



The Sustainable Log *News*

Management Initiatives

The Sustainable Log

In November 2008 the new management team made a presentation to the Board of PNG Sustainable Development Program Ltd which involved a number of items to be addressed to turn this business around and make it profitable. The management of CBSFL asked the PNGSDP Board to give three things: TIME, MONEY and SUPPORT. This they have done and it is now nearly one year later and we have made good progress in working to fix the business. These items are;

New Equipment

We did not have enough road building or harvesting equipment to achieve our production targets and almost everything has now been delivered. The items still missing will be delivered within the next 2 to 3 months. Everyone will have seen this nice new fleet of vehicles and equipment and we need to ensure it stays looking new by using safe operating procedures as you have been trained and by following the Best Operating Practices which were implemented during September 2009

New Plant

It is obvious to all that the Bonoabo Mill is too small to process the 60,000m³ per year that we are required to process. Because we have such low production we are not able to make a profit and that is why the company has been running at a loss for a number of years. That is the reason why we are constructing a new Saw Mill in Bam to increase our production up to the contract levels and we look forward to commissioning this new Saw mill in Q2 2010

We also did not have sufficient capacity in our Wood Processing Centre at 9 Mile and we have already commissioned the new wood processing machines which will allow us to compete on the international market in terms of product Quality. Early next year there will be some further plant added to meet the production requirements of the new Saw Mill.

New Buildings

Most of you will have seen our new Head Office building at 9 mile which we have built from raw materials from Cloudy Bay FMA using our own machines and people. We have done this so that we can use this building as a show piece for

advertising our 'Building Solutions' Division which we hope will get us orders to build similar buildings or houses in PNG.

New Business Information Systems

Most of you will not have seen the work carried out with our new information systems where we have invested in and implemented a complete new Business Information system which runs our Accounts, manages our Assets, monitors our Sales and controls our Inventory. In addition we have commissioned a new Payroll system and you would have all seen the new payslips you get compared to the old sheets of paper you used to get stapled together. This system also has a strong HR function which allows us to record all the details of every employee including training done.

New IT Systems

Some of you will have seen the new computers that were installed to deal with our new information systems and to upgrade the old computers that are not capable of operating on our new business information system. We have also installed a wireless network so that all computers within the company are no longer stand-alone but are linked. In addition we have installed a new powerful central Server which will be accessible by all the staff with access to a computer in 9 Mile, 6 Mile or Cloudy Bay. This link will be a real-time online link so particularly the staff in Cloudy Bay will be able to work directly on the new business information system for managing costs and inventory.

