



DEPARTMENT OF LABOUR AND INDUSTRIAL RELATIONS

Private Sector Training and Monitoring Division

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INSPECTION REPORT

COMPANY: TURAMA FOREST INDUSTRIES LIMITED

SITE OF OPERATION: SIREBI & VICTORY LOGGING SITES
(Kikori District – Gulf Province)

DATE OF INSPECTION: 24th to 28th NOVEMBER 2003

INTRODUCTION

The Department of Labour and Industrial Relations is a member of the review team on ongoing logging projects in Papua New Guinea. The Department of Labour and Industrial Relations is mandated by the Employment of Non Citizens Act, 1978 – 1983, National Training Policy – Ref NEC 19/ 89, Localization Policy 84/89 and NTP section 6.101 and 6.102.

Our operational and administrative performance is guided by the three-year training plan format and guidelines 2000 and the work permit guidelines 2000.

The issuance of work permits for engagement of non-citizens is in essence, importation of skills and skilled personal to impart those skills to PNG citizen employees to acquire for advancement in nation building.

The inspection is part of the review of current logging projects undertaken under the auspices of the Department of National Planning and Rural Development and facilitated by the Forest Conservation Project. The Department of Labour and Industrial Relations is a member of the review team and undertook the inspections on Turama Forest Industries logging site at Sirebi and Victory logging camps in Kikori, Gulf Province. The Department of labour and Industrial Relations conducted the inspection to:

- Verify and ensure the non citizen position occupation against physical performance as approved under the company's three-year training plan submission.
- Determine if the company is actively facilitating their training implementation program as submitted
- Address general employment issues relating to wages and employment conditions etc.

This report is for perusal by the affected stakeholders and relevant state agencies including the logging project Review Team Leader and the Department of Labour and Industrial Relations. Upon viewing of this report, it is anticipated that appropriate decisions shall be made for the company (Turama Forest Industries) by the Department of Labour and Industrial Relations and respective agencies to enable corrective measures for application by the company to ensure compliance with respective legislative requirements and agreements.

Background to inspection

The three-year training plan submission for Turama Forest Industries was submitted by the company representatives in Port Moresby and was approved by the Department of labour and Industrial Relations through an approval letter dated 17th September 2003. This approval allowed for the company to apply for non-citizen work permits against those approved positions and were issued with work permits.

The inspection was undertaken over a four (4) day period commencing from Monday 24th November to Thursday 27th November 2003. We began with a brief meeting with Government officers at the Kikori Government station on Monday 24th November and continued on Tuesday to visit the company's operational site at Sirebi. On Wednesday 26th November, we visited another operational camp at Victory river dump. On the morning of Thursday 27th November, we held a public meeting with the landowners and government representatives at the Kikori Government station.

Apart from the organized meetings, we held meetings with various stakeholders on a one on one basis during the day as well as in the nights at our transit accommodation.

Explanation of how inspection was conducted

Information contained in this report was obtained through discussions with the operations manager and the personal officer of the company, various land owning group representatives, the employees and other reliable sources.

We also obtained information through visual observation, photographs and other documents made available to us for this purpose. The consultation with the company management was verbal as well as

Brief Statement of main findings

The findings from the inspection covers broad range of issues including the abuse of the training plan and work permit guidelines. There is lack of systematic training with no emphasis on skills transfer while at the same time, there is no concern of safe work practices.

The company is also faced with the mammoth task of progressing with its operations to meet production targets and deadlines. The company is compounded with many non-compliance issues to resolve while operating under unsuitable conditions including the weather pattern, the terrain, landowner commitments etc.

METHODS

Questions asked

The questions asked were subjective to enable free flow of information to generate discussion with understanding of issues relating to the operations complexities and constraints. The progression and continuity of operations is respected to ensure productivity. The company's operations manger and the personnel officer were interviewed in their site office at Sirebi base camp, while information were collected from our reliable source and employees at differing times and venue.

Questions relating to non-citizen position occupation were retrieved from the company's TLP submission as well as issues relating to citizen counterpart arrangement.

The number of questions asked to each party differed depending on the subject and issue at hand. The consultation session with the company management lasted more than 2 hours, as it required thorough explanation of the information contained in the company's TLP submission.

FINDINGS

1. Company Review Training Plan Submission

Turama Forest Industries three-year training plan submission was submitted to the Department of Labour and Industrial Relations and the positions were approved through an approval letter dated 17th September 2003, Ref 35- 5- 1/ 10

The company's 3YTP was assessed, evaluated and recommended for approval without any inspection to verify the information, as it was a review submission for renewal of non-citizen work permits.

- a) A physical inspection for the review submission is necessary to monitor the progress in the implementation of training and position localization by citizen employees who have been identified as understudies to respective positions.

This actual inspection was undertaken as part of the review of ongoing logging operations after the non-citizen positions were approved and work permits were processed and issued.

- b) It was established that the citizen understudies identified for counterpart training arrangements are performing in those assigned responsibilities, however, the targeted year for localising those positions is unrealistic, given their level of qualifications and experiences. A classic example is that of

Mr. Alphonse Mongko, who posses a bachelors degree in forestry and has been in the industry for 25 years at management level.

The company's TLP submission is not realistic with a lot of flawed and incorrect information.

2. Position Occupation by Non Citizens

A total of 51 non-citizen positions were approved with 45 work permits processed and issued on the 1st November 2003. Nine (9) positions were rejected and the company advised to localize those 9 positions.

- a) There are 24 non-citizens employed at the Sirebi logging operations in various occupations while there are 14 non-citizens at the Victory logging operations.

There are 196 citizens engaged at Sirebi while 110 are engaged at Victory logging camp. At the time of this inspection, the figures for citizen employees could not be verified due to circumstances beyond our control. Likewise, visual observation indicated inconsistencies in the number of citizens engaged in those logging camps as opposed to the figures indicated.

- b) We identified many anomalies and exaggerated position occupation titles within the company. This also applies to most or if not all logging companies in the country. When submitting their TLP submissions for position approval, the companies indicate very high profile position occupation titles such as admin superintendent, stores superintendent, catering superintendent, roading superintendent etc. Likewise, the qualifications and experiences indicated in the job descriptions of these occupations are absolutely contradictory and inconsistent.

While the occupation titles are so high, the actual level of physical performance can be rated a middle level position. Consequently, citizen employees can occupy these occupations so long as the working environment is conducive and not discriminative against citizen employees.

Logging companies are exaggerating the position titles only to obtain position approval then practically engage semi skilled and unqualified non-citizens in those occupations. Incidentally, the PNG classification of occupations administered by the DLIR is very general in certain occupations. E.g. Forestry workers and loggers, code 6141, other forestry workers NEC, code 6149. These occupations are prohibited to foreigners. However, the logging companies are taking advantage of the general occupation codes and continue to abuse the classification of occupation at the ignorance of the DLIR.

c) The following violations of the training plan approvals and work permit were detected during our inspections and they include but is not limited to the following:

- Case No. 1
Approved position - stores superintendent
Position Number - ASS 01
Work permit number - 2006100139
He was seen physically serving consumable items such as soap, salt and sugar etc at the trade store.
- Case No. 2
Approved position – catering superintendent
Position Number – ACT 01
Work permit number – 2006100172
He has left the kitchen and is now being trained to become a chain saw mechanic as witnessed during the inspection.
- Case No. 3
Approved position – export superintendent
Position number – EMS 01
Work permit number – 2006100165
He was seen identifying logs to be lifted by the crane onto the ship at the river dump at Sirebi.

3. Citizen Employees Training Implementation

The exact number of citizen employees mentioned in 1.2 (a) cannot be verified at the time of this report, due to factors relating to their work and living locations.

The citizen employees are mostly from other parts of the country and none from the immediate land owning groups. Except from the Baimuru district of the Gulf Province. Arguments raised by the landowners on employment opportunities cannot be verified and substantiated as we are reliably informed there is a general trend of complacency and lack of interest in working for an income with the company.

- a) The level of training provided to citizen employees cannot be proven as the company continues to engage non-citizens. There is no evidence of skills training and transfer to facilitate counterpart-training arrangements. This effectively creates doubt on the credibility of information provided in the company's training plan submission.
- b) There is no evidence of trade skills and apprenticeship training being conducted on the logging sites especially in the apprenticeable trades of electrician, heavy equipment mechanic, saw doctor etc. Citizen employees learn the skills of the trade through hands on self-teaching in very tiring conditions and difficult environment. The nature of operations and associated factors makes it difficult for any formally arranged training to take place.
- c) Most of the citizen employees are engaged as jinker drivers, chainsaw operators, hook man, bulldozer operators, workshop assistants and other non-technical responsibilities.
They work in road construction, tree felling and other general duties.



- ❖ An employee using a chainsaw without protective shoes, glasses and ear protector

4. Occupational Safety and Health

Observation on Turama Forest Industry's safety practice leaves a lot to be desired as safe work practice is non-existent. Physical observations on the various job sites reveal absolutely no regard for safety and safe work practices. While discussions reveal that the company has done nothing to facilitate and promote safety at the workplace. It is not known if the company has a safety policy manual in place for compliance by employees.

Reliable information reveals that all the employees are made to purchase their own safety apparels, as there is nothing in the storeroom for use by employees. The employees have no safety apparels whatsoever, leaving the risk of personal accidents very high.



- ❖ Employees work without safety footwear and safety glasses.

5. Personnel Matters

There have been a lot of issues on citizen employees working conditions raised by both the employees and the management at the logging operational sites. Both factions provided conflicting information contrary to each other with no resolve in sight. While the company management maintains it's commitment to the employees, the employees concerns cannot be openly addressed and verified for fear of intimidation and reprisals. We are mindful of the repercussions it will have on the employees continued employment, as we are not there all the time to ensure fairness and natural justice for the employees.

Concerns of the employees relate to the following but are not limited to the following:

a) Minimum wage

There is a disparity on the wages of employees paid on cubic metre arrangement to that of other classification of workers.

The concerns on deductions for food rations and leave entitlements cannot be verified

b) Living conditions

The make shift accommodation for citizens with overcrowding problems is evident with imminent health hazards. No proper containers for safe drinking and cooking water. No lightning is provided in the night for employees at the bush camp.

c) Dispute resolution

There is no fairness and justice in any dispute resolution process between the management and the employees.

The company uses the members of the Police Force to assault employees who raises concerns on personnel issues. There is evidence of this abuse and suppression of workers rights amounting to violation of human rights by the company.

CONCLUSION

The participation by the Department of Labour and Industrial Relations in the review of ongoing logging projects is very timely and worthwhile. While DLIR is faced with resource problems, collaborative opportunities like this review is important to implement policies to ensure compliance of regulations and policies.

Turama Forest Industries has openly violated the TLP and work permit guidelines. However, the conditions upon which the company operates and the factors affecting these conditions needs to be understood and given due consideration. A company presentation to DLIR would be a worthwhile cause to take at this juncture, given that the necessary approvals has been effected.

There are a lot of non-compliance and violation of the guidelines by the company highlighted in this report. The company needs explain its position through a presentation with the Department.

RECOMMENDATIONS

1. The Department of Labour and Industrial Relations in collaboration with the National Forest Service review the current PNG classification of occupation.
2. Turama Forest Industries Limited to provide evidence of their training implementation plans and for them to comply with the Departments directives before TLP is reviewed and work permits are renewed.
3. Turama Forest Industries to justify the exaggerated occupation titling and for the Department to invoke the prohibited classification of occupation.
4. The Department of Labour and Industrial Relations to revoke and cancel the work permits of the 3 non citizens identified in this report
5. The Department of Labour and Industrial Relations in consultation with the review team leader conduct inspection visits to all ongoing logging operations earmarked for review.