sets itself out to be a knowledgeable and active participant in activities to promote law reforms and practices between management and workers with the aim of improving the business environment and competitiveness for the timber industry. The Committee gave itself the key mission to be a catalyst for constructive change and harmony that will ultimately align the workers' interest to the company's business objectives.

The Committee recommended to STA Council to join MEF as a member. STA was subsequently admitted as a member. Thereafter, it asked for representation in the Industrial Relation Panel in MEF. This will allow STA to have an understanding of the inner dealings

and directions in policy making and give the Association a chance to forward our views and proposals. A key milestone was when they agree to have a STA representative was appointed to the MEF Industrial Relations Panel.

The Committee also sent a delegation to attend a conference organised by MEF on "Enhancing Competitiveness through Technology and Law Reforms". The main purpose of the conference was to enhance awareness of the labour related issues that are occurring in West Malaysia. During the conference, there was a general sentiment among various industries that the current labour laws need to be reviewed to accommodate the current economic and competition situation.

The Committee will endeavour to engage in selective initiatives in the coming years and look forward to the support of STA Council and Members in every aspect. ❁

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## **Training Coordinators' Briefings**

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STA Training Sdn Bhd (STAT) telah mengadakan Taklimat Penyelaras Latihan di Miri, Bintulu dan Sibul pada 11, 12 dan 13 Mac 2008. Taklimat ini bertujuan membiasakan diri para peserta dengan latihan-latihan yang ditawarkan oleh STAT.

■ STA Training Sdn Bhd (STAT) organised the Training Coordinators' Briefings in Miri, Bintulu and Sibul on 11, 12 and 13 March 2008 respectively. The briefings were attended by 16 participants in Miri, 18 in Bintulu and 23 in Sibul. The objectives of such briefing were to enable participant;

- To be familiar with the types of training programmes accredited to the Sarawak Modular Training Framework;
- To improve communication, planning, implementation of training and assessment of candidates trained under the

STAT training programmes; and

- To be familiarise with the guidelines for documentation and administration of training under the Sarawak Modular Training Framework.

With such briefings, it is hoped that participants will have a better understanding of STAT's training programmes, the Sarawak Modular Training Framework, training guidelines, documentations, roles of the training coordinator, roles of trainers and assessors to enhanced the efficiency in the implementation of training to meet the requirements of Section 54B of Forests Ordinance. ❁

## Presentation of STA Prizes

■ STA through its wholly-owned company, STA Mutual Sdn Bhd, has been awarding STA Prizes as an incentive to deserving students pursuing degree courses in Science and Management of Plant Resource at the Faculty of Resource Science and Technology, Universiti Malaysia Sarawak (UNIMAS) and in Forestry Science at the Faculty of Forestry, Universiti Putra Malaysia (UPM) since 2005.

The prizes are the STA Prize for Best Graduating Student and the STA Prize for Best Final Year Project Paper.

The STA Prize for Best Graduating Student of the Faculty of Resource Science and Technology, UNIMAS was awarded to Mr. Malcolm Boxey Jilimin in 2005 and to Ms. Linna Chieng Mee Ngiik in 2006. The prize for Best Final Year Project Paper of the Faculty of Resource

Science and Technology, UNIMAS was awarded to Md. Hafizah Abdul Razak in 2005 and to Ms. Diana Lim Sok Ley in 2006.

On 5 March 2008, the STA Prize for Best Graduating Student 2007 was awarded to Mr. Chai Kwan Lin. He was an outstanding student and had been in the Dean's List for six semesters during his three-year degree course at UNIMAS. The prize for Best Final Year Project Paper 2007 was shared between Ms. Farawahida Abu Zahrin and Ms. Kho Swee Ling. Ms. Farawahida's project paper was entitled "Physical and Mechanical Properties of *Acacia* Hybrid an Superbulk Planted in Sarawak" while Ms. Kho's project paper was entitled "Vegetative and Propagation of *Isau* (*Dimorcarpus longan* var. *malesianus*) by Conventional Method and *In Vitro* Technique". ❁

Pada 5 Mac 2008, STA melalui anak syarikatnya, STA Mutual Sdn Bhd, telah mengadakan majlis penyampaian hadiah STA kepada pelajar yang berjaya dalam kursus sarjana muda dalam bidang Sains dan Pengurusan Sumber Tumbuhan dari Fakulti Sains dan Teknologi Sumber, Universiti Malaysia Sarawak (UNIMAS). Hadiah Siswazah Terbaik 2007 dianugerahkan kepada Encik Chai Kwan Lin manakala hadiah untuk Kertas Kerja Projek Tahun Terakhir Terbaik 2007 dikongsi antara Cik Rarawahida Abu Zahrin dan Cik Kho Swee Ling.

Right: Dr. Lee Hua Seng presenting the STA Prize to Mr. Chai Kwan Lin, Best Graduating Student for 2007, witnessed by Professor Dr. Wan Sulaiman Wan Harun, Dean of Faculty of Resource Science and Technology UNIMAS



Above: Ms. Kho Swee Ling receiving the STA Prize for Best Final Year Project Paper 2007



Above: Ms. Farawahida Abu Zahrin receiving the STA Prize for Best Final Year Project Paper 2007

## Visit by Representatives from the Bank of Tokyo-Mitsubishi UFJ Ltd

Tiga wakil dari Bank of Tokyo-Mitsubishi UFJ Ltd telah melawat STA pada 12 Mac 2008. Tujuan lawatan adalah untuk melihat peluang memperkembangkan perkhidmatan bank tersebut terhadap industri kayu. Selain STA, mereka juga melawat beberapa Ahli STA.

■ On 12 March 2008, three representatives from the Bank of Tokyo-Mitsubishi UFJ Ltd paid a visit to STA. They were Mr. Kazuya Oimatsu, Mr. Young Swee Ching and Mr. Chin Kah Hoe. Their visit aimed to look into the opportunities for the bank to extend their services to the timber industry. At STA, they were briefed by Dr. Lee Hua Seng, the Chief Executive Officer, on the roles, functions and responsibilities

of the Association as well as of the performance of timber industry in the State. Apart from visiting STA, the representatives also visited some Members of STA.

The Bank has been established in Malaysia for 51 years and has an extensive global network in Europe, Middle East and Africa, Asia and Oceania, North America and Latin America. ❁



Picture: One for the album

## Fourth Stakeholders' Consultation of the Malaysian-European Commission on FLEGT VPA

Sesi Perundingan Ke-empat Pemegang Amanah Harta Suruhanjaya Malaysia-Eropah tentang *Forest Law Enforcement Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA)* telah diadakan dari 17 hingga 18 Mac 2008 di Kuala Lumpur. Konsultasi selama dua hari telah dianjurkan oleh Kementerian Perusahaan

■ The Fourth Stakeholders' Consultation of the Malaysian-European Commission on Forest Law Enforcement Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA) was held from 17 to 18 March 2008 in Kuala Lumpur. The two-day consultation was organised by the Ministry of Plantation Industries and Commodities as a follow up to the Third Stakeholders' Consultation

that was held in Kuching on 15 November 2007. This Consultation was attended by approximately 150 representatives from the Ministry of Plantation Industries and Commodities, government agencies, Non-Governmental Organisations (Environmental and Social), timber manufacturers and timber trade associations.

The moderator for the Consultation was Datuk M.

(Continue on Page 24)

(Continued from Page 23)

Supperamiam. In this consultation, participants exchanged views on the timber legality assurance system (TLAS) especially on the principles and criteria of legal timber and details of control procedures.

STA in its statement, raised its concern that should the FLEGT-VPA system be introduced, STA Members will be subjected to additional control and problems such as land claims made by natives within the licensed forest area will increase.

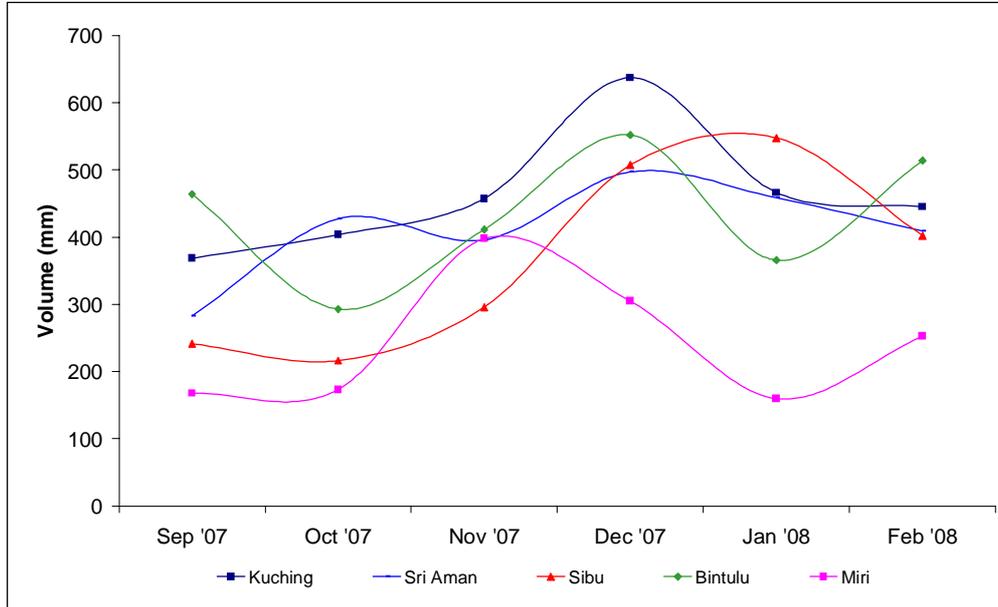
On the second day of the consultation, members of a group of social NGOs made a protest statement and walked out from the

Consultation. They claimed that their demand for the definition of legal timber to include 'such timber and its products shall be free from aboriginal or native customary claims, and free from aboriginal or native territorial boundaries' had not been met.

At the end of the Consultation, all parties were asked to provide their feedback and comments on the Consultation process to the Ministry of Plantation Industries and Commodities. ❁

Perladangan & Komoditi Malaysia sebagai lanjutan dari Sesi Perundingan Pemegang Amanah Harta yang telah diadakan di Kuching pada 15 November 2007. Dalam perundingan ini, peserta bertukar pandangan tentang sistem pengesahan kayu kayan sah terutamanya tentang dasar dan kriteria kayu kayan sah dan maklumat tentang tatacara kawalan.

## Rainfall : September '07 - February '08 Kadar Hujan Bulanan



Source : Malaysian Meteorological Services.

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