

## Client Services Procedure Manual

**Procedure:** 405.00  
**Subject:** The Logging Industry

### 405.01 Introduction

Registration requirements and the methods of assessment differ for some employers in the logging industry. This procedure will address registration, assessments, coverage and other topics related to the logging industry.

WorkplaceNL assesses the operations of the logging industry under two main industry components: timber harvesting and timber processing.

### 405.02 Timber Harvesting

Timber harvesters, cutters or loggers pay assessments based on volume in cubic meters of timber cut for all timber products. The rate per cubic metre covers accessing the timber stand or harvesting area, falling or cutting down the tree, preparing the tree for transportation and transporting the tree from the cutting site to the sawmill, wood chip operation, pulp and paper mill, or other processing sites.

The provincial Department of Fisheries and Land Resources is responsible for issuing cutting permits for crown lands. Some of the timber products harvested from crown lands include: pulpwood to be sold to local pulp and paper mills, pulpwood for export, saw logs and firewood. The person or firm who owns the cutting permit or cutting rights to the land on which timber is cut must register and pay the assessments.

#### **Operations Incidental to Timber Harvesting**

WorkplaceNL considers all payroll for operations incidental to pulpwood logging and operations as being covered by the assessment on the total cubic metres produced for timber harvesting. It is not necessary for the employer to report the dollar value of its timber harvesting payroll.

Examples of operations considered incidental to timber harvesting are as follows:

- road building to harvesting site;
- trucking and supply of material and equipment to that site;
- the actual falling or cutting down of the timber; and
- trucking the timber from the harvesting site to the production site.

Some of the positions that are incidental and included under the cubic metre assessment are:

- loader/boom truck operators;
- mechanics;
- timber drivers; and
- scalers.

Sometimes operations considered incidental to timber harvesting are performed by contractors and not by workers employed directly by the harvesting operation. WorkplaceNL considers the assessment on the contracted workers' earnings as included in the cubic metre assessment the operation pays on the cubic metre harvested. Both the contractor and their workers are entitled to compensation under the Workplace Health, Safety and Compensation Act, 2022. In this case, it is not necessary for a contractor whose only work is covered by that assessment to register with WorkplaceNL. However, if the contractor is an employer registered with WorkplaceNL and is engaged in other industries, as well as timber harvesting, WorkplaceNL allows deductions from total payroll for the portion that can be identified as incidental to harvesting company operations.

### **405.03 Timber Processing**

Employers engaged in other aspects of the logging industry, such as saw log/pulpwood handling and processing and chip or pellet operations, must register and pay assessments based on the payroll of its workers. A woods operator could be involved in harvesting one or several timber products and at the same time, be an operator of a saw mill or other processing operation. These employers will require more than one account with WorkplaceNL: one for their timber processing and one for each additional operation. Each account would require separate registration and assessment.

The following are examples of processing operations that would be assessed based on payroll:

- saw log handling at a sawmill yard and sawmill operations personnel, including support staff;
- sawdust handling at a pellet processing operation and pellet production operations personnel, including support staff;
- saw log/pulpwood handling at a wood chip site and wood chip operations personnel, including support staff; and
- timber handling at the pulp and paper mill yard and paper mill operations personnel, including support staff.

### **405.04 Other Coverage**

An unincorporated cutting permit holder who is not an employer, as defined by the Act, has no coverage. However, if they are interested in obtaining coverage they may apply for optional personal coverage, as outlined in Procedure 103, Optional Personal Coverage and Householder Coverage. The amount of earnings for which the applicant requires coverage must be given in dollars and not in cubic metres and the terms and conditions for optional personal coverage apply.

If an operator becomes an employer, they must register with WorkplaceNL and only then is the operator automatically covered for their work in harvesting by the assessment that they pay on the firm's production in cubic metres. This is consistent with coverage as explained above in 405.01.

As with any proprietor or partner of an unincorporated business, the proprietor or partner is not covered for work in the operation of their sawmill. If coverage is desired for that operation, optional personal coverage should be applied for as per Procedure 103.00.

If the permit holder only contracts out timber harvesting they must also register with WorkplaceNL, complete the quarterly production reports and pay assessments and any related fees on the cubic metres assessed on their account.

**405.05 Reporting**

For timber harvesting, the assessment year is divided into quarterly production periods. Production during each period must be reported at the end of the period. WorkplaceNL provides an Employer’s Quarterly Production statement to the permit holder prior to the end of each production period. The permit holder must return the completed statement according to the following schedule:

<b>Quarterly Production Statement</b>	<b>Reporting Deadline</b>
1 <sup>st</sup> Quarter (Jan 1 – Mar 31)	April 15
2 <sup>nd</sup> Quarter (Apr 1 – Jun 30)	July 15
3 <sup>rd</sup> Quarter (Jul 1 – Sept 30)	October 15
4 <sup>th</sup> Quarter (Oct 1 – Dec 31)*	January 15

Payment is due in full 30 days from the invoice date.

Failure to meet the quarterly reporting deadlines will result in late reporting penalties. Even if there is no production to report, the statement must be completed to indicate zero production and filed with WorkplaceNL on time.

For timber processing, the reporting requirements are the same as for any employer reporting payroll. These employers must submit an Employer Payroll Statement by February 28 of each year.

**Reference:** Workplace Health, Safety and Compensation Act, 2022, Section 47(1)(d)  
The Forestry Act  
Workplace Health, Safety and Compensation Regulations, Section 25.1  
Procedure 103.00, Optional Personal Coverage and Householder Coverage

**Amendment History**

Original Effective Date                      2018 09 11