

DAIRY UPDATE FROM SADA



In Partnership with



17 February 2011

PRESIDENT'S REPORT

David Basham

The start of 2011 has been the busiest period in the time I have been President of SADA. Late last year the president of ADF, Wes Judd had his farm totally flooded by the Condamine River. I decided to go and help him on his farm and the QDO in their office deal with the floods. The last day I was there, the QDO decided they also needed to evacuate their office as the Brisbane River rose. The damage to the Judd's farm was extensive leading to them having to move their cows to another dairy farm and they still have not returned.

Then on the 25th of January ADF received a copy of a press release from Coles identifying that they were dropping the price of home brand milk to \$1 a litre. The ADF responded with several media releases criticising Coles for their actions. This issue has had over 500 articles written about it with most supporting the dairy industry. The amazing thing in this pricing debate is that Coles' main rival Woolworths has come out publicly and said they do not believe this discounting of milk in supermarkets is sustainable and will in the long term hurt farmers' returns. This has opened up an opportunity for ADF with the support of the states to drive the issue hard and allow consumers to weigh up the long term risks of this pricing strategy. We will do everything we can to try and change the supermarkets position. Coles have very deep pockets but ADF & SADA think it important to continue to take them on.

The third big issue that has occupied much of my time is the new standards for time off feed for calves destined for slaughter. I would like to let you know of my disappointment on some media outlets, in particular the channel ten's 7PM Project, for their totally unbalanced portrayal of the issue. Hopefully the following points assist you in your understanding of the issues:

- There may be a push for 24 hours which will be difficult for calf processors to manage and may lead to the loss of the market of calves for slaughter in most SA.
- The independent research that the Dairy Industry and the Federal Government commissioned, the

Fisher Report, that supports the 30 hours time off feed standard, has been independently peer reviewed by an international expert in that area as part of the diligence in the commissioning of the research.

- Hunger is non-quantifiable and is a subjective measure, consequently the University of Melbourne researchers believe it is inappropriate to use in the development of a standard. Andrew Fisher did observe some behavioural signs of hunger such as suckling but also noted that they were typical behaviour of calves in a normal on-farm situation. He did not observe any cases of weakness or shaking that might suggest that the calves were physiologically challenged as a result of any hunger or the lower glucose levels.
- There is also a suggestion that the maximum time off feed standard should be shorter to account for those cases where calves are not prepared adequately for sale on farm. What is not mentioned is that there are already standards in place to address this issue (other required good management practices) to ensure calves are fit for transport and the proposed time off feed. These standards include:
 - Calves must be at least five days old
 - be protected from cold and heat
 - be in good health, alert and able to rise from a lying position
 - have been adequately fed milk or milk replacer on the farm within 6 hours of transport
- Some comments suggest that the maximum time off standard will be the default time that all calves are expected to be off feed. It should be recognised that the proposed standard provides a limit for time off feed that is legally enforceable. However, this limit, defined by the standard, does not reflect the actual time that the majority of calves are normally off feed. Industry practices are already directed towards ensuring calves are prepared, transported and slaughtered within the shortest possible period.

Dairy farmers care for the welfare of their animals and I am disappointed this has been lost in the current debate in the media.

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Welcome to the first SADA Dairy Update for 2011. In this issue we will begin by covering the regional water plans that we spent so much time on over recent years and this year will tell whether all the work over several years will pay a dividend. In terms of the season the La Nina has ended the drought but unfortunately caused some serious problems interstate. But the big news this week is about future farm gate milk prices. The good news comes from the export market with prices looking good and "step ups" from MG, WCB and Fonterra. The bad news is the supermarket discounting dairy retail prices are saying they will be "Down and Staying Down" This is expected to seriously devalue our domestic dairy sales leading to downward pressure on farm gate milk prices. I have written a report on the issue which basically answers the question I have been getting from our membership. Finally there is some practical advice from Chas Cini on recruiting new employees and paid parental leave.

SOUTH EAST WATER

People are pleasantly surprised at how fast the aquifers are being replenished and therefore with another wet year, as is predicted, the delays in the new Water Plan for the region should come at little cost to the resource.

To the credit of the Rann Government, they have over many years and with several Ministers, held the line that all significant water users, including plantation forestry, will be included in the new SE Water Allocation Plan. Following the last state election it was pleasing to have confirmation from Minister Caica on the inclusion of plantation forestry that; "A re-elected Rann Labor Government is committed to ensuring that all users of water be treated in an equitable fashion, particularly where the water resource is under pressure. That is why we have moved to amend the NRM Act".

Currently the NRM Act Amendment is before the State Parliament and while the key reason for this amendment was to allow for the inclusion of plantation forestry we notice that there are a number of other issues that have arisen and will also need addressing. But even if the forestry lobby was successful in having plantation forestry excluded from the NRM Act (this time round) then the government would have to seek other means to limit both; **the damage from plantation forestry to the environment**, and in terms of **delivering some equity** between all the water users.

One issue that is being revisited and discussed in relation to these water plans in SA is that of whether compensation is payable if water is transferred from an existing water license to another sector. To date the SA government has been quite definite that it can take water from irrigators without compensation unlike the commonwealth which is legislatively committed to the payment of compensation.

So let me explain this is a little detail because this is important and potentially a multi-million dollar issue.

Contact: Ken Lyons 8293 2399 or 0419 037 569

COMPENSATION OR "RISK ASSIGNMENT"

A significant issue that needs to be resolved and is relevant to all Regional, State and National Water Planning is that of compensation and property rights in relation to water licenses. The technical term used instead of compensation is "risk assignment". Currently we believe there are differences between the various governments on this issue. Some Governments, like SA, do not currently have legislation to cover this but relies on interpretation of points in the NWI (National Water Initiative). But you end up with different answers depending on the sections you wish to quote from. For example; the way the MDBA interpreted the Water Act was that the environment was to be given priority but this has now been reinterpreted to the environment, social and production having equal priority. Remember all the different legal opinions and threats go to the High Court. So what could happen is for the NFF to get some national agreement with COAG (all states and the federal government to sign off on a common approach). The alternative could be there are different rules in different locations (potentially lots of bun fights and a dog's breakfast of winners and losers). We believe at this time only the Commonwealth and NSW have legislated on "risk assignment".

So SADA is seeking to progress this issue with Dairy Australia, Australian Dairy Farmers and NFF so irrigators across Australia are treated both fairly and equitably on this issue. This gets to the heart of the question of security of a water license as a property right.

Contact: Ken Lyons 8293 2399 or 0419 037 569

THE WESTERN AND EASTERN MT LOFTY RANGES

The Draft WAP for the Western Mt Lofty Ranges was released for public consultation and comment late last year. There has been a significant negative reaction from the irrigators and the community. During the early stages of the development of this plan industry was closely working with government and the expectation then was that the draft Plan would be close to a workable plan that could be ticked off by industry, community and government. Now it would appear that there are some very significant issues that need to be addressed and confidence in the "consultation process" needs to be restored.

I would like to pay particular thanks to Amy Williams for the work she has done to provide a good scientific basis for an industry response.

The Eastern Mt Lofty Draft Plan will come out shortly and may have some of the same concerns we have with the Western Plan. There is a further complication in that this Plan must be consistent with the MDB Plan which at this time is far from resolved.

Contact: Ken Lyons 8293 2399 or 0419 037 569

DEVALUING DAIRY PRODUCT ON THE DOMESTIC MARKET

It has been just over two weeks that Coles announced the dropping of the milk price to \$1 per litre followed by the price drops for butter and cream. Many members have been asking questions such as; why this development is so important for the Australian dairy industry, how is the industry responding, and finally about going forward with the issue.

So this report addresses these questions from members.

WHY THIS ISSUE IS SO IMPORTANT?

Some people may say it will not affect me because I supply an export processor and others may think this discounting by Coles may be a short term grab for market share and so in the short term all the losses will be born by Coles. But the truth is that Coles are saying the prices are "coming down **and staying down**" and the longer these prices stay down the greater the damage to the dairy industry. The consequence of the decision by Coles to keep these prices down in the longer term means;

- The other major retailers will keep their dairy prices at a similar low level (so virtually the entire national domestic dairy grocery market gets devalued).
- It is expected that there will be a growth in the low margin house brands.
- There will be unsustainable pressures on both processors and farmers.

- There will be pressure to drive farm gate prices down.
- Potential to destroy the value of dairy product (consumers will come to expect and accept that dairy products have a new low value)
- Potential to see farmers exit the industry in large numbers especially in those states servicing the domestic market.

The statement by Coles that they are covering the cost of the price reduction in the short term is accepted but it is the longer term that they need to address and provide the assurance that this will not affect dairy farmers.

THE DAIRY INDUSTRY RESPONSE TO COLES DISCOUNTING

It did not take too long for the dairy industry to realize that this was a major threat to the very survival of our dairy industry (and especially in the states of QLD, NSW and WA with the largest exposure to the domestic market).

So the key responses included;

- The industry through ADF released a press release challenging Coles to explain how they could say their actions would not put downward pressure on farm gate milk prices in the longer term. This was an especially strong Challenge given that the other major supermarkets decided to break ranks and they disagreed with Coles and supported our industry in saying the low prices were unsustainable. Since the release of the "Challenge" (over a week ago) there has been no reply from Coles apart from the constant attempt to dodge the challenge by only talking about the short term.
- James Stacey, Andrew Koch and Gary Zweck last year moved to involve Senator Nick Xenophon in the plight of the dairy industry. They made the time to brief the Senator (Andrew, Gary and myself spoke to Nick during the Adelaide Show week) and other politicians on the concerns of the dairy farmers. Particularly the lack of action following the Senate inquiry into dairy pricing and supermarket power. The on-going contact through James Stacey enabled Nick and James to immediately jump into the press as soon as Coles made the announcement commencing with a joint TV press conference out side of the Gouger St Coles store. James Stacey, David Basham and Robert Brokenshire all played prominent roles in the press at this time. Then on Wednesday 9th Feb. Senators Xenophon, Colbeck and Milne successfully moved and had passed a resolution that the impact on the Australian dairy industry of the discounting by Coles and followed by the other retailers should be referred to a parliamentary committee for inquiry and report back by 15th April. Again this was followed by significant media coverage across Australia. James suggested to Nick on the evening of the 9th that he should attempt to get

the government involved and so on the morning of 10th February Nick Xenophon made a public call for Prime Minister Gillard to intervene and again this generated further media coverage.

- On Wednesday 9th February the Shadow Agriculture Minister John Cobb invited ADF to join with him on urging Wesfarmers shareholders to sign a resolution calling for an extraordinary general meeting to explain the price cuts to Coles' milk, butter and cream products. ADF issued another press release again this move also generated a round of press in all the major media and news programmes (half page on page 3 of The Australian).
- ADF is seeking legal advice on changes to the Trade Practices Act that may provide a fairer go for farmers without restricting competition. This will take maybe a year to achieve a result but it may well turn out to be a really key outcome for the longer term. Remember these supermarkets are playing within the law and they are not setting out with the objective of damaging the dairy industry. They are focused on competing between themselves and it just happens the dairy industry could be hit with some serious "collateral damage".

GOING FORWARD

- The discounting is expanding to other agricultural industries and so this will grow the issue and bring in new players including, other commodities, NFF, retail Grocery Association etc. Now is the time for all these groups to come together and get focused on a single approach to government. It was less than two years ago that a Senate Inquiry into dairy industry prices and competition concluded that the trade Practices Act was "not operating effectively". How often have we heard and read reports that have said that Australia and New Zealand are the only two nations in the OECD which do not have specific anti-competitive price discrimination laws.
- The super market public relations managers are reported to be currently wandering around the corridors of Parliament House so we need a presence there and ADF and Nick Xenophon are making the appointments for us as I write. The key to these meetings will be having a clear position on our solution to the issue.
- It has been suggested that we need the help of our national dairy organisations to get our message in the new internet platforms (Twitter etc). Also the dairy industry needs accurate data, facts and figures from Dairy Australia so our industry is informed, we are developing good policy and our media to the community is sound.
- Here in SA when we suggest that consumers buy the "branded product" we can add that the SA Dairy Farmers branded milk from Clarence Gardens won the prize for the best milk at the Grand Dairy Awards in Melbourne last week.

This is a very brief report but I hope I have covered at least the key issues.

Contact: Ken Lyons on 8293 2399, mobile 0419 037 569 or David Losberg (ADF) on 03 8621 4200.

ADF PRESIDENT'S UPDATE

Wes Judd

I sit here writing this looking out at a great deal of water and thinking it wasn't a great finish to 2010 for many dairy farmers in Queensland and parts of Northern New South Wales. The start of 2011 hasn't been much better with flooding continuing in the north, Victoria being severely affected as well and Tasmania experiencing some of its heaviest rain ever.

There has been repeat flooding in many parts of Queensland, particularly in parts of the Burnett, Darling Downs and Sunshine Coast. This flooding has left some farms isolated on several occasions; preventing milk pickup. Damage to infrastructure such as roads and fences is still being accessed but is significant. This will take a lot of money and a long time to repair and will affect dairy farms in the region for many months to come.

On a personal note our farm on the Darling Downs was flooded twice with a lot of damage but I'm happy to say that everyone is safe. We evacuated vehicles, motors and other equipment and all the cows that we could find were evacuated to where our temporary accommodation was.



The photo above shows our farm in early January, the water level got quite a bit higher.

On behalf of myself and LeAnne, "A big thank you to the army of helpers who just lobbed in and were totally fantastic"

Due to the big task ahead of us in getting the farm back on track I will be taking a leave of absence of six months from my ADF President duties. In my absence, the two current ADF Vice Presidents, Chris Griffin and Adrian Drury, will be fulfilling my duties. I wish Chris and Adrian all the best for the next six months and have every confidence in them and the ADF team.

To all the dairy farmers out there, particularly those affected by floods, all the best for 2011 and I look forward to working with you again in six months.

QUEENSLAND FLOODS

As we all know dairy farmers across Queensland have entered 2011 battling an extended period of wet weather and some of the worst floods on record.

The Burnett, Condamine and Fitzroy (and tributaries) river systems and some parts of SEQ have experienced the worst of the flooding, although the disaster extends over many other regions of the State.

Over 450 dairy farmers operate in the major affected regions. It is estimated that over 100 farms were cut off entirely, rendering them unable to transport milk off their properties. In the worst cases, entire farms were inundated by record river heights which caused stock losses. The exact cost to the industry will not be known for several weeks.

The dairy industry response to the flood emergency is being coordinated by QDO and Subtropical Dairy Programme from the QDO office with back-up support from Dairy Australia and co-operation with milk processors and government field staff. A dairy industry flood response group is working to plan and oversee the implementation of the industry's response and recovery plan. The central response command centre is in the QDO offices. Back-up support is being provided from the Subtropical Dairy Programme and Dairy Australia.

QDO has appointed a support officer to help producers to access assistance and support services. The current focus of QDO is to help dairy farmers get their operations on track as quickly as possible.

The QDO has pulled together a cross industry flood recovery group to work on the industry recovery plan, including Subtropical Dairy Programme, Dairy Australia, Queensland Farmers Federation, Australian Dairy Farmers, Parmalat, National Foods and Norco.

Adrian Peake and the staff at QDO have done a tremendous job during a time of hardship. Apart from the hard work they have done contacting and supporting dairy farmers, QDO have raised over \$350,000.00 for affected dairy farmers through the Dairy Farmer Flood Relief Fund. The money will be used to provide assistance to dairy farming families whom have been severely impacted by flooding over recent weeks. This is a fantastic effort and we'd like to thank all who have donated and urge others to donate and help out their fellow dairy farmers.

Donations can be made through the QDO website, www.dairypage.com.au or via the attached QDO Dairy Farmer Flood Relief Fund Donation Form.

100% of donations will go to affected dairy farming families and are tax deductible.

The distribution of all donated funds to affected dairy farming families will be overseen by the QDO Executive and regional industry representatives.

We'd also like to note, and commend, the generosity of dairy companies after they collectively donated \$300,000 to dairy families affected by the Queensland floods.

Six organisations have contributed \$50,000 each to the QDO flood appeal. The organisations are Bega Cheese, Tatura Milk Industries Limited, Warrnambool Cheese and Butter, Fonterra, Murray Goulburn Cooperative Co. Ltd and The Geoffrey Gardiner Foundation. In addition, the Burra community has teamed up and all donated a days wage, profit and milk to make a huge donation to both Queensland and Victoria dairy farmers. More about this story is on the ADF website.

It is great to see people and organisations from across the industry supporting flood affected farming families and we appreciate all donations.

Contact: *Natalie Collard 03 8621 4200*

Queensland Flood Recovery Co-ordinator
Karen Rosner - QDO
Ph: 07 3236 2955
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Email: dairyhelp@dairypage.com.au

NEW SOUTH WALES

Several parts of New South Wales were affected by flooding over the last couple of weeks. Areas around Grafton in Northern NSW were most severely affected. We understand that some dairy farmers were impacted and did not have their milk collected. The flooding in New South is receding at the time of writing and we hope this continues to be the case.

VICTORIAN FLOODS – SITUATION UPDATE

A summers worth of rain fell in five days last week with up to 200 millimetres in some parts of the state. Maryborough received 222mm, Inglewood near Bendigo 216mm, Kyneton 263mm and the Wimmera community of Jeparit copped 161mm in a 24-hour period. More than 1,770 properties and in excess of 4,400 people in the north and northwest of Victoria have been affected so far with up to 8000 properties losing power. Murray Goulburn Rochester is closed and milk is being transported to MG Cobram and Fonterra. Over sixty dairy farms and tankers cannot get through to at least five farms. In South West Victoria some roads are not passable and some dairy farms are in danger of being flooded.

Our thoughts are with all those who are flooded or affected by the flood in some way and we hope the situation returns to normal as soon as possible. Donations can be made at www.vff.org.au

TASMANIAN FLOODS – SITUATION UPDATE

Last week some of Tasmania's heaviest-ever rain has forced the evacuation of residents across the state, with rivers and dams bursting their banks. The state has been lashed with the same storm front that has hit most of the east coast of Australia, with parts of the state receiving record-breaking daily rainfall totals.

We wish affected residents and farmers all the best and hope that damage is minimal.

ADIC BASIN RESPONSE MEETS WITH MIKE TAYLOR, MURRAY DARLING BASIN AUTHORITY

On Thursday 2 December the ADIC Basin Response group met with Mike Taylor (then) Chair, of the Murray Darling Basin Authority. Mike advised the meeting further legal advice received by the MDBA stated the Water Act focus was not socio-economic outcomes, but the environment. He said until there was clarification the MDBA would continue to be constrained by the Act and indicated that the legal position needs to be clarified.

He advised it was important for the dairy industry to communicate solutions to the MDBA and relevant Federal and State government ministers.

Contact: Beverley Wallace 03 8621 4200

ADIC BASIN RESPONSE SUBMISSION TO MDB AUTHORITY

In December the ADIC Basin Response forwarded the dairy industry submission responding to the findings of the *MDBA Guide and Technical Background to the Proposed Basin Plan*.

In the submission the ADIC outlined the dairy industry's concerns, explaining the Guide does not provide a good foundation for the development of a balanced plan for a more sustainable Basin.

The submission stated the Guide had only created confusion and increased uncertainty among dairy farmers and their communities about the future availability and security of access to water in their regions.

Another concern was the scientific analysis underpinning the Guide is not fully developed and specific environmental outcomes and non-flow outcomes are inadequately explained.

The ADIC is continuing to urge the Australian Government and the MDBA to develop a plan that aims for sustainability for Basin stakeholders and to examine practical measures for achieving well-defined environmental outcomes.

The ADIC submission can be viewed on the ADF website at www.australiandairyfarmers.com.au

The submission was also forwarded to the House of Representatives and Senate inquiries

Contact: Beverley Wallace 03 8621 4200

PRODUCTIVITY COMMISSION INQUIRY INTO RURAL R&D CORPORATIONS

The Productivity Commission's (PC) final report to government on its inquiry into Rural Research and Development Corporations (RDC's), which includes Dairy Australia, is due on 15 February 2011. The report must then be tabled in parliament within 25 parliamentary sitting days of the Treasurer receiving the report.

The PC is examining the effectiveness of the current RDC model and also examining the appropriateness of current funding levels.

ADF, as part of the Australian Dairy Industry Council (ADIC), has put in two submissions to the inquiry and also appeared before the PC at its public hearings.

The key points made in the submissions and at the public hearing were:

- Dairy Australia has good links with its stakeholders which results in close alignment to their needs and increased industry take-up of Research, Development & Extension (RD&E);
- The current model works well to achieve significant leverage and support of the dairy industry's RD&E model and helps dairy compete in a global market;
- Government funding levels for agricultural are comparable to other industries and the ADIC does not support the PC's contention that RDC's are funded at a level that is significantly higher when compared to other industries;
- The ADIC queried the formula used in coming to the above conclusion and does not support reducing the Federal
- Government's matching contributions by half;
- The ADIC maintains that if the matching contribution is reduced there is not the capacity or incentive for dairy farmers to fill the gap in funding as the PC simplistically contends; and
- The ADIC believes the PC's proposal to reduce Government funding is too narrowly focused, short-sighted and undervalues the contribution that dairy makes to regional communities, the economy, food security and the health and well-being of Australians.

The ADF, ADIC and Dairy Australia will continue to push hard to ensure that Government understands the importance of RD&E to the dairy industry and its future and that reducing government funding by half

is just not the right thing to do for the dairy industry or the wider community. Dairy faces many challenges in the future and this is not the time to be cutting funding. RD&E is vital to help our agricultural industries face these challenges, particularly in light of the current flooding in Queensland and Victoria.

The submission to the PC is available on the ADF website at www.australiandairyfarmers.com.au

Contact: David Losberg 03 8621 4200

AGVET CHEMICAL REGULATION

On 7 December, the Minister for Agriculture, Fisheries and Forestry released a Policy Discussion Paper, *Better Regulation of Agricultural and Veterinary Chemicals*, seeking stakeholders' views on the options for improvement of efficiency and effectiveness in assessment, registration, review and compliance in the agvet chemicals sector. ADF, ADIC and DA teamed up to lodge a submission. The submission is available on the ADF website.

EMPLOYERS MUTUAL



"Employers Mutual is the sole claims agent for WorkCoverSA and has recently appointed a new Client Services Coordinator Adam Creek. Adam will be located within its South East regional office at 102 Commercial Street East, Mount Gambier. Adam is able to

assist South East SADA members with their workers compensation queries and to conduct on-site workplace visits by appointment. He can be contacted on 08 8723 5202 or 0458 560 056 or at a.creek@employersmutualsa.com.au for further details.

For SADA members in other areas of South Australia, please contact Employers Mutual Client Services Coordinator Sue Lamkin. For further information or advice regarding your workers compensation requirements Sue can be contacted on 08 8127 1481 or 0435 962 878 or email Sue at s.lamkin@employersmutualsa.com.au



WARNING ON WORKPLACE HEAT STRESS

SafeWork SA is urging workplaces to ensure appropriate measures are in place to avoid the ill effects of heat stress, given the current unseasonal heat across South Australia.

"Employers are legally obliged to provide a safe working environment, and managing such an obvious and foreseeable hazard as hot weather is a necessary part of that duty of care," says SafeWork SA Acting Executive Director, Bryan Russell.

"Temperatures in workplaces such as industrial sheds can sometimes exceed 50 degrees, and the risk is especially present in open air or outdoor workplaces such as construction sites, storage yards, outdoor utility installations, tarmacs, roads and farms," Mr. Russell says.

"Working on through the symptoms of heat stress, can lead to serious illness and in extreme cases, death."

The symptoms include: headaches; fatigue; dizziness or fainting; increased sweating; mood changes such as irritability or confusion, and possibly an upset stomach or vomiting.

"Working in a hot environment can also impair workers' concentration and that's when harmful incidents are more likely to occur," Mr. Russell says. SafeWork SA recommends the following measures to avoid harm in the workplace from the ill effects of heat:

- Alternative job planning - such as starting earlier in the day, or scheduling work so that more physically demanding tasks are done when it's cooler.
- Rotate workers who have to work in direct sunlight – doing so can help reduce the length of sun exposure for each person. Where possible, provide artificial shade such as umbrellas, shade cloth or a sunshade.
- Keep well hydrated – this is critical, and SA workplace safety laws require that fresh drinking water be provided at all workplaces.
- Adequate ventilation – wherever possible, the work environment should be ventilated by the use of fans or other means.
- UV protection - sunblock and wide-brimmed hats should be supplied as part of personal protective equipment.

While many workplaces may have hot weather policies in place, should work be called off, pay arrangements are dependent on the prevailing award or agreement conditions in the businesses concerned.

Heifer Agistment

Meningie area

All heifers agisted are on a live weight gain basis with management tailored to suit each dairy farmers need.

Phone Henry
Mob: 0428 751 263

RECRUITING EMPLOYEES

Here is some information that you must obtain BEFORE an employee starts work with you.

You will need to obtain some information from him/her **including, but not limited, to the following**

1. previous employment history and referees,
2. any illness or RELEVANT medical history (eg it is irrelevant and maybe be unlawful to discriminate on medical conditions that do not impact on the employee's capacity to perform the duties of the position that they are engaged to do) and,
3. Residency status.

As an employer you have a duty of care to **your** employees and you should make reasonable efforts to establish if the applicant has any injury or illnesses that will prevent the applicant performing any part of the job.

(Circle appropriate answer)

- a) Do you currently have any disability or medical condition which might prevent or impede you from being able to satisfactorily perform any duties that might be required of you in the position for which you have applied?

Yes/Unsure/No

If yes or unsure, please provide details: (Please include details of any assistance/adjustments that would allow you to carry out the functions of the position.)

Please note: If you have any disability or medical condition which might require the provision of non standard measure to either provide you with a safe system of work, or to enable you to satisfactorily perform your duties, you should tell us.

This information is necessary to enable us to provide a safe system of work to you in the event that you are offered employment, and to enable us to provide appropriate assistance. The provision of any such information will not be used to discriminate against you because of the existence of any such disability or medical condition.

- b) If you are offered the position, do you agree to undergo a medical examination that relates to the functions of the position?

Yes/No

- (c) Are you an Australian Citizen or Permanent Resident of Australia?

Yes/No

If no, you must provide the following details:

1. What type of Visa do you have?
2. When does this Visa expire?
3. What limitations to employment apply under this Visa? (eg: 20 hours / week)

.....

NOTE: Should you be required to attend an interview for employment, you must provide the original of your Visa for copying.

PRIOR to the employee commencing work you should provide information in WRITING about the following;

1. Starting date
2. Hours of work
3. Peak seasons (you may wish to advise them that leave will not be granted during the peak seasons eg. seeding, harvesting, calving etc)
4. Classification (eg Farm and Livestock Hand, shed hand etc)
5. Category of employment (eg Full Time, Part Time or Casual)
6. Rate of Pay
7. Pay Day
8. Pay Period

9. When overtime is paid and the rate (you may wish to state that overtime will be paid in accordance with the Award provisions)
10. How much notice either party must give when terminating employment
11. Information Statement MUST be provided to all new employees and which can be downloaded at <http://www.fairwork.gov.au/FWISdocs/Fair-Work-Information-Statement.pdf>

That you require the employee to

1. complete daily (or days when they work) and accurately the time book (employers must provide employees with a time book which must be retained for at least 6 years)
2. the name of the employee's preferred Superannuation Fund
3. Observe Company policies and procedures and in particular OHS obligations and at all times work in a safe manner so as not to cause injury or damage to humans, animals, machinery and equipment.
4. To sign the acceptance of employment stating "To the best of my knowledge all information contained in the offer and, provided in support of my application and disclosed in response to the above questions is true and correct in every respect".
5. In providing the above information the employee should sign that they have read and understood the above.

GOVERNMENT'S PAID PARENTAL LEAVE

If an employee is a working parent and expecting a child, employers may be asked about the paid parental leave.

On the 1st January 2011 Australia's first National Paid Parental Leave Scheme was introduced. It is a new entitlement for working parents funded by the Australian Government.

What is paid parental leave?

Eligible working parents may get 18 weeks Government funded pay at the National Minimum Wage currently \$570.00 a week before tax, to help them care for a new baby. Parents who adopt may also be eligible.

Which employee is eligible?

Full-time, part-time, casual, seasonal contract and self employed workers may be eligible. The employee must have worked at least 330 hours just over 1 day a week for 10 of the 13 months before the new baby arrives.

What about employer provided entitlements?

Eligible parents can receive parental leave pay at the same time before or after employee provided paid leave or entitlements. The existing minimum entitlement to 12 months unpaid parental leave for long term employees is unchanged. **Please note that the Award prescribes UNPAID family leave.**

What does this mean for employers?

From the 1st July 2011 employers must provide Government funded parental leave pay through their usual pay cycle to eligible employees who have been with their business for at least 12 months. Other eligible parents will be paid through the Family Assistance Office ("FAO"). However a Bill has been introduced in Parliament seeking to reverse the arrangement requiring employers to make payments on behalf of the Family Assistance Office (FAO) to employees. Parliament is currently considering the Paid Parental Leave (Reduction of Compliance Burden for Employers) Amendment Bill 2010. If it is passed, employers will not be required to make these payments on behalf of the FAO to eligible employees on and from the 1st July 2011. We will keep you informed as to the status of this Bill.



24 February 2011

SE Queensland Floods – Farmer Assistance Airfare Subsidy Policy

Greg Gilbert, Farm Services Manager SA/WA

1. National Foods will assist the dairy farmer flood recovery effort in SE Queensland with the subsidy of inter-capital city airfares to Brisbane.
2. If any NFL or DFMC farmers from areas outside of Queensland wish to offer their support or labour to any NFL or DFMC farmers in flood affected areas of south east Queensland, National Foods will organise and pay for flights from their capital city to Brisbane.
3. The fare subsidy is capped at \$500 per airfare.
4. Contact details for NFL Farmer Assistance Airfare Subsidy bookings:

Greg Gilbert, Farm Services Manager SA/WA
Email: greg.gilbert@natfoods.com.au
Phone: 08 8354 9626
Fax: 08 8354 9603
Mobile: 0407 399 134

AND Dana Burman, Executive Assistant –
Manufacturing and Operations
Email: dana.burman@natfoods.com.au
Phone: 03 9188 8636
Fax: 03 9188 8637
Mobile: 0419 272 525

SE Queensland Floods – National Foods Fodder Transport Subsidy Policy

1. National Foods will assist the dairy farmer flood recovery effort in SE Queensland with the sourcing and transport of donated fodder from other regions to flood affected NFL and DFMC dairy farmers in SE Queensland.
2. Sourcing - National Foods will work through the Department of Employment, Economic Development and Innovation (DEEDI) Customer Service Centre – 13 25 23 or 07 3404 6999 if ringing from outside of Queensland – who are managing three lists:
 - a. Farmers looking for fodder;
 - b. Farmers wishing to donate fodder;
 - c. Contractors willing to transport fodder.
3. DEEDI contact is Ken Murphy – 07 4936 0337, 0419 658 412
4. The Queensland Government (DEEDI) will pay 50% of the freight cost, up to a maximum of \$5,000, for the movement of foodstuffs and fodder, as Category B assistance.
5. National Foods will pay 20% of the freight cost, up to a maximum of \$500 per farmer, for the transport of fodder to flood affected NFL and DFMC dairy farmers.
6. The NFL Fodder Transport Subsidy will be paid directly to NFL and DFMC dairy farmers who provide a copy of a freight invoice.
7. The NFL Fodder Transport Subsidy will be available until 30th April 2011, or until a maximum of \$50,000 has been committed.
8. Contact details for NFL Fodder Transport Subsidy claims:

Greg Gilbert, Farm Services Manager SA/WA
Email: greg.gilbert@natfoods.com.au
Fax: 08 8354 9603

KAIN TRANSPORT

Email: kaintransport1@optusnet.com.au
Fax: 08 8733 4278

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South East of SA and the Western
Districts of Victoria



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Contact:

Dion 0428 854 953 or Gary 0418 834 944

ADELAIDE HILLS REGIONAL MEETING

Tuesday 1 March 2011
11.00am – 12.30pm
Vine Inn, Nuriootpa
(Followed by \$10 subsidised lunch – for members)

“THE DAIRY INDUSTRY RESPONSE TO THE SUPERMARKETS PRICE-CUTTING OF DAIRY PRODUCTS”

Speakers: James Stacey SADA Vice President
Ken Lyons SADA CEO

The Regional Adelaide Hills President, Roger Kowald invites dairy farmers and their families to hear first hand of how the associations are attempting to protect dairy farmers from the threat of lower farmgate milk prices if this discounting and the power of the duopoly (Coles and Woolworths) were to continue unchallenged.

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WFI is a trading name of Wesfarmers General Insurance Limited ABN 24 000 036 279 AFSL 241461.

Good people to know.



10 February 2011

Australian Dairy Farmers Limited
Level 2, Swann House
22 William Street
Melbourne Victoria 3000

Phone +61 3 8621 4200
Fax +61 3 8621 4280

www.australiandairyfarmers.com.au

AG 175 150 14 000

ADF call to arms to Wesfarmers shareholders

For immediate release

The Australian Dairy Farmers (ADF) is calling on Wesfarmers' shareholders to sign up to a resolution calling for an extraordinary general meeting of the company to explain the price cuts to Coles milk, butter and cream.

The proposed resolution will ask Wesfarmers to stop the price cuts and explain the Coles pricing strategy on milk and other dairy products and how this is consistent with the origins and values of the company.

The resolution will be worded as follows:

That Wesfarmers:

- (i) Explain the Coles pricing strategy on milk and other dairy products and how this is consistent with the origins, values and corporate social responsibility of the company; and
- (ii) Refrain from implementing and persisting with the Cole's 'down, down' * milk and dairy product price reductions.

* Coles media releases of 26 January and 3 February 2011

ADF Vice President Chris Griffin said 'Wesfarmers started out as cooperative. It was built up by farmers for farmers.'

'We are calling on dairy farmers and their families, owners of corner stores, truck drivers who carry milk, butter and cream, fodder suppliers and consumers to support the resolution to help protect their industry.'

There are over 100,000 people employed in the dairy industry in Australia, let's get behind the industry and stop this unsustainable pricing. The vast majority of these people are employed in regional and rural areas.

The Australian dairy industry is efficient and competitive but this pricing will ultimately impact the industry dramatically and lead to job losses.

Wesfarmers states that it aims to:

- contribute 'to the growth and prosperity of the countries in which it operates;
- respond 'to the attitudes and expectations of the communities' in which the company operates; and
- act 'with integrity and honesty in dealings both inside and outside the company.'

Wesfarmers further claims in its section that it has an enormous responsibility to 'the communities and families across Australia where the company operates'.

'Causing a price war that is unsustainable and that will hurt dairy farming families is hardly acting within its values,' said Mr Griffin.

Wesfarmers also says that it 'adheres to four core values: integrity; openness; accountability; and boldness.'

Mr Griffin says. 'The resolution gives Wesfarmers the perfect opportunity to explain their actions to the people it impacts and prove the price cuts will not affect dairy farmers and their families – now or in the future.'

To support the resolution go to www.australiandairyfarmers.com.au or ring (03) 8621 4200.

-ends-

Background

On 26 January Coles announced it was cutting its home brand milk to \$2 for a two litre container of Coles Brand milk.

ADF then said the pricing was unsustainable and expressed concern at this marketing tactic.

ADF then challenged Coles to prove that the recent milk price cuts will not affect farm gate milk prices for Australian dairy farmers. Coles did not respond in any detail apart from to talk about 'hysteria' in the media.

On 3 February Coles announced price cuts for its home brand butter and cream.

ADF suspected the drop in the price of milk would be the thin edge of the wedge and the cream and butter price cut proved it.

"Ultimately these cuts will lead to less choice for consumers as the experience in the United Kingdom has shown," said ADF Vice President Chris Griffin.

The ADF has calculated the cost to Coles of the milk price cut alone if, as they claim, they do not pass on the price cut would be **over \$30 million per annum**.*

"It defies logic to think that Coles will 'fully absorb' this amount of money," Mr Griffin said.

"It is inevitable that it will be passed on to either consumers, through higher prices on other products, in Coles' stores or to dairy farmers through lower prices for their milk."

ADF has noted Coles has repeatedly refused to rule out dropping prices for processors and farmers in future contracts in the media.

Home brand milk represents milk volume through-put for milk processors, however profits are derived from their branded milk. Coles' aggressive promotion of home brand milk at the expense of the diverse range of branded milk products represents a threat not only to consumer choice but to the dairy supply chain. Dairy farmers will feel the squeeze as milk processors lose profits.

It is unclear what will happen to Coles' rolling contracts this year.

*Based on the difference between December price data and the announced price cuts

For further information contact:

ADF

Chris Griffin
ADF Vice President
0402 846 239

Adrian Drury
ADF Vice President
0428 569 245

NSW

Adrian Drury
Dairy Section Chair
NSW Farmers Association
0428 569 245

QLD

Brian Tessmann
President
Queensland Dairyfarmers Organisation
0427 622 537

SA

David Basham
President
SA Dairyfarmers Association
0417 865 962

TAS

Andrew Lester
Dairy Section Chair
Tasmanian Farmers & Graziers Association
0417 162 394

VIC

Chris Griffin
President
United Dairyfarmers of Victoria
0402 846 239

WA

Peter Evans
Dairy Section Chair
WA Farmers Federation
0418 909 798

Fast milk facts:

- 2009/10 (p) Australian fresh milk sales = 2,269 million litres
Per capita consumption = 102 litres per head
- 2009/10 (p) Total milk sold through major supermarket chains accounted for 1,161 million litres or 51% of total domestic milk sales
- 1999 to 2010 major supermarkets have doubled their 'private label' market share
1999/2000 major supermarket chain 'private label' sales accounted for some 25% of total supermarket sales.
- 2009/10 (p) major supermarket chain 'private label' sales accounted for some 50% of total supermarket sales or approximately 585 million litres.
- 2008/09 major supermarket chain 'supermarket brand' volume growth was 6.5%
2009/10 (p) this slowed to 1.3% and branded sales recovered some lost ground growing by 6.3%
- 2009/10 (p) major supermarket sales grew by 3.8%
- 2000/2001 difference in price between milk processor proprietary 'branded' and major supermarket chain 'supermarket brand' label whole milk was \$0.21 per litre
- 2000/2001 difference in price between milk processor proprietary 'branded' and major supermarket chain 'supermarket brand' label whole milk was \$0.21 per litre
- 2009/10 (p) the difference was \$0.71 per litre

When this difference is equated across the market share of major supermarket chain 'supermarket brand' sales for 2009/10 (p) the accumulated differential is \$414 million and some \$90 million per year in the Queensland market. In 1999/2000 the difference amounted to some \$44.5 million.

Before major supermarket chain 'supermarket brand' pricing and marketing strategies these returns flowed to the processor and then to farmers. The loss of these returns to the industry is not sustainable.

1999/2000 'private' label price for regular whole milk was \$1.26 per litre
2009/2010 (p) 'private' label price for regular whole milk had **decreased** to \$1.12 per litre or 11%
With cut throat price wars this year this has been dropped to \$0.96 to \$1.00 per litre

1999/2000 proprietary 'branded' price whole milk was \$1.33 per litre
2009/2010 (p) proprietary 'branded' price whole milk was \$1.83 per litre up 38%
Inflation from 1999/2000 to 2009/2010 was approximately 35%

Queensland Dairy Accounting Scheme

1998/1999 dairy farm gate prices were recorded 40.50 cents per litre and production costs were recorded at 35.80 cents per litre.
2009/2010 dairy farm gate prices were recorded 56.1 cents per litre and production costs were recorded at 51.6 cents per litre. Costs have increased by more than 44%.
2010/2011 dairy farm gate prices will be around 53 cents per litre and production costs for many farmers will be above that figures meaning negative returns.

This situation presents that the viability and sustainability of the production sector has been slowly eroded over the last decade as the returns to the dairy industry value chain and through the farm gate has declined as the major supermarket 'private' label procurement and marketing strategies have grown the amount of market share major supermarkets have with their own brands.

Reduced returns to the dairy industry value chain from major supermarket chains 'private label' strategies is already undermining the profitability, sustainability and viability of the dairy farming sector which produces milk on every day of the year basis for the domestic fresh drinking milk market.

Over the last decade it is clearly evident that the consumer has been a major beneficiary to date of deregulation of the domestic milk price and the growth of major supermarket chain 'private' label procurement and marketing strategies.

However, the benefits consumers have derived and major supermarket chain have procured have come at the cost of the dairy industry production and processing sectors.

In another context the price difference between 'private' brand prices and proprietary brands is the equivalent of what the major supermarket chains are willing to spend, through forgoing the return, on advertising their own 'private' brand, to grow their own market share in the product category, as a mechanism to attract consumers and locate them in the store.

If this amount of money, \$414 million, was retained at the farm gate it would translate to an increase in farm gate price for dairy farmers of 18 cents per litre for milk supplied for the domestic fresh drinking milk market.

AUTHORISED SIGNATORY FORM

Resolution:

That Wesfarmers:

- (i) Explain the Coles pricing strategy on milk and other dairy products and how this is consistent with the origins, values and corporate social responsibility of the company; and
- (ii) Refrain from implementing and persisting with the Cole's "down, down" * milk and dairy product price reductions.

* Coles media releases of 26 January and 3 February 2011

Surname: _____ First Name: _____

Street Number & Name: _____

Suburb: _____ State: _____ Postcode: _____

Security Holder Reference Number (SRN):

Holder Identification Number (HIN):

Signature / Authorisation:

I, Mr / Mrs / Miss / Ms , _____, authorise for this form to be processed to call for a General Meeting of Wesfarmers to consider the resolution above.

Signature: Date: / /

**Please fax to ADF on 03) 8621 4280 or
email to admin@australiandairyfarmers.com.au**

Australian Dairy Farmers Limited
Swann House, Level 2, 22 William Street
Melbourne VIC 3000
Phone: 03 8621 4200 Facimile 03 8621 4280
www.australiandairyfarmers.com.au



**Queensland
Dairyfarmers'
Organisation**

QDO Dairy Farmer Flood & Cyclone Relief Fund

Dairy farmers across Queensland have entered 2011 battling an extended period of wet weather, some of the worst floods on record and cyclones in Farm North Queensland. As a result the Queensland Dairyfarmers' Organisation has established a **QDO Dairy Farmer Industry Relief Fund** to provide assistance to dairy farming families whom have been severely impacted by flooding and cyclones this year.

Farmers across all regions have been dealing with flooding, cyclones and extended wet weather and the situation is still unfolding and is far from over yet. Worst-affected dairy farmers across Queensland are on the Darling Downs, Central Queensland, Burnett, Sunshine Coast, many parts of South East Queensland and Far North Queensland. Some 560 dairy farmers operate in the major affected regions in Queensland.

During the worst of the disasters many farms were cut off entirely, rendering them unable to transport milk off their properties.

We have had cases of evacuation with farms being totally inundated and isolated left with no means of communications. Farm infrastructure, crops, feed stores and housing has been damaged or destroyed, some farms have had cattle swept away, a number are running short of feed and have had trouble milking their cows and farmers are working hard to maintain the health and welfare of their herds in very difficult conditions. The exact cost to the industry will not be known for several weeks.

The current focus of QDO is to help dairy farmers get their operations on track as quickly as possible. The QDO has pulled together a cross industry flood & cyclone response and recovery group to work on the industry recovery plan, including Subtropical Dairy Programme, Dairy Australia, Queensland Farmers Federation, Australian Dairy Farmers, Parmalat, National Foods and Norco.

From day one QDO team with support from Subtropical Dairy and Dairy Australia staff have been calling all dairy farmers in the affected regions to ask how they and their families are, what impacts have they had and are having and do they require any emergency assistance.

The QDO has also sent an information packages to dairy farmers in affected areas on available assistance and support services and QDO, processor, and government field staff are now helping farmers with urgent issues and assistance applications for Government flood support programs. The dairy industry recovery plan is well underway and we continue to work with government, processors and other industry partners, to assist dairy farming families with the recovery as quickly as possible, however conditions are difficult and as such the road to recovery will be long.

We have already had many calls of concern from dairy farmers and industry organisations from right across Australia and overseas, with offers of assistance. All donations are welcome. Donations can be made by following the directions on the following donation form and QDO will provide a tax receipt. 100% of donated funds will go to affected dairy farming families. The distribution of all donated funds to affected dairy farming families will be overseen by the QDO Executive and regional industry representatives.





**Queensland
Dairyfarmers'
Organisation**

Queensland Dairyfarmers' Organisation Limited ABN: 90 090 629 066

QDO Dairy Farmer Flood & Cyclone Relief Fund Donation Form

I/WE (please provide name):

.....

Of (please provide contact & postal details):

.....

Wish to donate the sum of \$.....to the **QDO Dairy Industry Relief Fund** to support Queensland dairy farmers who have had their businesses and lives severely impacted by natural disasters.

I/we acknowledge and consent to the funds being managed and distributed by the QDO Executive Committee and selected regional Industry representatives.

Payment Details:

I have direct deposited the sum of \$ _____ into the fund account

Bank: CBA
Account name: Queensland Dairyfarmers' Organisation Industry Relief Fund
BSB: 064-432
Account: 10461115

Cheque enclosed, made payable to **Queensland Dairyfarmers' Organisation Industry Relief Fund** For the sum of \$ _____

Please debit my credit card in the amount of \$

Mastercard Visa

Card number: Expiry Date: /

Alternatively you can phone the QDO office on (07) 3236 2955 to make a direct donation transaction via credit card.

Please tick here if you would like to receive a Tax Invoice/Receipt

Signed: Date:

ABN:.....

**When completed, please return this form by mail to the QDO office to:
 PO Box 13061 George Street Post Office QLD 4003, fax to (07) 3236 2956 or email
 dairyhelp@dairypage.com.au**

**For additional donation forms visit www.dairypage.com.au
 All enquiries should be directed to Jade Hauser (07) 3236 2955**

Farm Emergency Plan

An emergency can strike your farm at any time. It's important to be prepared just in case a disaster such as a bushfire, flood or cyclone occurs.

Local police, fire and emergency response teams may have little experience or knowledge of the workings of a farm. A farm emergency plan can provide rapid information on the description and location of production facilities, livestock and equipment to minimize the devastating effects of a disaster on your farm and provide additional safety information to emergency responders.

Review and update this emergency list annually with your family and employees. Make sure family members and employees are aware of the location of this emergency information, including being able to describe directions to the farm.

Make copies of this emergency contact information and give to family members, employees and neighbours, and place a copy near all telephones.

Items to include in your farm emergency plan:

- List of family members, employees or neighbors, who are familiar with your farm business.
- List of emergency contacts.
- Description of medical history or medical information of family members and employees.
- Description of location of the farm and directions from nearest landmark or major road junction.
- Prior agreement on who is responsible for what during and immediately after an emergency/incident e.g. movement of stock.
- A general diagram of the farm that includes the location of chemical, fuels, livestock, equipment, overhead and buried utilities, etc.
- Location of spare keys for vehicles or buildings.
- Contact information of businesses providing services e.g. veterinarian, heavy equipment, power, electrician¹, livestock and milk hauling, insurance, finances etc.
- List of suppliers e.g. fodder, veterinary drugs and dairy cleansers – where can you source the basics you'll need to keep milking in the aftermath of an emergency?
- Telephone numbers to contact family members or employees.
- Contact information for local doctor/health centre.
- Telephone numbers of neighbours or other farmers who can provide livestock care, emergency feed and water, power, etc.
- Description of location of important farm and personal documents.
- Safe storage of farm and personal financial information in fire-proof boxes or off-site safe deposit boxes.
- Fire-proof backup files of computer records.
- Off-site meeting location and contacts for family and employees to gather following a disaster to assess the situation and coordinate response.

Think: people safety, livestock safety, power, access, milk loss/disposal, feed, fencing.

PROTECT PEOPLE

PROTECT PROPERTY

PROTECT PROFITS

¹ Consider purchasing a power generator or ensure that a qualified electrician has pre-prepared the wiring ready for a hired generator to enable sufficient power to milk, cool the milk vat etc in an emergency situation

Farm Emergency Contact Information

Farm Name:			
Address:			
Location of farm and directions from nearest major junction:			
Home Phone:			
Mobile Phone:			
Pager:			
Spouse Work:		Employee Home:	
Mobile:		Mobile:	
Children Home:		Employee Home:	
Work:		Mobile:	
Mobile:		Employee Home:	
Children Home:		Mobile:	
Work:		Employee Home:	
Mobile:		Mobile:	
Children Home:			
Work:			
Mobile:			

Fire Department:		SES:	
Police Department:		Hospital/Family Doctor:	

Off site meeting location:	
Off-site phone number:	

Name of neighbour: Home: Mobile: Assistance/equipment:	
Name of neighbour: Home: Mobile: Assistance/equipment:	
Name of neighbour: Home: Mobile: Assistance/equipment:	

Milk Company Rep: Office: Mobile: Home:		Livestock Transport: Office: Mobile: Home:	

Veterinarian: Office: Mobile: Home:		Feed Supplier: Office: Mobile: Home:	

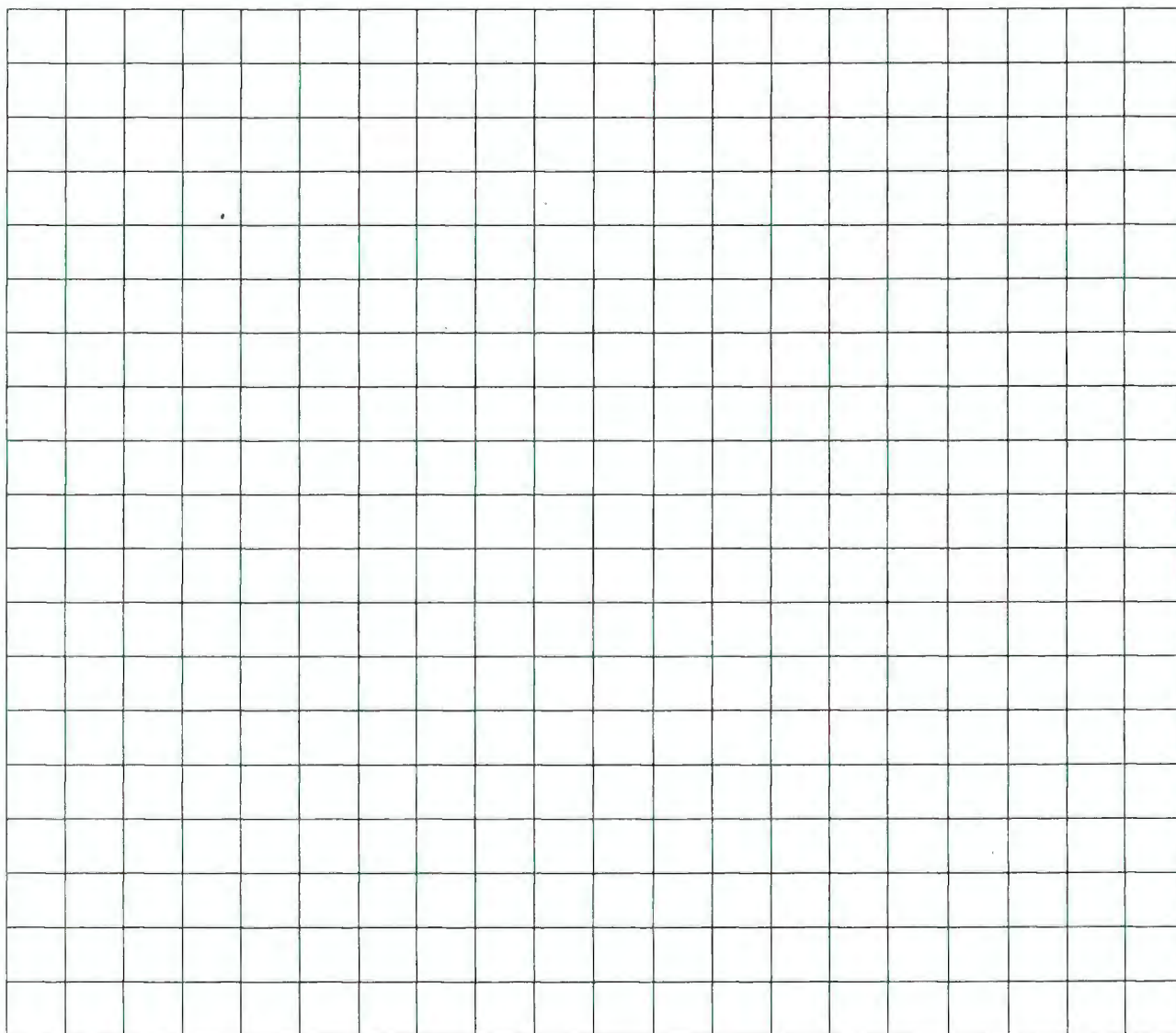
Electrician:		Chemical Supplier:	
Office:		Office:	
Mobile:		Mobile:	
Home:		Home:	
Plumber:		Fuel Supplier:	
Office:		Office:	
Mobile:		Mobile:	
Home:		Home:	
Farmers' Organisation:		Equipment Dealer:	
Office:		Office:	
Mobile:		Mobile:	
Home:		Home:	
Shire Council:		Insurance Agent:	
Office:		Office:	
Hotline:		Mobile:	
		Home:	

Storage location of farm information:	
Storage location of personal financial information:	
Storage location of backup computer files:	

Map of Farm

E.g. Use Top of Page as NORTH (Use more than one page if necessary)

1. Draw the road(s) that run(s) directly in front of your property, including the name(s) of road.
2. Draw access to property including roads, lanes, and driveways.
3. Draw buildings as they exist on the property. Use simple shapes such as rectangles or squares to depict structures.
4. Indicate where chemicals, fertilizer, fuel and utilities are located.
5. Indicate where livestock are located.
6. Indicate where machinery is located.
7. Indicate other important features of your farm including flood mounds, bridges etc.
8. Draw geographic water holding features that exist on the property. Include streams, rivers, irrigation ditches, dams and other collection areas.



Action Plans

Be clear about roles and responsibilities – who will do what, when and how will everyone on the farm keep communicating with each other in an emergency situation?

Flood: What needs to happen if the farm is under threat from flooding?

What is the local flood height that will trigger on farm action?

- Local river height:
- Other location height:
- Source of information – how will you find out river heights?

What action is required?

To stay on farm:

- Maximum flood height stock can stay:
- Where (mound, paddock etc):
- Maximum number of stock that can be accommodated:
- Stock feeding plan:
- Daily ration required:
- Who will move the stock:
- Where will any additional stock go?:

To re-locate:

- Where to:
- Route:
- How (walk, truck):
- Who will organise and move stock?:

Bushfire/Fire: What needs to happen if the farm is under threat from fire?

What warning signs will you use to trigger on farm action?

- Local fire authority warnings:
- Local radio alerts:
- Source of information – monitor Fire Danger Rating/Total Fire Ban: these are the triggers for your property actions

What action is required?

To stay on farm:

- Move stock to a suitable (already identified) refuge paddock:
- Maximum number of stock that can be accommodated:
- Stock feeding/watering plan:
- Daily ration required:
- Who will move the stock?:
- Where will any additional stock go?:

To re-locate:

- Where to?:
- Route:
- How (walk, truck)?:
- When?:
- Who will organise and move stock?:

Rules of Thumb

Maintenance diet for cows: xxxx kg/head fodder per day

Milking diet for cows: xxxx kg/head fodder per day

Maintenance diet for cows: xxxx kg/head fodder per day

Milking diet for heifers: xxxx kg/head fodder per day

Suggested Information to Gather on Disaster Affected Dairy Farms

1. Please describe the general situation on the farm today?
2. How are you and the family? – do you have enough food supplies and access to fresh water?
3. How much of your land can you access to survey the damage, at this stage?
4. What level of road access do you (and the milk tanker and staff) have at present?
5. Did you have a period without power and if so, for how long?
6. Is power back on or are you still using alternative sources/generators?
7. Did you miss any milkings and if so, how many?
8. How much milk (in litres) had to be tipped?
9. How many milkers, heifers and dry cows do you have?
10. Have any stock been lost at this stage?
11. Do the livestock have access to fresh water?
12. How much silage do you have on hand?
13. How much hay do you have on hand?
14. What is the status of your pasture – approximately what percentage of pasture has been lost?
15. Are you able to move hay or silage to stock?
16. What is your initial estimate of the damage to fencing (approximate number of kilometres)?
17. What are your top three priority areas to tackle at this stage?

DAIRY UPDATE FROM SADA



In Partnership with



11 April 2011

PRESIDENT'S REPORT

David Basham

The work load in the dairy industry lobby groups of ADF and SADA have been very busy over the last few months. During this time it has meant that those that normally cover off on the work that is required to meet the needs of members has not always been done up to the normal speed or attention.

It is important that we remember SADA is not just made up of those employed in the office, Ken and Jo are the day to day face to the organisation but it is made up of much more. We also have a Board of 9 (currently on 8 as the Adelaide Hills & Barossa region have a vacancy) that are there to assist in the communication of issues on the ground back to the organisation as a whole. The Board are also the group that sets direction and policy for the organisation.

The last part of the SADA organisation is you the members. It is important that as you operate at grass roots, you communicate with the SADA Board members and the SADA office to help the Board decide what is needed to address any issues that arise. It is not always possible to attend every single meeting that concerns dairy farmers from a staff or SADA Board level but you as members can be our eyes & ears. Recently I learnt a member cancelled his membership because SADA did not attend a meeting he felt SADA should have been at. He was wrong, SADA was there, many SADA members attended and I had even spoken to two prior and post the meeting.

Please realise that we have limited resources and sometimes you may feel that not enough is being done on an issue that concerns you, please communicate with staff and Board to help SADA deliver the best outcome for all members.

manufacturing plants at Jervois and Murray Bridge. It is important we maintain some processing of manufacturing products in the Adelaide region to use the milk that is surplus to the drinking milk needs of Adelaide. I have spoken to National Foods, the Agriculture Ministers office & the Shadow Ministers office to make sure that nothing unforeseen causes any issues with the sale going ahead. At this stage we need to monitor this and make sure it proceeds.

Finally I would like to thank all those involved in the work that is being done around the state and nation in relation to the supermarket war over the price of milk. Ken covers this issue through the Update but it is very important to remember that many staff and board members are putting a lot of time into this issue both at SADA and ADF. I feel that the work is beginning to pay off with Coles declaring that their *Down, Down & Staying Down* campaign for milk is only for six month not permanently as the wording of their campaign suggested. Let's hope the Senate enquiry can deliver some strengthening of the rules around this issue to make sure it cannot happen again.



Hope you all have a very Happy
and Safe Easter

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This special edition of the SADA Dairy Update focuses on two important challenges for the dairy industry:

1. The ever increasing power of the supermarket duopoly and explaining to the Australian public the disastrous consequences that will follow; including lower returns for dairy farmers, squeezing out of retail competition, and taking away consumer choice.
2. The future management of the Murray Darling Basin and how this can be achieved by having a "healthy and working river" (the direction of the new approach to developing a Plan).

So let us go straight to the story of the supermarkets.

SUPERMARKET DUOPOLY

1. You will recall that soon after the announcement by Coles on 26th January that they were cutting the price of milk to \$1 dollar per litre, SADA suggested to all dairy associations that they immediately go to the press and "challenge Coles on their commitment that these new prices were sustainable in the longer term". Coles were never able to respond to our challenge and kept on saying that in the short term they were covering the cost. This strategy of denying the consequences of their actions is clearly spelt out by Andrew Simms in his book, "Tescoopoly", **"But when market power combines with a singular focus on the bottom line, a kind of tunnel vision seems to blind companies to the impacts they have."** The latest development is that Coles are now saying that what they meant by "the prices staying down" could be 6 months so come July the prices may be heading north again. This is what happens when a duopoly controls 60-80% of the grocery market.
2. Also as reported in the previous SADA Dairy Update we have been working closely with Senator Nick Xenophon to "champion" the campaign to rein in the power of the supermarkets. This relationship has enabled ideas from across Australia to be fed into the Senate Inquiry and to the Australian public through the media. This work is ongoing. A

big thank you to the SADA Vice-President James Stacey who has provided exceptional dairy industry leadership. SADA President David Basham has done an excellent job in handling all the media enquiries.

3. On Tuesday 8th March SADA fronted the Senate Inquiry in Melbourne. The key approach we took was that as the market share of the supermarket duopoly (Coles and Woolworths) was way above the levels allowed in other OECD countries we called on the competition laws to be strengthened and the regulator (ACCC) to "get off their hands". **Our submission is attached.** See from page E55 for SADA's submission at <http://www.aph.gov.au/hansard/senate/commttee/S13666.pdf>
4. Following our presentation SADA was asked by Senator Xenophon a number of supplementary questions. **The answers to these supplementary questions are also attached for your consideration.** I particularly recommend that you consider the answer to question 6 and question 7. Question 6 relates to the question of, "What is in the "national good" for Australia?" With the proposed Food Plan, you have a worthy aspiration, supported by all, that will deliver new wealth for Australia, and definitely in the "national interest". The growth of market share for the duopoly is said to grow shareholder returns at the expense of others (no new wealth) in the Australian community. Question 7 relates to what needs to be done to improve the legislation. The reintroduction of the "effects test" either in section 49 or section 46 together with a Grocery Ombudsman "with teeth" is gathering widespread support.
5. The next strategy we have is to bring together many different groups that believe the government needs to get serious about reining in the power of the supermarket duopoly. This is one of the reasons SADA and SAFF are hosting a Forum in the SA Parliament House on Monday 2 May. The Hon Robert Brokenshire is sponsoring the event and we will be inviting politicians and the media. If you would like to attend contact SADA.
6. ADF is considering taking legal action against Coles based on "predatory pricing" which is illegal. Predatory pricing relates to intentionally selling below cost with the intent of reducing competition. So this is another work in progress.

7. All dairy associations, including SADA, are looking to have a PR program to bring before the public our concerns that the level of supermarket market share currently held by the duopoly is high enough. Unless the government acts to ensure healthy competition we believe the duopoly will continue to grow at the future expense of the farmers, other retailers, and consumers. This will involve SADA doing more with the press and suggesting the general public get involved by:

- Changing from Coles to any other supermarket (at least all the others have admitted that the Coles prices are unsustainable),
- Purchase Branded product where possible,
- Register your concern with Coles or write to them,
- Talk to your local Member of Parliament.
- Get a copy of the book "Tescoopoly" by Andrew Simms (supermarket power exposed),
- Thank anyone who is making an effort to rein in the power of the duopoly.

Just before leaving this Update on the supermarkets there is one further idea I would like to share with you. I have been thinking about PR and focusing on the key message. To me the key issue is whether we should sit still and continue to let the market share of the duopoly to grow or act now for the "national good". Some market surveys are showing consumers are concerned with the power of the duopoly and this concern is growing. A recent Eye of Australia Report found 74% of respondents think that Coles and Woolworths have too much market dominance. The key will be to get even more public support for action.

So my initial idea for a banner is that of an alarm clock going off very loudly and caption reading "Wake up Australia". **See the attached banner and perhaps you can suggest more. Next Update we will give a prize for the best idea.** Visual images can be quite powerful. This could give the campaign a name, "The Wake-up Australia Campaign".

Contact: Ken Lyons 0419 037 569

BREAKING NEWS

The Dairy Industry together, with Robert Brokenshire, would like to thank the Rann Labor Government, Liberal Opposition, the SA Greens and crossbench colleagues who together unanimously supported a motion calling for urgent action from the Federal government on the major supermarkets' price war which began on milk pricing.

The Press Release (Thursday 7 April) from Family First, Hon Robert Brokenshire, is included with this SADA Dairy Update.

This is a further significant development aimed at building political and community backing for the Federal Government to act. It will also enhance our Forum to be held in Parliament House on 2 May.

FUTURE MANAGEMENT OF THE MDB

We had the Guide to the MDBA Plan last year that led to the debate over whether the Plan should put the needs of the environment first or; whether the Plan should consider equally the environment, the water users and the communities. Also debate followed as to whether the Water Act should be amended to ensure the direction to the Authority is clear, but Minister Burke decided that he believed the current Act does allow the MDBA to consider the environment and socio-economic issues and to get the balance right. The new Chair, Craig Knowles, is focusing on getting the balance right and is using the phrase "a healthy working river" to reflect the new focus.

The timelines decided by Minister Burke (he has ruled out giving extensions for both the Draft and Final Plan) is that the MDBA puts out a Draft Plan in June of this year to be followed by 16 weeks of public consultation. The final Plan will then be released at the end of this year or very early next year. So this part is quick but there is a longer implementation time (explained later).

The new Chair has been very busy travelling up and down the Basin collecting ideas from all the stakeholders. He has been refreshingly "open and honest" and testing out how the new draft Plan will deliver on a better river. As he says the great majority want some change, people know that if the salt levels get too high the river will not

survive. So he is looking for the best way to bring about the change, using government funding to pay for the change, looking at reasonable timelines, and seeking to give the local regions a high level of responsibility to decide on implementing a Plan that best suits their region. He knows there is "community distrust" of the process following the meetings over the guide last year. He knows better than most (as a former Minister) the absolute importance of getting the States on side and behind the national Plan and its implementation. So this was the background to the SADA meetings in recent weeks with the MDBA.

SADA has been in discussions with the Authority on three occasions in recent weeks;

- On Wednesday 16th March David Basham and Ken Lyons were invited to a SA Stakeholders meeting. This followed a MDBA Board Meeting so it included the MDBA Board Members and senior staff.
- Then Geoff Knight the CEO of PIRSA was able to get a smaller group to meet with Craig Knowles and Di Davidson (MDBA Board Member) in the afternoon of Saturday 26th March. Craig happened to be in Adelaide that morning on private business.
- Then on Thursday 31 March, Dr Bob O'Brien, and Ken Lyons attended a breakfast meeting of the Agribusiness Association of Australia at which the MDBA Board member from SA, Di Davidson, was the guest speaker.

The MDBA has made these consultations really worthwhile and effective. They were able to cut to the key issues and move in a direction that gave both faith and comfort to those present. One key is that while a target will be a number that may be challenged by the various vested interests Craig rightly very wisely says, "this should be the start of the conversation of the implementation process rather than the end of the conversation." So these figures are open for negotiation because there are many ways of getting the job done.

So what are the key differences between last years Guide and the new Draft Plan to be released in June? Well there are many, but for me the key one breakthrough was last week when he got all the States (he met with all the State Water Ministers and Minister Burke) to agree to his concept of "localism". Local people have been saying they know what is best for their region and they know best how to restore the river environmentally. So Craig is proposing

that the regions will have the tools (federal funding etc) and the time (as he is expecting all the States to be aligned and on the Plan together in 2019) to get the job done. The reality is that by 2019 there should not be a "gap" that needs "community pain" to fill. Those communities that will be affected, during this decade of transition, will be targeted for additional government support.

But who better to tell you first hand what to expect in his Draft Plan than Craig Knowles himself? He has continued his open approach by giving a keynote address to the Sustaining Rural Communities Conference on 6 April. It does not tell you about the target figure but it does tell you the framework and the approach suggested. It is an approach that appears to have widespread support. ***So I have attached a copy of his full presentation to the Conference for you to consider and provide feedback on to SADA.***

In a major article in The Australian on 7th April it was also pleasing to find both the irrigators as represented by the National Irrigators Council and the Australian Conservation Foundation provided initial support for where Craig is going with the Draft Plan.

Quoting from the article:

"National Irrigator's Council chief executive Danny O'Brien said if the language being used by Mr Knowles and Mr Burke were replicated in the draft Plan, "we are going to be much closer to something we can live with".

Arlene Harris-Buchan, a healthy rivers campaigner with the Australian Conservation Foundation, said Mr Knowles shift to a more localized approach was "absolutely right". "The biggest failing made by the authority last year was its failure to engage with local communities, with state agencies and with people in these organisations who understand the system better than anyone else".

On 6th April I represented SADA at a meeting of the ADIC Water Committee in Melbourne that discussed the dairy industry response to the new Draft Plan and it was decided members of this Committee would seek briefings from people involved with the Plan. Also it is proposed to have a meeting to discuss the contents of the Draft Plan and formulate a dairy industry response.

Finally, SADA would like to acknowledge Minister Paul Caica, ex-Premier and current Advisor to the Government on the River Murray,

Dean Brown, Shadow Minister Adrian Pederick MDBA Board Member Di Davidson and Advisor to the MBDA Board Karlene Maywald for the excellent work they have done in facilitating the development of the new Draft MDBA Plan, in consultation with industry, which will be released in June.

Contact: Ken Lyons 0419 037 569

SUPPORT FOR DAIRY FARMERS IN FINANCIAL DIFFICULTY

Rural Financial Counselling Service SA (RFCSSA) is a free, independent and impartial service with a charter to support primary producers, fishermen and small rural businesses who are suffering financial hardship, and who have no alternative sources of impartial support.

RFCSSA is managed by a board of seven skills-based directors. Under the leadership of general manager, Kay Matthias it currently has 12 rural financial counsellors who can assist farming enterprises by:

- Assessing and preparing reports on current financial, cash flow and viability circumstances
- Identifying financial and business options for the future of the enterprise, including adjustment out of agriculture
- Reviewing contracts and loan applications with lending institutions, and provide information to assist with loan applications
- Facilitating meetings with lenders and financial institutions
- Providing information and referrals to government or industry assistance schemes, including specific events (drought, fire, flood, industry reform etc)
- Referring to a range of professional service providers, including accountants, lawyers, agricultural advisers, farm succession planners, social counsellors and personal or family mediators.

As a result of the magnitude of change facing farming families in the current economic, environmental and financial climate, an enterprise action planning approach (EAP) was introduced by all rural financial counselling services in Australia in 2009. This new approach provides a structured and coordinated approach to

support farm families who are considering their options in light of climate change, industry adjustment and drought.

Enterprise planning is particularly helpful with clients who have highly complex and diverse needs. It enables rural financial counsellors to provide a more holistic approach to clients, and to develop an action plan for each business. This plan will establish goals, strategies, actions and timelines for businesses to follow. The intention of the plan is for a rural financial counsellor to provide a holistic assessment of each situation that will facilitate the development of a realistic case plan with appropriate referrals, short and long term goals, strategies and timelines.

Rural financial counsellors are in most regional areas of South Australia. To contact a rural financial counsellor in your area, call the RFCSSA Freecall Hotline on 1800 836 211.




Happy Easter


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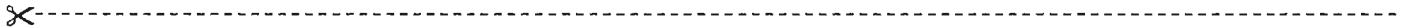
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 Fax: 8293 8886:
 or Email your details to sada@sada.asn.au

Name: _____

Address: _____

Phone: _____ Fax: _____

Mobile: _____

Email: _____

Member Update

1. Public Holidays

The attached link provides a calendar for Public Holidays up to 2013. Please note the Public Holidays for Easter and Anzac Day this year are different to most years.

http://www.safework.sa.gov.au/uploaded_files/holidayCalendar.pdf

Clause 26 of the Pastoral Award 2010 allows some flexibility to substitute a Public Holiday with another day. This provision reads;

26. Public holidays

26.1 Public holidays are provided for in the NES.

26.2 Substitution of certain public holidays by agreement at the enterprise

(a) By agreement between the employer and the majority of employees in the enterprise or part of the enterprise concerned, an alternative day may be taken as the public holiday instead of any of the prescribed days.

(b) An employer and an individual employee may agree to the employee taking another day as the public holiday instead of the day which is being observed as the public holiday in the enterprise or part of the enterprise concerned.

2. Family Bonus

What does the Paid Parental Leave scheme mean for employers?

Your role is to provide Parental Leave Pay to your eligible long-term employees.

This role is being phased in for children born or adopted during the first six months of 2011.

During this time, if you and your employee agree, you can provide Parental Leave Pay to your eligible employees.

From 1 July 2011, you must provide Parental Leave Pay to an eligible employee who:

- has a child born or adopted from 1 July 2011
- will have been your employee for 12 months or more prior to the expected date of birth or adoption
- will be your employee for their Paid Parental Leave period, and
- is an Australian-based employee, **and**
- is expected to receive eight weeks or more of Parental Leave Pay.

The Paid Parental Leave scheme does not provide eligible employees with a new entitlement to leave.

The existing minimum entitlement to 12 months unpaid parental leave for long-term employees, in the National Employment Standards under the *Fair Work Act 2009*, is unchanged.

What employers DO need to do

- Provide your bank account details and your employee's usual pay cycle details to us so you can receive Paid Parental Leave funds ahead of your employee's pay cycle. You can provide this information through Centrelink Business Online Services when you log in.
- When Paid Parental Leave funds have been transferred to your nominated bank

account, provide Parental Leave Pay to your employee as part of their usual pay cycle and for the period advised by us.

- Withhold tax from Parental Leave Pay under the usual PAYG withholding arrangements.
- Include Parental Leave Pay in the total amounts on your employee's annual and part-year payment summary (statements given to your employee for tax purposes).
- Provide a record of Parental Leave Pay for your employee - usually a payslip - no later than 1 working day after the pay has been transferred.
- Keep written financial records of receipt of Paid Parental Leave funds from us and of the Parental Leave Pay provided to your employee.
- Notify Centrelink:
 - if and when your employee returns to work before or during their Paid Parental Leave period
 - if and when an employee is no longer your employee
 - if you change your bank account details or your employee's pay cycle, or
 - if you receive an incorrect Paid Parental Leave funding amount from us or if you are unable to provide Parental Leave Pay to your employee.
- Return any unpaid Paid Parental Leave funds to Centrelink.
- Notify us in advance if you are ceasing to trade. This could include selling the business, transferring ownership or merging with another business.

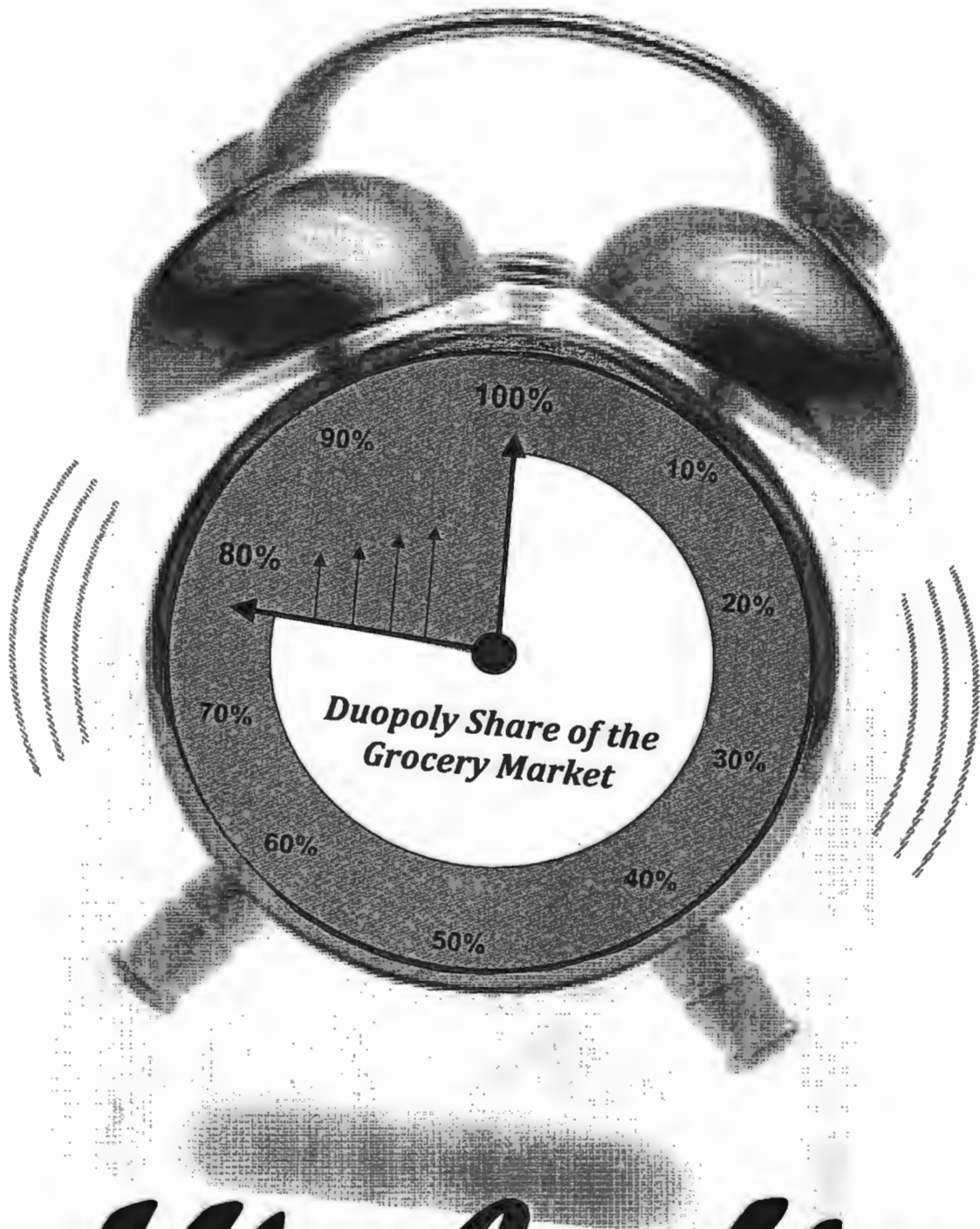
What employers do NOT need to do

- You do not have to work out if your employee(s) are eligible for Parental Leave Pay. This is done by Centrelink.
- It is your employee's responsibility to lodge their claim with Centrelink.
- Centrelink will notify you if you have an employee who is eligible for Parental Leave Pay, and you are required to provide the pay.
- You do not have to provide Parental Leave Pay to your employees until you have received the funds from Centrelink.
- You will not have to provide Parental Leave Pay to short-term employees (those with less than 12 months service) unless you opt to do so, and your employee agrees.
- You will not have to provide Parental Leave Pay to independent contractors or a person who ceases to be your employee, for example, if your employee resigns before the period of their Parental Leave Pay finishes.
- You do not have to provide pay to employees who are expecting to receive less than 8 weeks of Parental Leave Pay, unless you opt to do so and your employee agrees.
- You will not be required to separately identify Parental Leave Pay in your annual financial statements. However, amounts of Parental Leave Pay need to be identifiable from other amounts that attract a superannuation guarantee, payroll tax or workers compensation premium liabilities.
- You will not be required to make superannuation contributions in respect of Parental Leave Pay.
- You will not be subject to additional workers compensation premium liabilities in respect of Parental Leave Pay.
- You will not be required to pay payroll tax in respect of Parental Leave Pay.
- Parental Leave Pay will not result in the accrual of any additional leave entitlements for your employees.
- You do not need to create a new bank account for Paid Parental Leave funds.
- You will not be required to provide any regular reports to us in relation to the Paid Parental Leave scheme.

If you have an employee who is eligible for this payment please contact us as soon as possible if you require more information.

More information is available at

http://www.centrelink.gov.au/internet/internet.nsf/businesses/ppl_toolkit.htm



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3 March 2011

Committee Secretary
Senate Standing Committee on Economics
Parliament House
CANBERRA ACT 2600

**South Australian Dairyfarmers' Association Submission to the Senate Economics
Reference Committee Inquiry into the impacts of supermarket price decisions on the
Dairy Industry**

Dear Sir,

SADA is the main association representing the interests of South Australian dairy farmers. For the 2009/2010 year there were 91,563 cows, 307 dairy farms, 610 million litres of milk produced and 107 million litres of supermarket milk sales in South Australia.

SADA welcomes the opportunity to make a submission to the Committee.

Our major concern:

We are becoming increasingly concerned with the growing market power of the Coles/Woolworths' supermarket duopoly in Australia. We believe that the current move by Coles in discounting milk to a dollar per litre (and other dairy products) and "keeping prices down", will lead to an even less competitive retail grocery market for dairy products.

We believe it is critical that both the trade practices legislation and the powers of the ACCC be strengthened. In relation to the ACCC we believe the ACCC should as a matter of urgency, be directed to investigate both the retailers and dairy processors in the domestic market, especially given that there appears to be a lack of transparency in the way the market is operating at the moment.

Supporting comments:

1. Failure of government to act. When the dairy industry moved from a regulated domestic market to a de-regulated market the expectation was that the Australian government would ensure that their trading practices legislation and ACCC had the scope, powers, and resources to ensure that all aspects of trading was conducted in the spirit of free competition and "fairness". These rules are required to protect the public from major corporations that are intent on maximizing profit and testing these rules to the limit. This is how big business works; their obligations are to their shareholders and this is why we need trade practices rules and regulations. We have rules of behaviour and penalties for offenders.

We are concerned because as recently as last year, a Senate Inquiry recommended to the Federal Government that they should review and implement changes to protect the way this deregulated

domestic grocery market operates and to date there has been no action, and not even a discussion with industry! So our major concern is not with the retailers or the processors but with the inaction of our government.

A recent media head-line captured the point perfectly, *"Federal inaction and retail price wars leave farmers battling to stay afloat"*.

2. Short term gain (for consumers) but a long term pain (for consumers). In the short term, consumers are getting cheap milk and in the very short term the retailers are paying for the discounting. With the next round of contracts however cost for this discounting (around \$100m per) year is expected to be passed back down the chain through the processors to the farmers.

Also once there is limited competition in the domestic market here in Australia the retailers will have far greater power to set pricing and also to limit customer choice.

So in the longer term, any failure by the government to act now only puts at risk the viability of a local industry able to provide fresh dairy produce, and puts at risk the "choice of product" for consumers. For instance milk may be diverted from the fresh milk market to dairy products for the export market.

3. We call on the ACCC to investigate the latest discounting by Coles as a matter of urgency. Aspects that need reviewing include; concerns by dairy farmers as to the longer term consequences for their returns, the dairy industry and the general public are confused as to where the profits are going between the retailers and the processors, and finally there needs to be some assessment of the accusations relating to possible criminal offences such as "predatory pricing".

Many organisations are also calling for an ACCC investigation in their submissions to this Inquiry, including the Australian Dairy Industry Council (ADIC) who believe there is an urgent need for: "The ACCC to investigate the pricing practices of Coles, including its "guarantee" that dairy farmers' returns will not be reduced, to ensure that predatory pricing is not being practiced and that sustainable returns are delivered to Australian farmers and processors".

4. Without action by the government the image of the entire "dairy food chain" is being damaged. Our dairy farmers have genuine concerns that the recent massive 'devaluation' of their dairy domestic market by Coles could drive them out of the market in the longer term.

But once firm rules are established and the ACCC has done its work, and the issue has been resolved we can all (producers, processors and retailers) move on meeting the challenges of an ever changing market place.

The reality is that globalization is a fact of life, "home brands" are here to stay, and "discounting" is something that supermarkets do. In a positive vein all dairy sectors can proudly point to how they are innovative and aspiring to achieve "world's best practice".

So the sooner this matter is resolved the better.

5. Finally, the Senate Inquiry can lead to a resolution of these issues. SADA believes this is the ideal opportunity to have these matters addressed and resolved. We have the opportunity for the "political independents" to achieve not only some good outcomes from this Senate Inquiry, but to lead the way in the implementation of the lasting and positive legislative change.

It is most relevant that the other major retailers (Woolworths, Franklins and IGA) have on this occasion, come out publicly to disagree with the contention by Coles that their new discounted prices will not lead to lower farm gate prices for dairy farmers.

The dairy industry has "challenged" Coles to honour their promise that their actions will not result in lower returns to producers in the longer term and they have been "caught out". In fact after weeks

of silence we now hear that Coles cannot guarantee returns to farmers will not be affected.

The Retail Grocery Association is concerned that real competition in the retail grocery market is being threatened. The consumers are beginning to be concerned with the longer term implications of a lack of competition. Even the major political Parties, who have been slow to act in the past, now appear to be listening this time. As I write I understand the Coalition is considering a motion for the Parliament that will call on the ACCC to undertake an immediate investigation and support for this current senate inquiry.

For these reasons, our industry is optimistic that this time around we can achieve a domestic grocery market that is well protected by a relevant trade practices framework and we can have confidence that our "guardians", such as the ACCC, will be well resourced and with all the powers they need.

Thank you

David Basham President of SADA
James Stacey Vice President of SADA
Ken Lyons CEO of SADA

FAMILY FIRST

Some things are worth fighting for



MEDIA RELEASE

HON ROBERT BROKENSHERE MLC

DAIRY PRICE WAR MOTION PASSES WITH UNANIMOUS SUPPORT

Thursday 7 April 2011

FAMILY FIRST MLC Robert Brokenshire has today congratulated the Rann Labor Government, Liberal Opposition, the SA Greens and crossbench colleagues who together unanimously supported a motion calling for urgent action from the Federal Government on the major supermarkets' price war which began on Milk pricing.

"I think the significant thing about this motion is that the State Labor Government, to their credit, have got behind the SA Dairy Industry and supported a motion calling on the Gillard Labor Government to crack the whip on the ACCC", Mr Brokenshire said, "That is good state leadership from the Parliament and the Government of the day, and the ball is now squarely in the Gillard Government's court and in particular that of Minister Ludwig."

"What will the Gillard Government now do given that their State Labor counterparts in SA have sided with the Liberals, Family First and Greens calling for urgent action on this price war?"

"Family First also want to see our dairy industry grow in South Australia and our factories fully utilised, a new dairy plan replacing the one that expired in 2010 prepared with goals for expansion and more jobs in the sector"

The wording of the motion passed without amendment last night appears below:

That this council:

1. Notes with concern the impact on the dairy industry of the Coles milk pricing strategy and that—

(a) dairy farmers around the country are today seriously questioning their future having suffered through one of the worst decades in memory, including droughts, floods, price cuts and rising costs of input such as energy and feed; and

(b) unsustainable retail milk prices will, over time, compel processors to renegotiate contracts with dairy farmers and the prospect that these contracts will be below the cost of production may force many to leave the industry; and

(c) the fact that supermarkets are now selling milk cheaper than many varieties of bottled water will be the straw that finally breaks the camel's back for many dairy farmers; and

(d) the risk of other potential impacts include—

i. decreased competition as name brands are forced from the shelves; and

For further information contact: **Robert Brokenshire** on 0419 815 990 or 08 8237 9122

FAMILY FIRST - *The Independent Party*

MEDIA RELEASE
Robert Brokenshire – FAMILY FIRST PARTY

ii. the possible loss of fresh milk supplies to some parts of the country as local fresh milk industries become unviable.

2. Calls upon the federal government to—

(a) ask the ACCC to immediately undertake an investigation into the big supermarkets and milk wholesalers after recent price cuts to ensure they do not have too much market power and are not uncompetitive in their behaviour; and

(b) support the new Senate inquiry into the ongoing milk price war between the country's major supermarket chains.

6 April 2011

MDBA Chair Mr Craig Knowles' speech to the Sustaining Rural Communities Conference (Narrabri)

Good morning to you all.

At the outset I would like to acknowledge the Gomilaroi community and pay my respects to them the traditional owners of the land.

Can I also thank Mal Peters, an old partner in crime, for the personal invitation to talk with you this morning.

Indeed, to all the distinguished guests and particularly the Mayor of Narrabri, thank you for the invitation.

In the context of a conference that is all about sustaining rural communities I think it is important, right at the front end of my remarks that I acknowledge my work is all about re-engaging people who have been left out of the process to date and to ask for your help in making the work I do better and more relevant to the people who live and work in the Murray-Darling Basin.

It is no secret that I have a poor opinion of the Guide that was released last year.

But it's time to move on.

I have said that I do not have a high degree of ownership of the Guide and that both symbolically and practically my appointment as the new Chair is a chance for a fresh start. So over the last couple of months I've begun the process of re-engagement.

In short summary, I've been criss-crossing the Basin talking with and listening to local communities. I've been talking to your governments, the Ministers and the Sir Humphreys, and of course I've been talking to all the peak industry groups in an attempt to re-start a conversation which stalled last year.

I haven't added them up but I think the meetings are now in their hundreds, as are the phone calls and the conversations and I can tell you that the messages are pretty consistent.

- People want to have a say, they don't want to be 'consulted', they want a chance to have a conversation.
- People want to have their historic efforts recognised.
- They want certainty, but it's a certainty that has a future.
- They want me to get on with things and not delay.
- People understand that balance is the objective - you can't have a healthy environment without a healthy economy and you can't have healthy economies and strong social fabrics unless your river and landscapes are constantly nurtured and in a strong state of health.
- In particular, people who work the land find it insulting to be accused by some sections of the community of being environmental vandals. Many of those farmers

have a generational attachment to the land and a vested interest in maintaining a healthy landscape - next years' profit and their legacy for future generations of their family depend on it.

- Likewise aboriginal communities have a 40 000 year plus attachment to the land. Their cultural and spiritual heritage and beliefs need to be respected and taken into account.
- People warm to the concept of a healthy working Basin, they understand that the Murray-Darling is a major contributor to our Nation's wealth. It provides food and fibre as well as jobs and homes for literally hundreds of thousands of people.
- People expect their governments to be better at managing water - the stories of the left hand not knowing what the right hand is doing are too numerous to mention and it's about time we got it right, that the processes of buyback and infrastructure funding and state government programs as well as the role and functions of the environmental water holders at Commonwealth and State levels be better aligned and more streamlined to serve and benefit communities rather than tie them up in more red tape.
- And most of all people will tell you (as they have told me for the last 25 years of my public life) that if they are just given the resources and the opportunity and a degree of trust they can deliver at a local level the results that are just impossible to deliver if you try and do it from Capital Hill.

So these are the messages from the valleys. And I want to assure you that I've taken them direct to the Ministers who oversee water, right around the Basin.

Just last Friday all of the water Ministers met in Sydney and signed off on an agreement which is fundamentally important to the work that we are now undertaking.

All the messages I've just read to you I told to them.

I can assure you they heard them loud and clear, and in return, they demonstrated a clear commitment to a better way forward.

Specifically a commitment to:

- work more closely together
- review all of the opportunities to better align programs like buyback, infrastructure programs and environmental water management
- and, perhaps most importantly, they signed off formally on a commitment to strengthen the involvement of local communities in the design and rollout of State and Commonwealth programs right across the Basin including the Basin Plan.

These three points are fundamental.

The first, about working more closely together, sends a clear message to State and Commonwealth bureaucracies, including the MDBA, that the Mexican stand-off that has been in place for the last couple of years over water is now at an end.

There is a clear expectation by Ministers that their senior officials will work together, share information, develop practical solutions and create workable, sensible water sharing plans that can be implemented in a coordinated and rational fashion.

Importantly, the Ministers have agreed to meet on a regular monthly basis to benchmark performance.

The second point is about making sure that the very large buckets of money in buyback and infrastructure programs are put to work in better ways to deliver better results.

I make the point that the draft Basin Plan which will go on exhibition in the middle of this year will only be successful if it is cast in a context of a more holistic plan for the Basin. How buyback is used, how infrastructure money is employed to do clever things in environmental management as well as on-farm and off-farm works will be critical to the implementation of the Plan.

Equally, how the Commonwealth and States manage environmental water in the context of a market based system will be vital to the success of any water management plan produced by the MDBA.

The Governments' collective agreement to better align all of these programs and, along the way, speed up the processes of implementation, gives me great hope that we are at last getting on to the same page.

And finally, the Ministers decision on localism, is the real breakthrough.

Many of us know through our own experience that the best results, and the ones that last, are those that come from local settings.

The Basin is full of examples where, with some resources and some authority, local groups are already working in partnership, striking the balance between production and environmental needs.

There are lots more - in fact after I leave here this morning I'm going to have a look at some more local initiatives here in the Namoi.

Of course what this is all about is an understanding that the fine-grained solutions to finding the balance and managing river health is best done by local people who know their part of the river with intimate and detailed knowledge.

It's a recognition that solutions that might work in one catchment or on one river system might not work in another - river management really is about horses for courses - and to pretend that you can develop the detailed solutions from Canberra or Macquarie St, Sydney is simply naïve.

Years ago I developed Catchment Management Authorities in NSW in an attempt to devolve land and water management away from the centre and empower the regions.

Years later my belief that local communities are more likely to get it right remains undiminished.

That's why I'm so pleased that the Ministers have decided to start a conversation about what localism might mean in the management of water.

It is really important that you all join in and have your say because the work that is currently underway in the development of the draft Basin Plan will be encouraging localism too.

In that context I want to give an opportunity for local communities to take ownership of the plan and manage their part of the system for the long term.

The plan we put out in the next couple of months will of course comply with the Act and it will contain our best estimates of the sustainable diversion limits and the environmentally sustainable level of take.

But the big thing that will be different to the Guide is that these numbers will not be an end point they will be the start of a process, a process to turn my plan into our plan.

Where the Guide gave the image of a big cut all happening on one day our process will talk about how much we've already done and what's left to do.

We will have regard to our history of effort.

In addition, the water sharing plans of the States need to be better aligned.

As you know, water sharing plans in each State have different end dates ranging from 2012 in South Australia through to 2019 in Victoria with other States somewhere in between at around 2014 and 2015.

I think it is inevitable that alignment will occur around 2019.

What that means is that there will be ample time to use the processes of infrastructure funding, buyback, environmental water management to continuously move toward achieving the plan.

In some river valleys the plan will be achieved early in the period, other places will take longer.

It also means that there will be time to interrogate the draft plan on a catchment by catchment basis.

I envisage that the numbers will be challenged.

As I said earlier the numbers that I produce in the next couple of months should be the start of a process of implementation rather than the end of a conversation.

Logically that implies that, if it can be demonstrated that the environmental objectives for a given catchment can be achieved with a different regime of water management then we should be willing to accept the evidence.

This process within the context of a proper strategic framework, which is the Basin Plan, gives more time for regional communities to adjust and take ownership of finding solutions for improvements in water use efficiency.

By taking ownership we provide a higher level of certainty that the solutions that are developed are ones that will last and be accepted by local communities.

Part of the work will be to develop the process of how that can happen, and as I've said I believe it's more likely that local processes and local engagement will produce better results. So unlike the Guide, the next few months presents an opportunity to those of you who want to engage in the process and to build a framework for local implementation.

It's a chance to take control of the agenda and do the things you've told me you can do if only the government would give you that chance.

Well the opportunity is here, now.

If you choose to take it I am confident that the Basin plan can be a collaborative effort, owned and operated by local communities, not a competition between conservation and production and a plan which will underpin for generations to come a healthy working Basin.

ENDS

For more information contact the MDBA Media office at media@mdba.gov.au



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SENATE ECONOMICS REFERENCES COMMITTEE
Questions on Notice

The impacts of supermarket price decisions on the dairy industry

Melbourne, 8 March 2011

QoN No.	Hansard Page Reference	Senator	Witness/organisation	Question	Status
1	Written	Xenophon	SADA	<p>Do you think it is likely that processors will cut the price of their branded milk in an attempt to maintain market share? What influence do they have on its price on the supermarket shelf?</p> <p>Our understanding is that the Supermarkets control the price on the shelf (as with all retailers) and if a processor wishes to reduce the wholesale price it is up to the supermarket to decide to pass this on to the consumer if they wish. We also have concerns at the moment that the supermarkets are placing branded milk on the shelves with very short "best before dates" and also reducing shelf space available to the branded products.</p>	
2	Written	Xenophon	SADA	<p>Are you aware of informal agreements between processors that they will not poach each other's suppliers?</p> <p>We are not aware of any agreements.</p>	

3	Written	Xenophon	SADA	<p>a) One submission suggested that producers should be able to have tradable and dual supply contracts and thereby trade their contracts between processors either in long or short-term tranches of milk volumes. What is your view of this proposal?</p> <p>We consider this could be beneficial to for farmers to have access to both sectors of the market and allowing this access to be tradable would enhance the transparency of the domestic market.</p> <p>b) What do you think of proposals that would require processors to gain ACCC approval for their contracts with dairy producers?</p> <p>We do not feel this would add greatly to the operation of the contracts that are available to farmers. Farmers already have choice and can choose processors that fit their business. The lack of transparency for farmers is further up the supply chain.</p>	
4	Written	Xenophon	SADA	<p>a) How transparent are the prices and terms of the contracts for private label milk and branded milk between the major supermarkets and the processors?</p> <p>This information is outside SADA's ability to comment.</p> <p>b) Do you think there would be noticeable benefits if this information was more widely available?</p> <p>The transparency would allow the farmers and the rest of the supply chain understand the ability in the market to pay farmers a reasonable share of the retail price.</p> <p>c) What would they be?</p> <p>As above.</p>	

5	Written	Xenophon	SADA	<p>The Produce and Grocery Industry Code, which was introduced in September 2000, aims to promote fair and equitable trading practices within the produce and grocery industry supply chain. The code aims to minimise disputes and provides a dispute resolution system which is available to dairy farmers.</p> <p>a) Are you aware of the Produce and Grocery Industry Code?</p> <p>We were unaware.</p> <p>b) How relevant is the Code to the dairy industry?</p> <p>The fact that we were unaware suggests this is not an option that is very relevant to the Dairy industry.</p> <p>c) How effective do you consider the Code is? How could it be strengthened?</p> <p>Unable to comment.</p> <p>d) Do you consider the effectiveness of the Code and the Produce and Grocery Industry Ombudsman is limited by the fact that the Code is voluntary?</p> <p>Unable to comment.</p>	
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6	Written	Xenophon	SADA	<p>Senator Xenophon notes that Choice have called for a comprehensive and coordinated National Food Policy to be developed and a supermarket Ombudsman to be established. The Government have also formed a national Food Policy Working Group to develop a National Food Plan.</p> <p>The Senator asks</p> <p>(a) Would you support this proposal?</p> <p>SADA supports the development of a strong policy framework that will promote the growth and productivity of the Australian food industry. The Government on 1 December, 2010 launched the National Food Policy Working Group comprising representatives from the food chain and the consumers as represented by Choice.</p> <p>At the launch the new Working Group the NFF President. David Crombie, had this to say,</p> <p><i>"The Government needs to work with industry, right through the supply chain, in a strategic and long-term way. We need to make sure policies are geared to Australia's interests -domestically to keep quality high and prices competitive and globally to meet surging demand. Australia's farmers and processing sectors will get on with the job but we need a visionary and proactive government policy environment that supports our efforts."</i></p> <p>But at the very time that one arm of the Australian government is working with industry to develop a long-term national food plan another arm of government is allowing the growing market domination of the supermarket duopoly. Failure by the government to sort out an effective set of arrangements in the Competition and Consumer Act will inflict long term damage to our dairy industry, retail competition, consumers, and the ability for Australia to be an exporter of food.</p> <p>What the government and industry is hoping to achieve with the development of the new Food Plan is; supported by all, is a worthy aspiration, and definitely in the national interest. Exactly the opposite can be said about the governments appalling performance in relation to competition policy which is anything but in the national interest.</p> <p>What Coles have been allowed to do is a national disgrace. The problem here is not so much Coles but the Australian government for having such a weak set of competition laws and a regulator that Senator Xenophon has described as being, "less effective than a toothless chihuahua." "At least a toothless Chihuahua will yap a bit</p>	
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and make a bit of noise."

We are most heartened that through lobbying, by many groups along the food chain and including the consumers, we can see the politicians are beginning to voice their concerns that the action by Coles is not "sustainable" and, "*not in our long-term national interest. (Hartsuyker, 21 March)*".

"The government must take every action possible to ensure that the activities within competition policy are in the national interest. Instead of allowing Coles to use its market share to drive milk processors and dairy farmers out of business...(Hartsuyker, 21 March)" Again the question is being raised, this time by (Billson 21 March), as to whether the competition watch dog the ACCC is "in step" with the longer-term public policy and economic objectives of the community, government and industry. "*..whether the toolkit available to the ACCC is adequate, whether it best supports the public policy and economic objectives we have for our country and how well these tools are actually being used (Billson 21 March)*

The call for Australia to have a National Food Plan is extremely powerful in that the initiative was proposed by the national farming lobby the NFF, and has the support of all the players in the food chain (perhaps not Coles), and is also supported by the national consumer advocate in Choice at the end of the chain.

Before we leave this issue we wish to express our disappointment with the submission to this Inquiry by Coles. The Coles Submission totally fails to address any of the serious longer term consequences of their actions for farmers, consumers, retail competition, communities, etc. Instead they focus on strategy that is flawed because it is basically about growing wealth and market share for Coles at the expense of the national good. These Coles, highly focused, corporate executives from the UK (focused on gaining market share and salary bonuses) would have us believe they are Santa Claus. Even the other major supermarket chains have said to the Senate Inquiry and publicly that what Coles is doing is not "sustainable".

It appears that the difference between Coles and Woolworths goes further than the difference as to whether these discounts are "sustainable" It was the Woolworths CEO, Michael Luscombe, who in

an article in the Financial Review (1 July, 2010) said, "Australia needs to take wide-ranging actions to ensure the long term security of its food supply and role as a global agricultural power house." He had asked the Prime Minister and Opposition Leader to establish a ministry to oversee the entire food production supply chain. He had the vision of "establishing Australia as a leading global brand for "clean, safe and available" food." So we see Coles with a short term grab for market share to be paid for by the farmers (as the cost of the discounts goes back to the farmers over time) as contrasting with Woolworths who are building a reputation for corporate responsibility and sustainability.

The Senator then asks, (b) What powers and functions do you consider a Supermarket Ombudsman should have and (c) Choice have also suggested that the Ombudsman be based within the ACCC- do you have a view on this?

For SADA the key issue is getting the right "toolkit" for the ACCC (this will be addressed and explained when answering the Senators Question 7). Having a dedicated office for the supermarkets within the ACCC is justified given the importance of the issues raised in the submissions to this Senate Inquiry. In relation to powers (to be addressed in Question 7) the key point is that currently Australia has the weakest "competition laws" of any OEDC country and unless this situation is addressed the duopoly supermarket share will continue to grow and they will attain near total control of the market and the consequences and concerns expressed in the Senate Inquiry submissions will become reality.

7	Written	Xenophon	SADA	<p>The committee heard in 2010 that the national health standard for milk meant there were no significant differences between private label full cream milk and branded full cream milk, other than some minor specification differences.</p> <p>(a) Is this correct?</p> <p>Yes this is correct. Evidence can be obtained from the Choice website (Milk Products Review, 10th September, 2009) where they compare the specifications of the private label and branded full cream milks and there is no significant difference. It has been reported to us by one consumer that purchases milk from Coles on line who has been ordering Branded milk but when delivered it has been Coles home brand. This suggests Coles even considers Private Label and Branded milk the same.</p> <p>(b) Do you think it is inevitable that, regardless of the current price discounts, consumers would realize this and switch to private label milk?</p> <p>Over time consumers are switching to the private label milk. However; there appears to be some customers that have a preference for the branded product.</p> <p>(c) Should it be regarded as price discrimination to sell the same product at a different price even if the product is sold in containers with different labels?</p> <p>Yes we believe this is price discrimination.</p> <p>(d) Would you support an explicit anti-price discrimination clause being reintroduced into the Competition and Consumer Act?</p> <p>Yes we would support the reintroduction of an anti-price discrimination clause into the Act. We believe this strengthening of the Act could be the most important outcome from this Senate Inquiry. This is the specific action that will best deliver on the promise of delivering on stronger competition laws. This action we believe will be supported by all except the supermarket duopoly. Even the other grocery chains support this action because they know that unless this change is introduced they will be squeezed out.</p> <p>Remember the anti-price discrimination clause (Section 49) was part of the Trade Practice Act when it was passed in 1974 but prolonged</p>	
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lobbying by big business saw it repealed in 1995.

What makes the Australian competition laws so weak and will allow the supermarket duopoly to continue to become more and more powerful, in fact heading to a potential monopoly, is the lack of this anti-price discrimination clause. Anti-price discrimination (Section 49) is prohibited in every OECD country except New Zealand, though New Zealand has stronger prohibition on misuse of market power.

Ken Henrick, the CEO of the National Association of Retail Grocers of Australia (NARGA), is a most respected commentator on competition laws and the ACCC and this is his take on the importance anti-price discrimination has been given internationally.

"Anti-competitive price discrimination is the slippery road to monopoly.

That's why the US Congress worked for almost a quarter of a century to find a way to stamp it out.

That's why the 1957 treaty of Rome which set up the European Community dealt with a prohibition on anti- competitive price discrimination as one of its first priorities."

One of the arguments put by the duopoly for getting rid of this clause was that this misuse of market power could be covered by another section of the Act (Section 46). But we now believe this was a ploy by big business to weaken the Act and take the ACCC out of the action.

This is what Ken Henrick has to say on differences between Section 49 and Section 46;

"Section 49 included an "effects" test – does the conduct in question have the effect or the likely effect of bringing about a substantial lessening of competition.

Section 46 has a "purpose" test – what was the purpose and intent of those responsible for the conduct. How do you prove what is in the hearts and minds of those involved?

So, at the very least section 46 is a weaker option and harder to prove."

But Australia's version of a prohibition on anti-competitive price discrimination is a ghost law: its there, but you cannot see, hear or feel it.

And the competition regulator would prefer to hold a séance than actually deal with the problem."

The other great opportunity and outcome with this simple legislative change of reintroducing the clause into the Act is that it should be a catalyst to get the ACCC "off its hands" and into some action.

So let us be clear, that anti-price discrimination is where one or more customers of a supplier get better prices than other customers (who from that point on are pretty much permanently disadvantaged on the prices and profit margins they can get or set). Surprise, surprise (Ken Henrick again), we now find that *anti-price discrimination is absolutely rife though out Australian industry sectors*. It is every where including groceries, liquor, general retailing, motor vehicle spare parts and the list goes on and on.

Coming back to the dairy situation we now know that the recent decision by Coles to sell its private label milk at a dollar per litre (every other major retail group was forced to follow) is "unsustainable" and the cost of the discounting will eventually be passed back to the processors and the farmers. ***This is going to force dairy farmers out of the industry.*** But consumers may be getting lower prices for private label milk but they will be paying more for other items.

SADA in its submission to the Senate Inquiry SADA asked for nothing more from the Australian Government than adequate competition laws and a regulator that was active to ensure a healthy and competitive domestic grocery market. We believe the government must strengthen our competition laws (reinstate Section 49) to bring us into line with the other OECD countries and get the ACCC to look specifically at anti-price discrimination.

While there may (we say may because of the potential for Coles to increase the price on other items) be some short term savings for the consumer the long term cost to the farmers, the processing sectors, retail competition, the consumers, and the regional communities will be many, many, multiples of any short term savings. These consequences have been well documented in the submissions to this Senate Inquiry. ***Failure by the Parliament to act now will encourage the supermarket duopoly to continue to grow and in a few years time we will all be back again with another Senate Inquiry into exactly the***

same topic. This will be inevitable because by then the lost opportunities to have a country well positioned to produce such abundance of fresh produce that we can continue to export food will be lost. The cost to the nation of the duopoly will then be apparent to all, but then sadly, Australia will find it a major and even more costly challenge to rebuild a competitive grocery market.

Advocates for Coles are saying we are "over re-acting" but why are they so afraid of improving the competition laws in order to better promote a free, fair, and competitive market place by re-introducing Section 49 – the anti-price discrimination clause?

DAIRY UPDATE FROM SADA



In Partnership with



23 May 2011

PRESIDENT'S REPORT

David Basham

National Foods Factories at Murray Bridge and Jervois

Media reports over the last couple of weeks have suggested that there might be a new owner of the National Foods processing facilities at Murray Bridge and Jervois. SADA along with all dairy farmers in South Australia have a keen interest in the outcome of the sale. One potential buyer that has been reported is United Dairy Power (UDP). As UDP is currently not operating in the region I have made contact with the company to discuss their plans if they are successful. We hope to have a meeting with them in the near future to discuss their intentions. I would hope there would be an announcement on the sale in the next couple of weeks.

The ADF Restructure proposal

As some of you are aware there has been some discussion on the restructure of the dairy industry lobby organisations across Australia. The proposal is for dairy farmers to become members directly with the National body Australian Dairy Farmers Ltd (ADF). This is to strengthen the relationship between grass root members and the level of the organisation structure that is conducting most of the work required in the lobbying arena. We at SADA are dealing with issues on a local level including water allocation plans, transport issues, state government regulations etc. At the national level ADF are covering off on carbon trading issues, international trade issues, animal health and welfare issues etc. There is cross over in issues that are common across the states such as water and transport etc.

I personally believe it important that we have a strong level of representation at all the key areas of lobbying across the country; we are

only as strong as the weakest link. I also believe the proposed structure will allow a stronger organisation to develop that can deliver a better return on our investment in lobbying. I would like to encourage all members to attend one of the meetings to be held in early June to hear more about the restructure from a presentation by ADF.

Board Member Elections

It is that time of year again when it is necessary for the election of Board members. I would like to encourage members to consider nominating for the Board. In the Adelaide Hills Rick Gladigau is up for re-election but this region currently only has 1 Board member (Rick) so there exists 2 vacancies. Michael Connor in the Fleurieu region is retiring from the Board which also creates a vacancy. I would like to thank Michael for his time on the Board and his valuable input during his time on the board. James Stacey in the River & Lakes region is up for re-election as is Lyndon Cleggett in the South East. Nomination forms have been sent to all SADA members and need returning by 3 June.

Please note that the flyer sent with the Nomination form incorrectly mentioned that there existed 2 vacancies in the River and Lakes region. James Stacey is the only Board Member up for re-election at this time.

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CEO's REPORT

This time last year the SA dairy industry was confident that conditions (milk prices, season and fodder costs) were looking good and there was hope of moving out of a time of drought, global financial crisis, and concerns about security of water supply for our irrigated dairies. The recent Dairy Situation and Outlook suggests that the coming financial year will provide a time of further consolidation, and even for some, the opportunity to consider investment and growth.

The main topic of conversation during recent farm visits to members has been milk prices and market issues such as the future of the processing facilities at Murray Bridge and Jervois. So we will begin this Update with the market and then move onto the next two key issues our members are seeking action on;

- The devaluation of domestic dairy market due to the Coles discounting (estimated at over \$700m per year) that commenced on Australia Day and unless challenged is expected to be passed back to dairy farmers in lower farm gate milk prices,
- The important water policy issues (different but covering all our dairy regions). Both the forestry industry "walking away from the Minister's Reference Group" in the south East and the consultation with the Eastern and Western Mt Lofty needs addressing.

Contact: Ken Lyons 8293 2399

OUTLOOK

To view the 2011 Dairy Australia Situation and Outlook Report visit the Dairy Australia website www.dairyaustralia.com.au

The summary statement comes from Dairy Australia CEO, Ian Halliday, "Overall the industry's position has continued to improve with high international commodity prices, the global economic recovery, robust growth in Asia, and favourable conditions across most production areas".

OPENING PRICES AND CONTRACT NEGOTIATIONS

Fonterra has again come out with an early "opening price" and it is expected that the others will come out around mid-June. Then dairy farmers can begin the difficult and complex task of comparing contract options. These options have increased with different time periods (options of 1-3 year contracts) and even single processors like MG are now offering three options relating to production patterns. A key consideration is whether farmers are intending to grow their milk supply. Dairy farmers are saying that they believe getting an accurate handle on projected monthly production volumes is important to getting the best value from the negotiations with processors.

National Foods have supplier meetings coming up (week beginning 23 May) and they are expecting to have prices ready for farmers by mid-June. National Foods will re-badge their name to "Lion" so expect an announcement shortly. The amalgamations leading to the current name of "Lion Nathan National Foods" was becoming a mouth full so the change does make sense. This name change will take place on all signs letterheads, etc, from August till November.

Currently the Dairy Farmers Milk Co-operative is in negotiations with Lion and many Collective Bargaining Groups ("authorized" by the ACCC following lobbying by ADF) are also becoming active.

Contact: Ken Lyons 8293 2399

PROCESSOR NEWS

In terms of the processors there have been a number of changes to the landscape but of particular interest will be the impending announcement by Murray Goulburn of their new Managing Director. Earlier in the month Murray Goulburn held meetings for non-MG suppliers indicating that they were interested in growing supply in SA. We at SADA see this as a positive move and SADA took advantage of the meeting to publicly thank MG for deciding to enter the central region of SA a couple of years ago. The sudden and unexpected onset of the GFC made the move to SA a most difficult time for all concerned. It was commendable how the new MG suppliers and the MG co-operative worked through this most difficult time. We would like to also give a special thank you to Ross Greenaway, Trevor Keele and the other MG field-staff for their fine efforts at this time. More generally we acknowledge the work of all company field staff during the prolonged years of drought, GFC and uncertainties that created such a challenging time for our industry. The future of the two processing plants at Murray Bridge and Jervois is expected to be announced in early June. It would appear that National Foods is considering issues such as; the staff, and the future of the regional dairy industry, when considering the options and this is a positive.

Contact: Ken Lyons 8293 2399

THE SUPERMARKET DUOPOLY

This has been the major issue for SADA over the past month. The involvement of Senator Nick Xenophon, working with SADA Vice-President James Stacey, to initiate the Senate Inquiry, the media campaign surrounding the senate Inquiry, and developing politically realistic outcomes has been a feature of our involvement.

The SADA/SAFF Forum in Parliament House, sponsored by Hon. Robert Brokenshire, was deemed a great success by all who attended and it did achieve its prime purpose of bringing together many groups that shared serious concerns about the growing power of the supermarket duopoly. We thank all those who contributed and attended the Forum

which will be one of the highlights for SADA for 2011. SADA is funding James Stacey to attend a further Forum to be held in Canberra on 2 June again with the objective of involving a wide group of industry representatives concerned with the power of the supermarket duopoly.

This issue is so important because, if left unchallenged, it will eventually affect farm gate prices for all dairy farmers supplying the domestic market and thus their ability to say in the industry.

Many National Foods suppliers are saying the drop in the price paid for un-contracted milk last month could well be as a result of the action by the supermarkets to significantly 'devalue' the dairy domestic market by over \$700m.

There is no evidence to suggest a price drop on the "un-contracted milk" was considered before the Coles discounting announcement on Australia Day. If this is correct; then it focuses the issue clearly for farmers and their "hip pocket". This is not a theoretical discussion but real money being lost. This is just one of many times when I shake my head and ask why all farmers are not members? We are talking about an unexpected reduction in the monthly milk cheque of between \$2-4,000. This should not be seen as having a "cheap shot" at National Foods, and if fact, we should congratulate those processors like National Foods who had the courage to front the Senate Inquiry. Remember it was National Foods who confirmed the position the State Dairy Associations and ADIC took at the Senate Inquiry that the Coles discounting is "unsustainable" and this would result in the passing of the cost of the "devaluation" down the food chain to dairy farmers.

Contact: Ken Lyons 8293 2399

WATER ISSUES

Water for SADA and our membership has been the biggest issue for us in terms of our commitment of time and resources over the past decade. While the implementation of the MDB plan is likely to be given a ten year implementation timeline and the new draft not out till next month; this month the focus for SADA has been on the SE and Mt. Lofty WAPs.

The Gillard Government held a Community Cabinet Meeting in SA on 19 May and, **"offered South Australian voters an "iron clad" guarantee she will stand by her election promise to save the River Murray despite fears the reform process is going off the rails"**.

Contact: Ken Lyons 8293 2399

SOUTH EAST

The SE dairy industry has shown leadership on so

many levels, including the Award given to the industry sector and government agency that had showed the best progress through co-operation. This was awarded to the SE Dairy Industry (Gary Spain, James Mann, etc) and our state Water Department (the CEO was Rob Freeman) for the work on the volumetric conversion. So it will come as no surprise that the SE dairy industry has been working closely with the government agencies to finalise the new SE Water Allocation Plan being developed by the NRM Board (plans are reviewed every five years). In fact SADA has a formal SADA SE Water Committee chaired by Graeme Hamilton that has been active in working with the agencies, scientists, and other stakeholders.

Many years ago (and several Ministers' ago) the State government decided that the "science" clearly demonstrated that plantation forestry was a significant "user" of water from the aquifer and therefore should be included in the regional WAP. To do this the NRM Act must be amended to include plantation forestry as a water using activity and this is in the State Parliament as we write. Over the years the evidence as to why plantation forestry should be included just gets stronger, and is now beyond question, and to the credit of the Rann Government they have not backed away from their commitment on this issue.

Last year Minister Caica established an industry "Reference Committee" (including forestry) and reports were that good progress was being made. But unfortunately this year the forest industry has indicated that they intend reverting to a position of "denial" and so this suggests the end of constructive dialogue through the reference group..

I draw attention to the article in the Border Watch "Water Plan Threat Warning", dated 18 May, 2011. The opening paragraph reads, **"Australia's peak forest industry body has called on the State government to dump or amend its bill that brings forestry plantations into the water budget"**.

I can understand why they are bringing in the national forest association, and the dairy industry will now do the same, because this has national implications for all regions in Australia where it can be shown plantation forestry is a water user.

So on Tuesday 17 May our SADA Water Committee met with the new Dairy Australia Water Policy Manager, Claire Miller, to review the technical and economic information. This review is needed to support a more detailed policy position, given the issue looks like continuing for some time. The challenge for SADA is to have a professional and defensible position on this issue. For the SADA SE Water Committee we need a plan for lobbying on this issue that targets industry groups, politicians, political parties, communities, and the international buyers of plantation forestry products from the SE with a timeframe covering the next twelve months.

Contact: Ken Lyons 8293 2399

MEETING WITH THE DISTRICT COUNCIL OF GRANT

Ken Lyons and Charles Wallace were looking forward to giving a presentation to the District Council of Grant on Monday 16 May but because of a back injury Ken's trip to the SE had to be cancelled. The presentation will be re-scheduled.

I was looking forward to this meeting as it was an opportunity to have a genuine discussion about the opportunity of exploring how all the stakeholders could work together for the good of the environment, the economic development of the region, and how the new WAP could be seen to deliver a good outcome for all.

The issue I was going to raise was whether the Council still had faith that the core issue (the inclusion of plantation forestry into the SE WAP) could be resolved locally or whether it should be referred to politicians in Adelaide, interstate national industry lobby groups, and again interstate corporate senior managers to resolve.

Before rejecting the local approach (as by default appears to be going elsewhere) I would be interested in getting feedback from the Council on supporting some of our regional organisations such as:

- The SE NRM Board and Staff are competent and respected.
- The SE Regional Economic Board and CEO are also highly regarded.
- District Councils in the SE are actively engaged with their communities.
- Last year Minister's Caica's "Reference Group" was making significant progress before the national forestry association decided to walk away.
- You have in the Independent Member for Mt Gambier, Don Pegler, a person who speaks to all "stakeholders" and has proven he has a sound understanding of the broad picture.

I referred earlier to the Minister's Reference Group and the progress being made. The positive feedback coming from forestry last year included:

- Forestry appeared to be coming to the position of seeing that being part of the water budget could give "certainty" for the current forestry owners and future investors that is not there now,
- Forestry could see that by supporting all the good principles of the sustainability of natural resources would be consistent with meeting the requirements of the international forestry buyers (failing to be part of the WAP could affect sales).
- The Forestry Strategic Plan indicated that for the SE Forestry Community there were bigger issues at this point in time than the WAP, so being free to focus on these issues would be an advantage.

South Australians have a history of working together.

When I first came to SA as the AWB Manager for SA back in 1979 I was approached by the SA forestry industry to help them get sample timber products into China, with the aim of opening up the China market for SA Forestry as we had with grain. We did this by tossing the forestry samples from the South East, on top of the bulk wheat shipments leaving South Australia for China. A simple strategy, but it worked. I mention this to give an example to indicate that there is higher aspiration for all industries in the SE to play a part in growing the wealth of the South East.

What is the timeframe? SADA believes getting a good SE Water Plan is more important than coming up with one that is flawed (fails to include plantation forestry) and denies the SE the opportunity to fulfil its potential for growth and wealth creation.

Contact: Ken Lyons 8293 2399

WESTERN AND EASTERN MT LOFTY RANGES DRAFT WAP'S

SADA arranged (in consultation with DairySA and Monique White) for the visit by Claire Miller from Dairy Australia to work with us on issues relating to these Draft Plans.

While in SA, James Stacey arranged for Claire to have a meeting with Karlene Maywald to discuss the issues and the progress of the MDBA new Draft Plan due to be released in June.

Warren Jacobs has provided the following report on the Eastern Mt. Lofty Ranges WAP.

AT LAST EMLR DRAFT WATER PLAN RELEASED

Finally after 6 years on the advisory committee a Draft Water Allocation Plan (WAP) to protect water resources in the Eastern Mount Lofty Ranges (EMLR) has been released for community comment by the South Australian Murray-Darling Basin Natural Resources Management (SA MDB NRM) Board.

This follows the release of the draft of the Western Mount Lofty Ranges WAP.

It has been a long time coming and it is hard to remember some of the discussions we had in the early days of the plan, but it is important that we go back through them, so those that will be affected by the WAP get up to speed with its contents.

It is important that all these people understand the WAP & have the opportunity to have their input into this plan. To do this I think it is important that all people attend one of their

local community public meetings where general information on the WAP will be given and they will have time to ask questions.

I don't intend to rehash all of this information because all relevant people should have an information pack from the SA MDB NRM Board with these details.

Public meetings

You can attend any of the following public meetings.

Tuesday 24th May

Mt Pleasant Town Hall: 7pm to 9pm

Wednesday 25th May

Langhorne Creek FC: 7pm to 9pm

Thursday 26th May

Strathalbyn Town Hall: 7pm to 9pm

Monday 30th May

Mt Compass FC: 7pm to 9pm

Tuesday 31st May

Mt Barker Bowling Club: 7pm to 9pm

Those interested in attending should register by calling the SA MDB NRM Board on (08) 8532 1432 by May 19. Further information and CD copies of the draft plan are available on the same phone number or visiting the website www.samdbnrm.sa.gov.au

Shed Discussions

The board will be holding a number of small group meetings throughout the area following the public meetings. SADA has arranged such a meeting to be chaired by Greg Mitchell for:

Wednesday 15th June

Mt Compass FC: 7.30pm to 9.30pm

A follow up meeting will be arranged if further discussion is necessary or time is needed to follow up questions.

Comments and written submissions are being received on the draft Plan until August 5 2011. SADA will be putting in a submission and we encourage all those affected to do likewise.

All comments submitted through the consultation process will be considered when finalising the Plan. Matters raised during the consultation will be provided to the Minister when the final version is presented for consideration.

SADA Key elements of Eastern Mount Lofty Ranges (EMLR) Water Allocation Plan (WAP)

- Sets sustainable allocation limit, allowing 15% of surface flows or runoff for the amount of water that can be taken by users
- 85% of surface flows or runoff for the system & environment
- Proposes no new water allocations but provides mechanisms to trade water between users
- Management involves licensing & water metering
- Provides roll-over of unused allocations to later years
- All stock & domestic (household) water users will not be licensed or require meters
- Low flow by-passes will be required for stock & domestic dams bigger than 5 ML and all licensed dams of any size & licensed water course diversions
- Policies for the construction of new dams and wells
- Policies to protect existing users from future water taking
- Water allocation limits for total management zones are proposed in the draft WAP
- Allocations for individual licensed users are yet to be finalised

SADA supports a plan that assists in protecting existing users and the environment, but has reservations with the Draft WAP for the EMLR. There are still deficiencies in the Plan. A key problem that needs to be corrected is whether the science is giving a clear and accurate picture of the catchment and its environmental needs and even though the Plan is to protect existing license users they are the only ones that can have their water entitlements cut.

Low flow by-passes are required on all licensed dams, watercourse diversions and stock and domestic dams over 5 mega litres. There are 1,000 dams that will require low flow by-passes in the EMLR catchment and the beneficiaries will be wholly the environment.

It will cost between \$3,000 and \$15,000 per dam to construct low flow by-passes and the dairy

industry will call on the government to fund these, as it is totally a public benefit, not private.

According to the Guide to the proposed Murray Darling Basin Plan, the EMLR catchment is the fourth best catchment in the Basin. We have been doing a good job as it is looking after the environment, but do recognise a plan to protect the region going forward is required, but it needs to be the right plan.

No financial impact study has been done as to what this Plan will do to the region and what are the social and economical consequences.

Dairy farmers who are members of the advisory committee are Warren Jacobs (0438 569 025) David Basham (0417 865 962), James Stacey and Bern Gladigau. Please ring me if you have any concerns.

Contact: Warren Jacobs

RETAIL MILK PRICE

ADF has made recommendations to government and to the Senate inquiry into the impacts of supermarket price decisions on the dairy industry to achieve a return to sustainable milk prices. The recommendations are;

- ACCC investigation of Coles' unsustainable pricing and advertising practices;
- Amendments to the Competition and Consumer Act to stop such conduct in the future;
- The establishment of a fresh drinking milk Ombudsman and code of conduct; and
- An ACCC authorised industry roundtable that includes the entire supply chain

Over the last three months ADF has issued several media releases and together with state partners have completed around 700 interviews for the print, television and radio media.

ADF continues to update talking points that are provided to key spokespeople and interview coaching has been provided where necessary.

Moving forward, dependant on funding, ADF seek to utilise professional PR consultants on a part time basis to allow ADF to launch a more professional and pro-active media campaign against Coles.

ADF are also working on a You Tube video based on a 'thumbs down' parody of the Coles 'down down' advertisement. This will include positive dairy messages and demonstrate that dairy farmers have a sense of humour but draw a line in the sand that aims to make consumers question the true costs of buying generic milk at heavy discounts.

ADF is also planning an event where farmers will hand out branded milk items to raise public awareness and highlight the impacts of Coles' price cuts on dairy farmers at the same time thanking consumers for buying branded milk.

Contact: David Losberg 03 8621 4200

ENVIRONMENTAL SUSTAINABILITY

On Friday 8 April, ADF Policy Manager Beverley Wallace attended the Dairy Australia *Pre-farm Gate Sustainability reporting* project meeting. This project is an important part of the Dairy Moving Forward program. The project is an analysis of on-farm and off-farm environmental sustainability and is responding to national and international interest in the impact of dairy on resources such as water, land and nutrients.

A review of industry policy, risk and regulatory frameworks has been conducted and is now being followed by a survey of stakeholders (industry, governance and retailers).

The overall project strategy is to develop an agreed industry environmental monitoring and reporting framework and achieve community recognition of the dairy industry as a responsible and efficient use of resources.

Contact: Beverley Wallace 03 8621 4200

DAIRY FARMERS ON THE SOUTH COAST TAKE A STAND



South Coast dairy farmers from Gerringong, Berry, Shoalhaven, Milton, Bodalla and the Southern Highlands have taken against Coles unsustainable prices.

Over 100 signs were painted and placed on roadside paddocks and farm gates to raise community awareness about the detrimental effects the Wesfarmers Coles "down down" campaign is having on our dairy industry and the community. David Boyd, a Shoalhaven dairy farmer, said the signs were put up to "show how widespread the effects of this marketing ploy will be. Farmers can persevere through some extremely tough times - drought, fire,

flood, GFC's and rising commodity prices, but this marketing ploy threatens the survival of our dairy farmers and our industry in the region".

For the full article go to:

www.australiandairyfarmers.com.au and navigate to media releases for 2011.

Contact: David Losberg 03 8621 4200

ADF – FFNZ ANNUAL STRATEGIC DAIRY FORUM

Vice Presidents, Adrian Drury and Chris Griffin, along with Noel Campbell and A/CEO Natalie Collard met with FFNZ in Wellington for the annual strategic dairy forum on 11 and 12 April.

Discussions over the two day forum included the New Zealand Governments intention to implement a National Animal Identification and Traceability system and concerns surrounding this, such as potential carbon penalties and possible mandating of outdated technologies.

Other topics that were relevant to both FFNZ and ADF were the Murray Darling Basin experience in Australia and soaring retail milk prices in New Zealand. Noel Campbell presented an overview of the ADF restructure. There was much support for processors paying to support the model and discussion around member retention issues, value propositions and sustainable modelling.

ADF took the opportunity of being in New Zealand to meet also with John Hutchinson the General Manager of Sustainability and Jo Wills the General Manager of Government Relations with Fonterra as well as meeting with Simon Tucker the General Manager of Policy and Advocacy and Fiona Hutchinson the Policy Manager with Dairy New Zealand.

Contact: Natalie Collard 03 8621 4200

FARM DAY 2011

Farm day allows a farm family host to a city family for a day of real hands-on experiences, walking-away with a greater understanding of the day to day life of a farming family.

Why not consider further educating Australia's city slickers and open their eyes to a day in the life of a dairy farmer. You can give our city families the opportunity to learn what is involved in creating that delicious glass of Australian milk they enjoy so much. Maybe the next time our city cousins sip a latte in the morning they won't take for granted how hard you worked to provide it to them.

If you would like to get involved and share your farm on either May 28 or 29, register now at: www.farmday.com.au

ADF SPELLS OUT SCIENCE ON CALF TRANSPORT

The ADF have written to the heads of all state departments of Primary Industry setting out the scientific basis for the recommendation for a standard for the maximum time off feed (TOF) for calves being transported of 30 hours. A separate standard already sets the maximum time of transport of 12 hours.

The Primary Industries Ministerial Council (PIMC) in May 2010 endorsed the Australian Standards and Guidelines for the Welfare of Animals: Land Transport of Livestock. At the same time they agreed that a science based Standard for the maximum allowable TOF for dairy calves be developed through Animal Health Australia. This process involved input from industry, governments and animal welfare groups, and a period of public consultation.

ADF has been disappointed to hear that despite there being a robust scientific basis for the standard, proposals to ignore (or undermine) have emerged. In its letter to state departmental heads, detail on the scientific basis for the recommendation was provided by ADF, along with a challenge, that if there is alternative science, it needs to be on the table for industry to see. The letter commented:

"It is important for both governments and industry to ensure a sound credible basis for future regulation of animal welfare. Having achieved this for the dairy calf TOF standard, it is critical that we progress as originally agreed by PIMC. Failing to do so will call into question the credibility and relevance of this whole process.

"The dairy industry cannot be party to a process that proclaims then ignores science.

Contact: David Basham 0417 865 962 & Kevin Shiell 0413 800 349

AHA - RALPH HOOD AWARD

Animal Health Australia (AHA) has announced the establishment of an Award to honour the memory of former AHA CEO Ralph Hood who passed away in February 2010. The award is designed to support and encourage a commitment to Australian's national animal health system. One nomination is invited from each AHA member, and ADF are seeking suggestions or expressions of interest for an appropriate dairy industry nominee.

The award will be provided to facilitate a career enhancement opportunity that adds value to the national animal health system. This could be for continuing education, personal development such as a study tour or work experience. A link providing further detail can be found at

<http://www.animalhealthaustralia.com.au/>

The award is valued at \$15,000 and selection will be based on the applicant's responses to the following questions:

- How have you contributed to animal health in Australia? Describe your current role or involvement.

- What is your vision for animal health for the next 5-10 years?
- How do you see yourself contributing to that vision?
- What are your personal goals within animal health for the next 2-5 years? And how would winning this award help you achieve that?
- Provide an outline of your proposed use of the award, if you were successful.

Suggestions or expressions of interest for the ADF nominee should be forwarded to Kevin Shiell - kshiell@australiandairyfarmers.com.au by Monday 31 May 2011.

Contact: David Basham 0417 865 962 & Kevin Shiell 0413 800 349

BJD HEC TEST

Work continues to advance acceptance of the Herd Environmental Culture (HEC) test for identification and assurance of BJD infected herds. The HEC test has been approved for the identification of BJD infected herds and for assurance of freedom. Animal Health Committee (AHC) have also approved the HEC test as suitable for testing to maintain herd's health status, but not yet for advancing the herd status.

Contact: David Basham 0417 865 962 & Kevin Shiell 0413 800 349

MEMBER DETAILS UPDATE

From time to time it is necessary to email members information about issues that may be of an urgent nature and we often get messages returned because the email address has changed. Similarly this also

happens with addresses and phone numbers. Could you please update your contact information by filling in the form below or phoning 82932399 or emailing the office sada@sada.asn.au? We would also appreciate knowing if you have a new email address or phone number.

DAIRY DIARY

24 May: SADA Board Meeting

24/25/26/30/31 May: EMLR WAP Public Meetings: various locations (see page 5)

2 June: 3030 Fleurieu Partner Farm Workshop
Mt Torrens Hotel: 7.00pm – 10.00pm
RSVP to Greg Mitchell 0417 814 037 by 30 May

2 June: Dairy Innovation Day
The Barn Palais, Mt Gambier: 9.30am – 4.00pm
Register by 27 May, phone Kylie 0407 231 547

6 June: ADF Restructure Meeting – Mt Barker
Mt Barker Golf Course: 1.00pm – 3.00pm
Lunch provided at 12.00pm
RSVP to Jo Gilbert 8293 2399 by 31 May

7 June: ADF Restructure Meeting – Mt Gambier
Blue Lakes Golf Links: 10.30am – 12.30pm. Lunch 12.30pm – 1.15 pm
RSVP to Jo Gilbert 8293 2399 by 31 May

7 June: South East AGM following the ADF Restructure Meeting
Blue Lakes Golf Links: 1.15pm
RSVP to Jo Gilbert 8293 2399 by 31 May

15 June: EMLR Shed Discussion
Mt Compass Football Club: 7.30pm – 9.30pm



Member Details Update
Please fill in and return to SADA by
Post: U5 780 South Road Glandore 5037;
Fax: 8293 8886 or Email your details to sada@sada.asn.au

Name: _____

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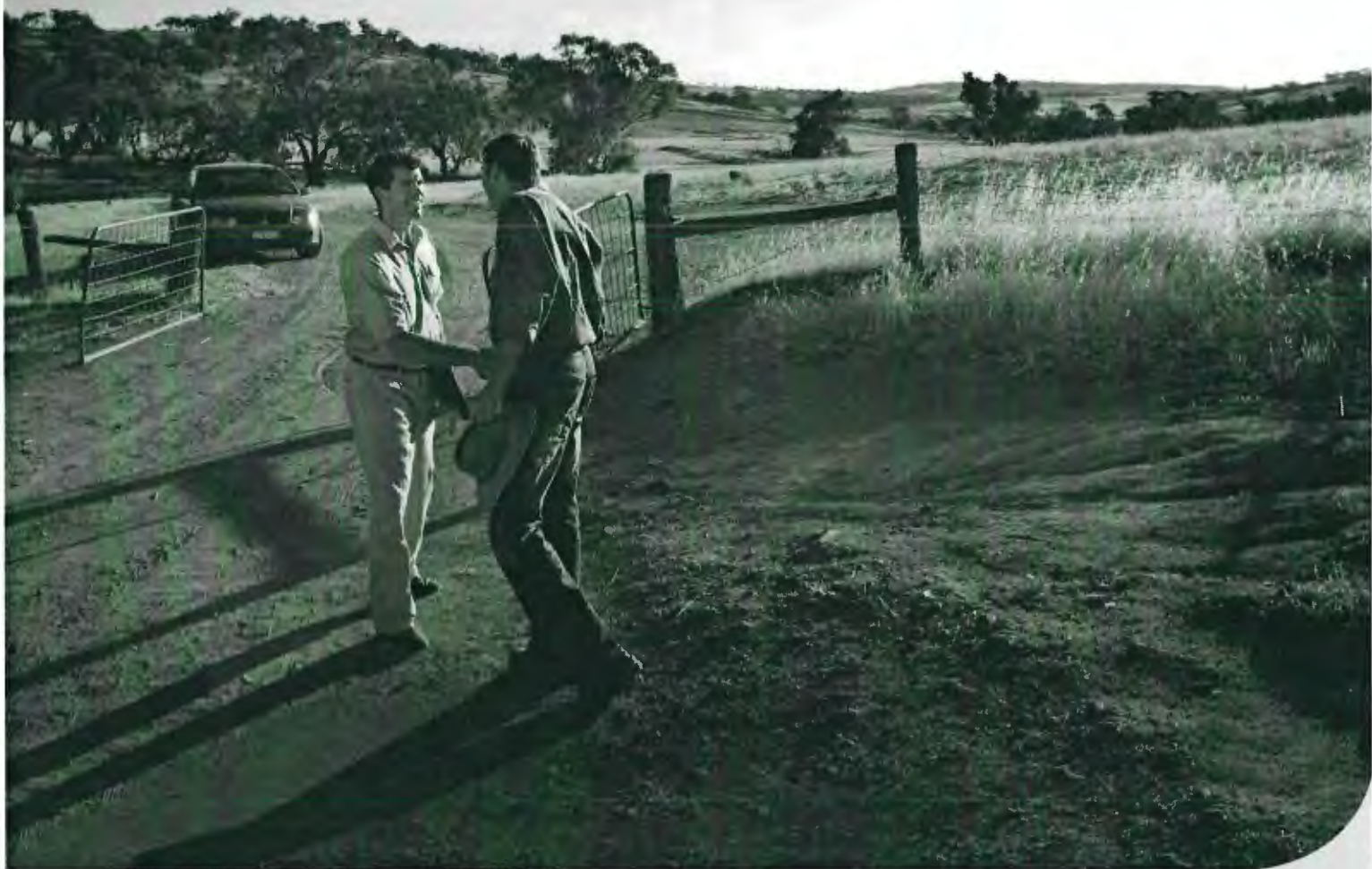
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DAIRY UPDATE FROM SADA



In Partnership with



27 June 2011

PRESIDENT'S REPORT

David Basham

The financial year is coming to an end and hopefully the financial returns on dairy farms have improved from the previous two years. Some companies still have not released opening prices but those that have are indicating prices above this year's opening prices. As farmers we need this to be the case to recoup the losses that have occurred over the last few years. Please remember that prices may not stay up for ever so make sure that farm debt levels are assessed to see if any reduction in debt is possible and needed.

On another front we as farmers need to remain focused on animal welfare on our farms. The animal welfare and animal rights groups have gained a lot of public support with the campaign that has been run on Indonesia. This increase in support may lead to other issues gaining greater traction as they choose to run campaigns here in Australia. Like the majority of farmers, the majority of the population expect the highest level of animal welfare on our farms. It will only be a matter of time before the demands will come from the customers of our products. Thankfully we are well prepared with animal welfare on our dairy farms at a high level.

Australian Dairy Farmers (ADF) & Dairy Australia (DA) have for many years worked on improving animal welfare to help ensure that the industry is meeting the community expectations.

The five areas of focus have been;

- Calf management
- Tail docking
- Dehorning/disbudding
- Lameness
- Calving induction

These areas have seen improvements in practice over the years as farmers change their management to minimise the effects from these welfare concerns. Calf management has improved greatly with farmers implementing robust calf husbandry systems in line with agreed practices and standards. We have seen tail docking decline across the nation to the point where the industry no longer supports the practice. Most farmers now disbud calves instead of dehorning older heifers. Farmers have implemented good practices to minimise lameness with improvements in laneways, in particular the use of wood chips. Early calving induction continues to decline as other management on farms has led to less of a need to use the practice.

As farmers we want to see good welfare outcomes on our farm. It does only take one farm to hurt our reputation, so please make sure your farm practices are up to our industry's high standards.

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CEO's REPORT

OPENING PRICES

Over the coming month most dairy businesses will be reviewing and perhaps renewing supply contracts. Decisions will be made on processor price comparisons and farm production patterns and characteristics. Fortunately the export market remains steady and the latest comment from Rabobank was that the "Global dairy markets appear to have stabilised during the past few months, with most prices well above last years levels but below the 2007/2008 peaks". So the expectation is that opening prices may be slightly above those of last year.

A further consideration this year, for some, will be the consequence of the action by Woolworths to broaden its Private Label supply base that has seen both Parmalat and Murray Goulburn gain a bigger market share (of the Woolworths private label drinking milk). This may have implications for volumes of milk offered in the National Foods/DFMC 2 tier pricing system.

Other considerations that may impact on prices paid to SA dairy farmers may include the potential entry of Parmalat into the direct farm contract milk market for Clarence Gardens and the future of the Murray Bridge and Jervis Plants. There may also be some action from the collective bargaining groups operating in SA. Just on collective bargaining the ACCC is proposing (final decision on 8 July) to allow dairy farmers to continue to collectively bargain with processors for a further ten years (the current agreement ends on 30 June 2011).

Also, in relation to milk prices, it has been reported that after 3 months of mediation National foods and DFMC have negotiated a supply agreement that will see National Foods buy around 870 million litres (plus or minus a 10% variance) of contracted milk from DFMC members nationally at the company's best "tier one" milk price. For interest DFMC has 780 supplier farms.

National Foods posted out their new supplier contracts on Friday 17 June.

The Murray Goulburn Co-operative have indicated that they will come out before the end of the month with opening prices for their "Seasonal", "Domestic" and "Traditional" options.

MEMBERS HOPING FOR "SUSTAINABLE" MILK PRICES

SADA members are actively seeking out the best supply contract for their own farm (production pattern) and circumstance (risk issues) because the current prices are expected to be close, for many farms, to their "sustainable" price. This is the price needed to provide the incentive to grow and make all the farm improvements to survive in the longer term. Recently Gippsland dairy farm consultant, John Mulvany, is reported to have quoted a figure of 41cpl. Together with Sam Acheson we agreed that this figure would be more or less equivalent for our SE and Tasmania, but for the lower rainfall and limited irrigation regions such as the Fleurieu, Upper SE, Adelaide Hills and the Mid North the price would need to be higher.

SADA thanks the processors for sending through to SADA copies of supplier contracts. The SADA Board has a good representation of suppliers to the different processors and this practice encourages "transparency" and discussion about finding the best match between farm and processor. Today most dairy farmers spend valuable time comparing and considering the various supply options.

As I write this Dairy Update news has come through this morning (Tuesday 21 June) of damage to some of our farms from the Storm last night.

STORM DAMAGE

Most of the reports of damage have come from the lower South East. Pivots over, trees down, power outages etc. but our dairy communities rally and by the end of the day hopefully all will be restored.

DIVERSE DAIRY BUSINESSES BUT MEMBERS ARE FOCUSED ON THE KEY ISSUES

Visiting farms this month reinforced the fact that every farm is so different in terms of production options and there is a significant spread in terms of the needs, and aspirations, of our farm families. Some of the bigger farms have expanded and have significant levels of debt, some others are now considering expansion, some are considering going "organic", while others are downsizing and seeking a spread of income sources.

But there is a high degree of consensus within the SADA membership as to what members want in terms of lobbying;

- We need to work with governments and our industry organisations, like Dairy Australia, to deliver best value for our RD&E dollars. It was depressing to read the Stock Journals feature article (16th June) on the State Budget cuts to Agriculture even if the cuts had been foreshadowed in last years budget,
- A significant issue raised by SADA and in the "Enough is Enough" campaign was the opposition to the "biosecurity levy" which has been deferred in the recent budget,
- We need to ensure that new water plans are sensible, sustainable and encourage people to invest in agriculture,
- We need to get very upset and active against the supermarket duopoly that is simply devaluing our dairy product in our major market, the domestic market,
- We need to keep our agriculture export industries internationally competitive (currently members are concerned with the carbon tax and the way the government and industry is handling the export live cattle trade). There are many concerns about the proposed carbon tax including; that the tax would hit electricity, fertiliser and fuel costs (which represent about 30% of dairy farm costs). How can we remain competitive with food imports or on the export market if our competitors have no such tax imposts, and what is the point if all this if all we achieve is to drive investment, employment, and emissions off-shore?,
- There are great opportunities here in SA (mainly because we are a small State) to have a significant input into State and Regional rural policy making and we must ensure that we make the best use of these opportunities.

NEW SADA BOARD MEMBERS

We welcome to the SADA Board Gary Zweck (Adelaide Hills), Ruben Zandman (South East) and Nick Brokenshire (Fleurieu). We also thank the retiring members Michael Connor and Lyndon Cleggett for the contribution they have made to the SA dairy industry through SADA. Michael will continue on the DairySA Board and Lyndon will continue on the ADHIS Board and Show Promotions Committee.

We also welcome the incoming South East Regional SADA President, John Hunt, and we

look forward to working closely with John on the issues impacting on the SE.

NETWORKING NEWS

One of the great strengths of SADA is its ability to foster a strong networking framework of people dedicated to achieving good outcomes. So here is just a few examples and news of people working for our industry.

- One of the great characters of the dairy industry, and much admired by all, Dairy Australia Manager of Farm Productivity, Steve Coats will be leaving DA early in 2012 to be replaced by Chris Murphy who will return to DA after a successful time with DairyNZ.
- Everyone's hero and former MD of WCB, John McLean, has been inducted into the South West Dairy Industry Honour Roll along with Peter Haynes, MG Field Services Manager.
- Thanks from all SADA members to those assisting with the policy development with the various water plans; Graeme Hamilton (SE), Warren Jacobs (Eastern Mt Lofty Ranges), the Williams Family (Western Mt Lofty Ranges), James Stacey (Murray Swamps) and Clem Mason and Neil Shillabeer (Lower Lakes).
- While many were critical of the announcement of the "out of court settlement" with Victoria on the legal challenge by SA we support Minister Caica for seriously going about getting a better management plan for the MDB.
- We thank fisherman, Henry Jones, who was featured on the ABC "Four Corners" program on Monday 20 June for the work he has done over many years to protect our MDB and especially the Lower Lakes.
- We appreciate the on-going work by Senator Xenophon and the Hon Robert Brokenshire to encourage action to protect dairy farm incomes from the excessive discounting by the supermarket duopoly. This action against the supermarket duopoly is on-going,
- We appreciate the work of Independent Member, Don Peglar, in working towards a resolution of the water issue with plantation forestry in the South East,
- James and Rachael Stacey, and Kym and Kate Bartlett, are again finalists in the Red Sky Farm Awards,
- Ex-Minister, Karlene Maywald, is enjoying spending more family time at their new farm

at Langhorne Creek, while making a most valuable contribution to the policy development at the MDB Authority,

- We thank Dean Brown for the work he has done by bringing the needs of the lower MDB (below lock 1) to the attention of the State Government,
- We thank both Jodie Berkefeld and Claire Miller (Dairy Australia) for the work they have done in providing technical support for preparing our case on the SE water issue with plantation policy,
- The Major Customer Manager at ETSA Utilities, Joe Caruso, has been very helpful in advising on power outages relating to the upgrades being made along the river and across the Fleurieu,
- We thank Rob Freeman (former CEO of our State Department of Water and Environment and the MDB Authority) for being so available and understanding of the issues facing our SADA members and we wish Rob and his family all the best for the future.
- Murray Goulburn have announced that their new MD will be Gary Helou from the Rice Growers Co-operative in NSW who will start on 3 October.

Personal news

- Office Manager Jo Gilbert is overjoyed with the arrival of her new grandson Lachlan.
- Ex-SADA President, Frank Beauchamp, is a regular visitor to the Bowls shop next door.

EASTERN MT LOFTY RANGES WAP

In recent SADA Updates we have featured the MDB and SE water issues and this time we turn our attention to the Eastern Mt Lofty Ranges.

The EMLR WAP was released on April 27 and is open for feedback until 5 August.

On the evening of Wednesday 15 June a "shed meeting" (just dairy farmers) was held at the Mt Compass Footy Club arranged by SADA Regional President Lee McKenzie. The presenters were Martin Stokes (Department of Water) and Mardi van der Wielen (MDB NRM Board).

The meeting was very well attended and at the end of the meeting there was a special expression of gratitude to both Martin and Mardi who worked through all the issues raised by our farmers in great detail and made sure they understood and recorded farmer concerns. I

drove home that night thinking how fortunate dairy farmers in this region were to have hard working industry representatives like, Warren Jacobs, James Stacey, Lee McKenzie and David Basham, and government representatives like Martin and Mardi who are also capable and committed. Hopefully this will lead to a final Water Plan for the Region that restores and protects the catchments water resources and also provides farmers with the best opportunity to utilise water most productively.



The hilly terrain in this WAP region provides a significant challenge in that there is a complexity in terms of; the water resource status from sub-catchment to sub-catchment, some of the new tools being considered like low-flow bypasses are exciting in the benefits they may deliver but need to be "triallyed" to see where they work, and there was a list of 12 other challenges listed on the "white-board". What is apparent here is that, hopefully, we will come out with a Water Plan that is reasonable and has widespread support but to get there we will need to have a few more of these very productive sessions.

At the end of the day the implementation of the Plan will require flexibility to ensure that the plan on individual farms is consistent with

plan principles but appropriate for that particular farm and sub-catchment. Several farmers had come to the meeting very concerned and worried that they could be "duded" by the Plan as they believed there were unique circumstances applying on their farms. But by the end of the night both Martin and Mardi had gone a long way to allaying most of the fears. The examples discussed created a framework of working together so a reasonable outcome could be achieved.

While this Plan has been released for public feedback there are many areas and issues that are a long way from being "locked down". So it is critical that we as the dairy industry work constructively with the agencies on the various trials (eg, low-flow bypasses) and implementation issues for areas within the region.

TRACTOR LICENCES AND TRANSPORT ISSUES

Currently under existing regulations, a person can drive a tractor on a public road with a car licence if the gross vehicle mass is less than 4.5 tonnes. However; as the included article from the Weekly Times (see below) relates there is a move that car licence holders may soon be able to drive any sized tractors on Victorian public roads. SADA is currently discussing the possible changes with the SA Department of Transport.

There is also a move to see if it is possible to get more consistency across the nation with the heavy vehicle road laws. Certainly there will be benefits to the commercial operators through nationally consistent laws but this may not benefit the farmers who are generally smaller operators.

While talking about transport just a note of caution in relation to Quad bikes. Currently there is an average of 14 deaths per year in Australia related to quad bikes so we suggest owners and operators take care and talk about what can be done to prevent injury from rollovers. In fact quad bikes are the leading cause of deaths on farms nationally.

Here in South Australia the farm safety record is better than the national picture. Having flatter terrain favours SA, but it could also be because over many years SADA and SAFF have worked closely with WorkCover and Employers Mutual to ensure Occupational Health and Safety (OHS) messages are regularly conveyed to our members and their staff. In fact later this afternoon I will participate in an industry

reference group meeting with the WorkCover CEO.

The Weekly Times, May 25, 2011

On the right track

By ANGUS THOMPSON

CAR-licence holders may soon be able to drive any-sized tractors on Victorian public roads.

It follows recent confusion about which licences are required for particular machines.

Under existing regulations, a person can drive a tractor on a public road with a car licence if the gross vehicle mass is less than 4.5 tonnes.

But VicRoads spokes- woman Rebecca Hancock said the organisation was investigating extending the rules so that car licence holders could drive any size of tractor, a "nationally-agreed position". She said this was supported by crash statistics that indicated there had been no serious crashes involving tractors on Victorian roads over the past five years.

The move has been welcomed by Roads Minister Terry Mulder, who said he had 'continually lobbied on behalf of Victorian farmers in relation to (these) inconsistencies'.

Victorian Farmers Federation vice president Peter Tuohey said there was no real understanding among tractor drivers of what licensing requirements were needed.

'I think most people think, 'We've got a car licence we'll just drive up the road',' he said.

ANNUAL WAGE REVIEW HANDED DOWN

We have included the following advice (6 June) from Chas Cini about the new minimum wages that will be effective on the first pay period on or after 1 July, 2011.

MEMBER UPDATE - ANNUAL WAGE REVIEW 2010/2011

The Annual Wage Review for this year has now been handed down.

The new minimum hourly rate for full time employees increases from \$15 an hour to \$15.51 per hour or \$589.30 per week for a full - time employee.

Non SAFFIA members who prior to the introduc-

tion of Modern Awards were bound by the State Pastoral Industry Award will also need to adjust the casual loading from 23% to 23.5%. Employers previously bound by the Federal Pastoral Industry Award 1998 are to continue paying 25% loading to casual employees.

These rates apply to all time worked up to 152 hours over a four week cycle (average 38 hours per week). Any time worked in excess of ordinary hours attracts overtime rates.

These increases will take effect on the first pay period on or after the 1 July 2011. We will make available the new rates per classification in the Awards as soon as Fair Work Australia releases those details.

Chas Cini

Also a good source of wage information is the "People in Dairy" website www.thepeopleindairy.org.au

SHOW PROMOTIONS COMMITTEE

The committee met on Wednesday 25 May to plan for the coming Royal Show.

- David Fechner reported that this year would see the introduction of a National Junior Judging Competition.
- The Wesfarmers/SADA BBQ again will be held before the Junior Handling.
- RHAS has again made tickets available for Dairy Day for SADA members.
- Dairy Australia has provided recipe books as an extra promotion at the Exhibition Dairy.

INCREASE TO SADA FEES

The increase is based on the annual CPI increase of 2.8%.

From 1 July 2011 for the years 2011/2012 the SADA levy will increase from 2.29 cents per kilogram protein to 2.354 cents per kilogram protein. The Cap will also increase from \$1729 per year to \$1785 per year. The subscription rate of \$184 per year will stay the same.

BJD – WHAT'S THE SCORE?

Around 97% of SA dairy farmers have maintained their enrolment in the SA Dairy ManaJD Program. This program includes veterinary and processor auditing on farm, and testing to maintain their status. Over 81% of SA dairies have Dairy Score of seven or above.

SA DAIRY AWARDS GALA DINNER



This year the DIAA proudly celebrates 25 years of service to the Australian dairy industry. This milestone will be recognised at the 2011 SA Dairy Awards Gala Dinner to be held on Tuesday 9 August in the Ridley pavilion at the Adelaide Showground.

This annual event will showcase the best of South Australia's dairy products with the presentation of industry sponsored prizes and trophies. As well, awards will be presented to TAFE students completing their Dairy Certificates. There will be an extra award presented to the winner of the DIAA/TAFE SA Cheesemaking Workshop Scholarship.

Cost is \$80per head for members of SADA, DIAA or the Show Society and \$90per head for non members. This price includes a 3 course dinner, wine, beer and soft drinks and entertainment by Greg Champion.

"Songwriter, singer, comedian and prominent radio personality Greg Champion captures what it is to be Australian through his unique combination of comedy, sports parodies and country/folk music. Forging his own distinctive path through the Australian musical landscape, it's been said of Champs that he has contributed to the fabric of Australian culture".

So this should be a great night for the dairy industry and we look forward to seeing as many of you as possible. Please mark in your diaries and fill in and return the enclosed registration form.

This is a story which is perfectly logical to all males:

A wife asks her husband, "Could you please go shopping for me and buy one carton of milk, and if they have eggs, get 6."

A short time later the husband comes back with 6 cartons of milk.

The wife asks him, "Why the hell did you buy 6 cartons of milk?"

He replied, "They had eggs."

T & R Maintenance Shutdown



Beef Shutdown 8th July to 17th July

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(You can call me for mutton chain
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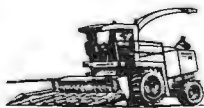
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Good people to know.



SADA MEMBER UPDATE

What is happening on the 1st July 2011?

The following takes effect from the 1st July 2011.

1. Wage Increase

As a result of the 2011 Minimum Wage Adjustment the Wage increase effective from the first pay period on or after 1st July 2011 is .51 ¢ per hour increase for all full time adult employees. This increases the minimum adult full time rate from \$15.00 to \$15.51.

The casual loading applies in addition to this increase when applicable.

Junior rates apply when applicable as a percentage of the adult rate.

*Refer to 2011 Wage Rates on page 5 for further details.

2. Casual Loading

The casual loading for employers previously bound by the Pastoral Industry (SA) Award will increase from 23% to 23.5%.

For employers previously bound by the former Federal Pastoral Industry Award 1998 the casual loading remains at 25%*.

3. Overtime/Penalty Rates

If you were bound by the previous Pastoral Industry (South Australia) Award, penalty rates applied on Saturday afternoon and Sunday. During the Transitional Period between the 1st July 2010 to 1st July 2014 these are being brought in line with the new Pastoral Award 2010. As is the case with the casual loading these rates are being phased in at the rate of 1/5 per year of the difference between the old provisions and the new provisions.

Last year the penalty rate for Saturday afternoon and Sunday for employees involved with (animal) husbandry dropped (by 1/5) from 50% to 40% and from the 1st July 2011 will drop to 30%. This decrease of 10% per annum will continue up to 30th June 2014.

Employers who were members of the South Australian Farmers Federation Industrial Association ("SAFFIA") previously bound by the former Federal Pastoral Industry Award 1998 are not effected in any way by this reduction in penalty rates for Saturday afternoon and Sunday as those rates did not apply in the old Award and do not apply under the new Modern Award.

4. Take home Pay

The Transitional Provisions mean that there must not result in a reduction in the take home pay for the employee.

Please bear this in mind if you are affected by the reduction in penalty rates as outlined above.

You may wish to access more information by following the link below.

[http://www.fwa.gov.au/documents/factsheets/take home pay orders guide.pdf](http://www.fwa.gov.au/documents/factsheets/take_home_pay_orders_guide.pdf)

5. Calculation of Overtime for Casuals

When calculating overtime for casuals the time and a half and double time rates are not inclusive of the casual loading. However, casuals must still receive the casual loading in addition to the overtime payment. Confused? Please follow the example below.

This is an example for the calculation of overtime for casual employees based on the current Farm and Livestock Hand Level 1 rate of \$15.51 per hour (effective 1st July 2011).

(a) Ordinary rate	\$ 15.51
(b) Overtime (time and a half)	\$ 7.75
Total overtime at the rate of time and a half for a full-time adult employee	\$23.26 (1)
Casual loading of <u>25%</u> * of \$15.51 = \$3.38 (2)	
Overtime rate for a casual:	
(a) Time and a half (full time)	\$23.26 (refer above 1)
(b) Casual loading	\$ 3.88 (refer above 2)
Total overtime rate for a casual employee	\$27.14

The ordinary (not overtime rate) casual rate is \$15.51 per hour plus 25%* (\$3.88) or \$19.39.

Employers previously bound by the Pastoral Industry (SA) Award the casual loading on the 1st July 2011 will be 23.5%.

**When calculating penalty rates and overtime for casuals previously bound by the Pastoral Industry (SA) Award please substitute the 25%* used in the formulae above with 23.5%.*

If the employees are not a Farm Livestock Hand Level 1 you will need to substitute the \$15.51 with the appropriate rate effective from the 1st July 2011 (refer to wage sheet).

Please be aware that when preparing these calculations you need to take into account the reduction in the penalty rates on Saturday afternoons and Sundays for employees previously bound by the Pastoral Industry (SA) Award and the increase in the percentage in the casual loading for these employees. The employee must not suffer a loss in take home pay.

If unsure please contact us or visit www.fwa.gov.au to download the Guide.

We can understand that these formulae are confusing and the requirement that the take home pay is not reduced will apply up to the 30th June 2014.

From the 1st July 2014 the Modern Pastoral Award 2010 will apply fully and the Transitional Provisions will cease.

6. Paid Parental Leave

Paid Parental Leave Scheme commenced on 1st January 2011.

The Australian Government Paid Parental Leave Scheme is a new entitlement for working parents of children born or adopted on or after 1st January 2011.

This Scheme provides Government funded Parental Leave pay at the National Minimum Wage for a maximum period of 18 weeks and can be received before, after, or, at the same time as existing entitlements such as Annual Leave, Long Service Leave and, Employer Funded Paid Parental Leave.

The Paid Parental Leave Scheme is:-

1. Government funded.
2. Eligible for working parents.
3. Can be transferred to the other parent.
4. Is paid at the National Minimum Wage currently \$589.30 per week.
5. Paid up to 18 weeks and;
6. Can be taken at anytime within the first year after the birth or adoption of the child.

What does the Paid Parental Leave Scheme mean for Employers?

Employers are to provide Parental Leave Pay to eligible long term employees. (ie Employers pay this through their payroll system and recover it from the Family Assistance Office). The role is being phased in for children born or adopted during the first 6 months of 2011.

From the 1st July 2011 you must provide Parental Leave Pay to an eligible employee who:-

1. Has a child born or adopted from 1st July 2011.
2. Will have been your employee for 12 months or more prior to the expected date of birth or adoption.
3. Will be your employee for the Paid Parental Leave period.
4. Is an Australian based employee.
5. Is expected to receive 8 weeks or more Parental Leave pay.

The Paid Parental Leave Scheme does not provide eligible employees with new entitlements to leave. The existing minimum entitlement to 12 months unpaid Parental Leave for long term employees, in the National Employment Standards under the Fair Work Act 2009 remain unchanged.

7. Record Keeping

Employers must maintain and meet record keeping requirements under the Australian Government Paid Parental Leave Scheme and these must specify:-

1. The Parental Leave Paid funding amounts received from the Family Assistance Office for each Employee, and the period of which these amounts cover.
2. The date of each Parental Leave Pay instalment made to their Employee, the period in which the payment covers, the gross amounts of payment and a statement identifying

that the payments made as Parental Leave Pay under the Australian Government Paid Parental Leave Scheme.

3. If no other payments are made for the period, the net amount of the Parental Leave Pay, and the amount of income tax withheld from the payment.
4. If the other payments such as Annual Leave or Employer Funded Parental Leave Pay are made for the period, the total net amount paid for the period and the total income tax withheld from the pay period.
5. The total amount of any deduction made from each Parental Leave Pay instalment.

8. **Payslip Requirements**

Employees receiving Parental Leave Pay must continue to receive a payslip for each payment, with a separate written advice. Written advice or a payslip (in addition to the standard requirements with payslips) must have a statement identifying that the payments made are Parental Leave Pay under the Australian Government Paid Parental Leave Scheme.

The following information must also be included:-

- a) If either payments are included in the payslip, the gross and net amounts of Parental Leave Pay, and the amount of income tax withheld from the payment.
- b) If payment, such as annual leave or Employer Funded Parental Leave Pay are included in the payslip, the gross amount of the Parental Leave Pay, as well as the total net amount and income tax withheld from the pay period.
- c) If a deduction from the Parental Leave Pay is made the amount of the deduction and the name of the bank details of the entity to whom the deduction is made.

****Please note only certain deductions from Parental Leave Pay are permitted under the Pay Parental Leave Scheme.***

For more information about the minimum deductions visit the Family Assistance Office website <http://www.familyassist.gov.au/payments/family-assistance-payments/paid-parental-leave-scheme/> or, more information is available for Employers who are required to pay Parental Leave from the Centrelink Business Hotline 131158 between 8.30am and 7.00pm EST. That office's fax number is 132115 and the email address is business.hotline@centrelink.gov.au

28. Minimum wages

28.1 Adult wages

Effective first pay period commencing 1st July 2011

Broadacre Employees

The following wages apply to Farming and livestock hands classified under clause 27—Classifications of this award:

Wage group	Weekly award rate \$	Hourly rate \$
FLH1	589.30	15.51
FLH2	606.40	15.96
FLH3	615.00	16.18
FLH4	629.70	16.57
FLH5	641.00	16.87
FLH6	651.30	17.14
FLH7	686.20	18.06
FLH8	737.30	19.40

28.2 Junior wages

Age of employee	% of relevant adult rate
Under 16 years of age	50
16 years of age	60
17 years of age	70
18 years of age	80
19 years of age	90
20 years of age	100

28.3 With Keep Rate

If keep is provided then the minimum wage will be the rates prescribed above less \$111.36 per week.

NOTES FOR SADA MEMBERS ON THE CARBON TAX.

SADA members this morning are asking about the carbon tax announcement from yesterday and these are the points I have been making.

Ken Lyons CEO of SADA.

On Sunday 10th July Julia Gillard announced a carbon tax package (for a fixed price on carbon pollution starting 1 July 2012, followed by an emission trading scheme from 2015). This was the result of an agreement between Labor, the Australian Greens and the Independent MP's (often in the press referred to as the multi-party climate change committee negotiations).

Background points:

- Both political parties are seeking policies to both reduce carbon pollution and increase renewable energy. But there are significant differences between the "carbon tax" approach of Gillard and the "incentives" proposed by Abbott
- The proposal Gillard "carbon tax" will get through the Parliament with the support of the Green and the Independents. But it may be stopped if there is a breakdown between the Government and the Greens and a mid-term election is called or Abbott dismantles the scheme if he wins the next election.
- While a fair bit of detail was released on Sunday there are still some issues being debated between the Government and the Greens. Some of the compromises to-date include; only 500 polluters to be taxed not the proposed 1000, the scheme is no longer tax neutral but government putting in an extra \$4b.
- A general impression is that while much has been said of compensating households potentially a big loser here could be small businesses including farming businesses.
- Agriculture is not included in the scheme (that is no direct pollution costs) but farming costs will rise (especially power for farms and milk factories and fertiliser). Dairy Australia is working on the figures for a dairy farm. Early calculations suggest the extra cost of up to \$20,000 for the larger dairies in the South Australia.
- Not so well understood in the general community is that agriculture leads the nation as the industry that has made the greatest cuts to carbon emissions - slashing emissions by 64% - over the past 20 years. As agriculture improved productivity it decreased carbon pollution. (From *Australia's Emissions Projections* Report by the Federal Department of Climate Change and Energy Efficiency published in February 2011).
- Many people are questioning the Gillard Governments ability to manage this rather complicated scheme given the mess-up they made of the Education Revolution and the Insulation Scheme. It is reported that the extra bureaucracy to manage the scheme will cost \$382m.

Why dairy farmers are concerned:

1. **The carbon tax will significantly drive up costs.** Our early estimation of extra cost for dairy farms to be \$5,000 to \$7,000 in Victoria but up to \$20,000 for the larger dairies in South Australia
2. Higher cost structures for Australian farmers will **make our produce on both the export and domestic market less competitive.** Some production may be driven overseas to low cost countries that have no carbon costs. So we lose Australian businesses and the pollution is simply moved off-shore with the world being no better off. In fact there will be a “transport carbon foot print” of bringing into Australia food from overseas.
3. The Australian Dairy Industry Council said, “Dairy is committed to contributing to national efforts to reduce carbon emissions, however this needs to be done in a way that is fair to all Australians, including dairy farmers”.

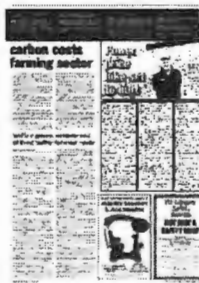
Our farm association lobbying may have done some good.

During the lead up to the announcement on Sunday the NFF opposed the carbon tax and attempted to get concessions for agriculture. Concessions included more funding for R&D to reduce emissions, farm and road fuel concessions and tax offsets.

Reading of the papers this morning suggests that there have been some concessions for farmers in the carbon tax announcement. These are the indications that we have had some impact but will continue the representation.

1. **ADDITIONAL R&D FUNDS.** The multi-party climate change negotiations secured an **additional \$201m** for farming futures initiatives. This brings the investment pool designed to fund research into the best ways to store carbon and drive down pollution in the agriculture sector up to a new total of \$429m. The funding is designed to complement the carbon farming initiative that was put to parliament in a separate bill earlier this year (allows farmers to earn carbon credits for trees, reducing pollution from fertilisers and emissions from livestock).
2. **FUEL EXEMPTION.** **Farmers are pleased that there is an exemption for all off-road fuels used in farming from a carbon tax or any clawback of the fuel excise, and on road use of light vehicles.** In the negotiations Tony Windsor was able to ensure heavy on road users were exempted from a carbon tax for two years a measure that was opposed by the Greens.
3. **TAX OFFSET.** Farmers will also be eligible **for a 15% tax offset** for equipment purchased for conservation activities.

Ken Lyons
Mobile: 0419 037 569
Monday 11 July, 2011



Border Watch
12-Jul-2011
Page: 5
General News
Market: Mt Gambier SA
Circulation: 7605
Type: Regional
Size: 331.20 sq.cms
Frequency: -TWTF--



SOUTH East dairy farmers may be forced to pay a cost increase from \$10,000-\$20,000 under the carbon tax announced on Sunday.

Despite the agriculture industry gaining wide exemptions, dairy leaders are warning energy intensive dairy properties will face severe pressure from increased electricity prices as part of a carbon tax.

South Australia Dairy Association President, David Bashom said dairy leaders are warning energy intensive dairy properties will face severe pressure from increased electricity prices as part of a carbon tax.

"The impacts are going to be significant," he said.

"Farmers aren't able to pass on costs to consumers, whatever we do just has to be absorbed by us."

"I guess we were hoping for a fairer system."

Mr Bashom said the industry stood to lose \$35m nationally.

"Put that against our net operations in the past few years and that's an increase in loss rather than in profits."

Compton dairy farmer Charles Wallis said it was disappointing the Federal Government went back on its promise on a carbon tax.

"It's disappointing to see at the last election were told no carbon tax and here, we have a carbon tax," he said.

Mr Wallis said Dairy Australia had indicated the average farmer would be \$10,000 worse off based on the herd size average.

However he said the effects on farmers in the South East would be felt hard with herd sizes easily doubling the state and national average.

These concerns were reiterated in a message to SADA members yesterday by CEO Ken Lyons.

"Our early estimation of extra cost are \$10,000 a year for average dairies in South Australia and up to \$20,000 for larger dairies in the South East," he said.

Mr Wallis said the power costs of running a dairy as well as irrigation would pose a significant challenge to farmers.

"We pay \$3500-\$4000 just for the dairy alone," he said.

Mr Wallis said costs at the production end would also hurt suppliers at the farmgate.

"They have costs associated with dryers and the process of cheese making," he said.

"Any costs like that will come off our pay check."

"They say agriculture is excluded, well we're not-trucks deliver grain and fuel."

Mr Bashom said the industry would look into the details of the tax before pursuing action.

"We've only just started our attack on this-we'll have to look at the details."

"We'll certainly lobby the government and the independents in relation to this."

"We need to make this a much fairer system."

Meanwhile the South Australian Farmers Federation has cautiously welcomed Sunday's announcement but warned 'the devil will be in the detail.'

SAFF President Peter White said concerns would remain on the increased costs of freight.

"The bad news is still to come," he said.

"Heavy transport will lose rebate by 2014."

"The flow on effect could be quite horrific."

Mr White echoed concerns for the dairy sector.

"Anybody who is a big consumer of energy such as irrigation or dairy-they're going to be hit quite hard," he said

"On the surface agriculture has escaped reasonably well."

"But the devil is in the detail."



Australian Dairy Industry Council Inc.

MEDIA RELEASE

11 July 2011

CARBON TAX TO HURT DAIRY FARMERS

The Australian Dairy Industry Council (ADIC) is alarmed about the impact that a carbon price of \$23 per tonne will have on the viability of Australian dairy farming families.

Despite the exclusion of direct agricultural emissions and diesel from the Federal Government's Carbon Tax proposal, ADIC director, Adrian Drury, today confirmed the severe consequences for the dairy industry of this tax.

"The cost to dairy farming families of this carbon tax is estimated to be \$5,000 - \$7,000 per year. Electricity is a major component of dairy farming operating costs and this tax will have a severe, direct impact on dairy farmers. Furthermore, the Government has failed to recognise that as a trade-exposed industry, dairy processors cannot pass on the costs of a carbon scheme to local consumers or world markets, therefore farmers will wear the full cost of this tax.

"The Prime Minister's assurances that Australian families won't be worse off does not seem to apply to the 7,500 dairy farming families. These families face the double whammy of paying the carbon tax as householders as well." Clearly, although the Government claims it has targeted this tax at the so-called '500 big polluters', it is the family-owned dairy farm businesses that will have to pay.

"A simple solution to this obvious inequity is to exempt or remove the carbon tax on electricity from primary producers and dairy processors" Mr Drury said.

The ADIC is keen to talk to the Government, the Greens and the Independents about the carbon tax and how dairy may access support measures to build some fairness into the equation for the dairy farmers disproportionately impacted by this tax. It is absolutely vital that a fair deal for dairy farmers be achieved. A loss of income of \$5,000 or more is simply not tenable for family businesses. The ADIC would welcome specific programs such as the Food Processor and Foundries Fund that go part-way towards addressing the inequity in this scheme.

The dairy industry is Australia's third biggest rural industry and accounts around \$9bn in total value to the Australian economy every year. As an industry, dairy is committed to contributing to national efforts to reduce carbon emissions, however this needs to be done in a way that is fair to all Australians, including dairy farmers.

- ends-

For further information contact:

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Director

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12 July 2011

Dear SADA Member,

Please find enclosed some important information that couldn't wait until the next Update.

1. SADA Member Update on the changes to the Pastoral Industry Award effective from the first pay period on or after 1 July 2011.
2. Notes for SADA Members on the Carbon Tax.
3. Notice of Meeting/Agenda for the upcoming SADA AGM and Board Meeting on 10 August. If you care to attend please phone the SADA office on 8293 2399.
4. The 2011 SA Dairy Awards Gala Dinner will be held on 9 August at the Adelaide Showground. Enclosed is a registration form. We would like to see as many dairy farmers attend as possible. Why not treat your partner and staff to a great night out entertained by comedian/singer Greg Champion. Cost to members and partners is \$80pp which includes a 3 course meal, drinks, product samples and entertainment (\$90 for non-members).

We will again be given passes to distribute to members for the Royal Show. If you would like a couple of passes please phone Jo on 8293 2399 (only 2 per member). Numbers, as usual, will be limited so please get in early. Show starts on Friday 2 September.

The SADA/Wesfarmers Show BBQ will be held again this year on Wednesday 7 September so mark in your diaries and join us for a snag or two!

Regards,

Ken Lyons
SADA CEO

Pastoral Award 2010 (operative 1 July 2010)

Farm and livestock hand means an employee performing the work described in the classifications which apply to such work in Part 4 - Broadacre Farming and Livestock Operations of this award and who is not a Piggery attendant, Poultry worker or any employee classified under Part 7 – Shearing Operations

Broadacre field crops means canola, wheat, hay, barley, oats, rice, triticale, maize, millet, chickpeas, cotton, faba beans, lucerne, lupins, pigeon peas, sorghum, soybean, sunflower, and other crops grown as part of a broadacre mixed farming enterprise

Broadacre mixed farming enterprise:

- means a farming enterprise consisting of the growing of broadacre field crops as defined;
- includes the rearing, management, and grazing of livestock;
- means a farming enterprise which combines both; or
- means a farming enterprise which in addition to any of the above grows other crops, for the purposes of crop rotation or the rearing, management, and grazing of livestock as part of a mixed farming enterprise

Livestock means all animals used in primary production including insects

- This award applies to employers throughout Australia in the pastoral industry and their employees in the classifications set out in this award to the exclusion of any other modern award.

Pastoral industry means all employers and employees who are engaged in or in connection with:

- the management, breeding, rearing or grazing of livestock or poultry;
- the shearing and crutching of sheep and the classing and pressing of wool on farms;
- dairying;
- hatchery work;
- the sowing, raising or harvesting of broadacre field crops and other crops grown as part of a broadacre mixed farming enterprise;
- the treatment of land for any of these purposes; or
- clearing, fencing, well sinking, dam sinking or trenching on such farms or properties except in connection with work as below:

The award does not cover employers in the following industries:

- the wine industry;
- silviculture and afforestation except where carried on as a part of a broadacre mixed farming enterprise;
- sugar farming or sugar cane growing, sugar milling, sugar refining, sugar distilleries and/or sugar terminals;
- the horticulture industry, as defined in the *Horticulture Award 2010*; or
- any work in or in connection with the production and processing of fish, aquaculture and marine products including fish purse seining or polling, fish farming, marine farming, aquaculture, pisciculture, mariculture, cultivation of live sea and freshwater products, breeding or spawning of fish and hatching of fish or marine products whether in or from the sea, rivers, dams, tanks, ponds, underwater cages, aquariums or other water source, holding, containing, penning, or harvesting of live fish or marine products or marine vegetation, cleaning, purging, flushing, packing, freezing, processing, preserving, smoking, treatment of fish or marine products, cultivation, culling or treatment of live shellfish including marine farming of oysters, mussels, clams, scallops and abalone except where the production of freshwater species is incidental to a broadacre mixed farming enterprise to which this award would otherwise apply.

Part 4 - Broadacre Farming and Livestock Operations

1. Classifications

1.1 Farm and livestock hand level 1 (FLH1)

An employee at this level includes:

- (a) Station hand with less than 12 months' experience in the industry;
- (b) Station cook;
- (c) Station cook's offsider; and
- (d) Cattle farm worker grade A who:
 - works under direct supervision either individually or in a team environment;
 - understands and undertakes basic quality control/assurance procedures including the ability to recognise basic quality deviations/faults; and
 - understands and utilises basic statistical process control procedures.

Indicative of the tasks which an employee at this grade may perform are the following:

- routine mustering;
 - routine fence repairs;
 - aerial stock sighting;
 - repetitive packing and/or unpacking; and
 - kitchen/cooking assistance not involving food preparation.
- (e) Feedlot employee level 1 with less than three months' experience in the industry.
 - (f) Dairy operator grade 1A with less than 12 months' experience in the industry who:

Indicative of the tasks which an employee at this level may perform are the following:

- operate milking plant and equipment in a safe manner;
- identify and report equipment not operating normally;
- work co-operatively as part of a team;
- read and record instrument information i.e. milk vat temperatures and cow numbers; and
- understand the principles of safe working.

1.2 Farm and livestock hand level 2 (FLH2)

An employee at this level includes:

- (a) Cattle farm worker grade B who:
 - performs work above and beyond the skills of a Cattle farm worker grade A and to the level of their training;
 - is responsible for the quality of their own work subject to routine supervision;
 - works under routine supervision either individually or in a team environment; and
 - exercises discretion within their level of skills and training.

Indicative of the tasks which an employee at this level may perform are the following:

- receive, check, despatch and record goods received and sent;
- assist a tradesperson;
- basic non-trades daily maintenance of equipment used by the employee;
- sort and cut out stock;
- sort and brand yarded stock;
- fence repairs;
- kitchen/cooking assistance not involving unsupervised food preparation;
- boundary riding;
- forklift, overhead crane, winch or tractor operation; and

- household domestic work other than childcare or child education.
- (b) Feedlot employee grade 1 with more than three months' experience in the industry who:
- works under direct supervision with regular checking of their work.
- Indicative of the tasks which an employee at this level may perform are the following:
- perform cattle handling procedures;
 - perform cattle health and welfare procedures;
 - assist with euthanasing livestock;
 - assist with performance of cattle post-mortem procedures;
 - transport, handle and store chemicals applicable to primary work area;
 - prepare and apply chemicals applicable to primary work area;
 - operate moving plant and equipment competently and efficiently;
 - perform grain processing procedures;
 - perform feed manufacture and delivery procedures;
 - perform hygiene and housekeeping procedures associated with the primary work area;
 - perform feedlot and environment maintenance procedures;
 - possess understanding of industry QA Programs and all site operating procedure; and
 - carry out workplace OH&S procedures.

1.3 Farm and livestock hand level 3 (FLH3)

An employee at this level includes:

- (a) Station hand who:
- has at least 12 months' experience in the industry as a station hand; but
 - does not conform to the definition of Senior station hand (FLH5) in clause 1.5.
- (b) Dairy operator grade 1B with 12 months' experience in the industry who:
- uses their knowledge and skills to perform set procedures such as milking and attending to livestock, haymaking, fencing.
- Indicative of the tasks which an employee at this level may perform are the following:
- operate milking plant and equipment, in a safe manner;
 - identify and report equipment not operating normally;
 - work co-operatively as part of a team;
 - read and record instrument information i.e. milk vat temperatures and cow numbers; and
 - understands the principles of safe working.

1.4 Farm and livestock hand level 4 (FLH4)

An employee at this level includes:

- (a) Feedlot employee level 2 who:
- has two years experience in the feedlot industry; and
 - works under routine supervision with intermittent checking of their work.
- Indicative of the tasks which an employee at this level may perform are the following:
- utilise ability to make independent work decisions at this level;
 - perform cattle handling procedures;
 - perform cattle health and welfare procedures;
 - euthanase livestock;
 - perform cattle post-mortem procedures;
 - select livestock for specific markets;
 - transport, handle and store chemicals applicable to primary work area;
 - prepare and apply chemicals applicable to primary work area;

- operate moving plant and equipment competently and efficiently;
- perform grain processing procedures;
- perform feed manufacture and delivery procedures;
- perform hygiene and housekeeping procedures associated with the primary work area;
- perform feedlot and environment maintenance procedures;
- possess understanding of industry QA programs and all site operating procedure; and
- carry out workplace OH&S procedures.

1.5 Farm and livestock hand level 5 (FLH5)

An employee at this level includes:

(a) Dairy operator grade 2 who:

- has two years experience in the industry;
- uses their knowledge and skills to multiple operations involving basic levels of problem solving and decision making; and
- has an appreciation of the overall processes involved in a dairy farm.

Indicative of the tasks which an employee at this level may perform are the following:

- operate milking plant and equipment, undertake multiple functions, produce a quality outcome e.g. farm machinery;
- maintain machinery, undertake adjustments and size changes;
- solve problems and make decisions within given guidelines;
- know general scientific terminology and assist with processes such as machine repair, artificial insemination, fertiliser mix design etc.;
- operate standard measuring equipment;
- operate computerised systems using menu options;
- contribute to the team in a specific role, providing input and assisting other team members; and
- work at times without supervision.

(b) Senior station hand is an employee who:

- has at least two years' experience in the industry; and
- is capable of performing efficiently without supervision any of the tasks reasonably required of them.

Indicative of the tasks which an employee at this level may perform are the following:

- drive, maintain and operate farm vehicles and machinery;
- animal husbandry;
- stock handling;
- irrigation work; and
- use of chemicals.

1.6 Farm and livestock hand level 6 (FLH6)

An employee at this level includes:

(a) Feedlot employee level 3 who:

- has Certificate III qualifications;
- has worked in the feedlot industry for at least two years; and
- works with limited supervision with checking of their work related to overall progress.

Indicative of the tasks which an employee at this level may perform are the following:

- utilise ability to make independent work decisions;
- utilise Certificate III qualifications daily in the employee's primary work area;
- perform cattle handling procedures;

- perform cattle health and welfare procedures;
- euthanase livestock;
- perform cattle post-mortem procedures;
- select livestock for specific markets;
- transport, handle and store chemicals applicable to primary work area;
- prepare and apply chemicals applicable to primary work area;
- operate moving plant and equipment competently and efficiently;
- perform grain processing procedures;
- perform feed manufacture and delivery procedures;
- perform hygiene and housekeeping procedures associated with the primary work area;
- perform feedlot and environment maintenance procedures;
- possess understanding of industry QA programs and all site operating procedure; and
- carry out workplace OH&S procedures.

1.7 Farm and livestock hand level 7 (FLH7)

An employee at this level includes:

(a) Senior dairy operator grade 1 who:

- uses their knowledge and skills to coordinate the operation of a farm process or area of expertise e.g. milking and animal attendance, pasture and farm maintenance, breeding programs and artificial insemination area.

Indicative of the tasks which an employee at this level may perform are the following:

- overview of all farm operations;
- show strong planning and organising abilities, develop work plans to achieve objectives;
- operate computer equipment and software packages requiring set-up and basic function operation;
- maintain equipment requiring modification, part replacement and overhauls;
- gather information, generate a range of options and implement a course of action to solve problems;
- demonstrate a comprehensive understanding of the dairy industry monitoring the industry through literature;
- use measuring equipment requiring calibration and measurement conversion;
- use established scientific processes in at least one area of specification;
- co-operate with other team members, establish priorities and work goals; and
- work with others to develop their competencies.

(b) Feedlot employee level 4 who:

- has Certificate III qualifications;
- has worked in the feedlot industry for at least two years; and
- works with limited supervision with checking of their work related to overall progress.

Indicative of the tasks which an employee at this level may perform are the following:

- utilise ability to make independent work decisions;
- utilise Certificate III qualifications daily in the employee's primary work area;
- perform cattle handling procedures (where livestock operation is the primary work area);
- perform cattle health and welfare procedures (where livestock operation is the primary work area);
- euthanase livestock (where livestock operation is the primary work area);
- perform cattle post-mortem procedures (where livestock operation is the primary work area);

- select livestock for specific markets;
- transport, handle and store chemicals applicable to primary work area;
- prepare and apply chemicals applicable to primary work area;
- operate moving plant and equipment competently and efficiently;
- perform grain processing procedures (where feeding and milling operations is the primary work area);
- perform feed manufacture and delivery procedures (where feeding and milling operations is the primary work area);
- perform hygiene and housekeeping procedures associated with the primary work area;
- perform feedlot and environment maintenance procedures (where feedlot and environment maintenance operations is the primary work area);
- possess understanding of industry QA programs and all site operating procedure;
- carry out workplace OH&S procedures.

1.8 Farm and livestock hand level 8 (FLH8)

An employee at this level includes:

(a) Senior dairy operator grade 2 who:

- under the direction of the owner or manager uses their expertise and skills in order to supervise and maintain the operation of a dairy farm.

Indicative of the tasks which an employee at this level may perform are the following:

- set and monitor work goals;
- anticipate potential problems/issues and determine the best course of action;
- approach the resolution of conflict using objectivity and reason, differentiating between the two;
- supervise other grades;
- where appropriate, seek to develop team performance and cohesion, taking into account competencies and the needs of team members;
- keep abreast of dairy industry trends and changes;
- where necessary, exercise foresight in relation to farm needs and make recommendations to farm management; and
- operate scientific processes necessary to achieve farm objectives.

2. Minimum wages

2.1 Adult wages

The following wages apply to Farming and livestock hands classified under clause 1—
Classifications of this award:

Wage group	Weekly award rate \$	Hourly rate \$
FLH1	569.90	15.00
FLH2	586.50	15.43
FLH3	594.80	15.65
FLH4	609.00	16.03
FLH5	619.90	16.31
FLH6	629.90	16.58
FLH7	663.60	17.46
FLH8	713.10	18.77

2.2 Junior wages

Age of employee	% of relevant adult rate
Under 16 years of age	50
16 years of age	60
17 years of age	70
18 years of age	80
19 years of age	90
20 years of age	100

3. Special allowances

- 3.1 Where a Station hand is required by the employer to find their own horse and/or saddle, the employee will be paid a weekly allowance of \$6.26 for the horse, and a weekly allowance of \$5.00 for the saddle.
- 3.2 When a Station hand is required by the employer to provide their own dog which is used as a cattle or sheep dog for station purposes, the employer will pay to the employee:
- (a) an allowance mutually agreed upon for each such dog; and
 - (b) the amount of any licence or registration fee which must be paid by the employee for a period during which the dog is so used.
- 3.3 Employees will be paid a daily amount of 17% of the standard rate in addition to their ordinary rate for each day upon which they are engaged:
- (a) in or in connection with jetting or spraying of sheep, who either mix the poison or handle the nozzle; or
 - (b) in swabbing sheep for more than three days in any one week.

4. Ordinary hours of work and rostering

- 4.1 The average ordinary working hours for a Farm and livestock hand will be fixed by agreement between the employer and the employees but will not exceed an average of 38 hours per week over a four week period.
- 4.2 The ordinary hours of work of Farm and livestock hands (other than Station cooks) will not exceed 152 hours in any consecutive period of four weeks.

4.3 Station cooks

- (a) A cook who is required to work for more than five and a half days in any one week will be paid, in addition to the weekly wage of this award, the following overtime rates:
 - (i) for work on six full days—an amount of 3/22nds of the appropriate weekly rate;
 - (ii) for work on six full days and one half day—an amount equal to 3/11ths of the appropriate weekly rate; or
 - (iii) for work on seven full days—an amount equal to 9/22nds of the appropriate weekly rate.
- (b) No overtime will be worked nor will an employee perform work on the employee's day and/or half day off without the permission of or under the instructions of the employer or their authorised representative.
- (c) No employee will be entitled to payment for overtime, or equivalent time off instead, unless the employee makes a claim to the employer or their authorised representative either within two weeks after the overtime is alleged to have been performed or by the next date of payment of the employee's wages, whichever is the later.
- (d) For the purpose of computing payment for overtime work for an employee engaged on 'with keep' terms, the cash value of such employee's wages must be deemed to be not less than the wage prescribed in this award for a similar class of employee with the value of keep added.

5. Overtime

- 5.1 All time worked by an employee in excess of the ordinary hours in clause 4.1 will be regarded as overtime.
- 5.2 The rate of pay for overtime for a Farm and livestock hand will be time and a half, except on Sunday when the rate will be double time, except in the case of feeding and watering stock when such work will be paid for at the rate of time and a half.
- 5.3 An employee may elect to take time off duty, with pay, for a period equal to the overtime worked.

6. Payment for public holidays

Where a Farm and livestock hand is required to perform work on a public holiday the rate of pay will be double time.

This is a summary of SOME of the more relevant provisions in the new Pastoral Industry Award 2010. The summary is not the full award.

If you wish to read the full award please go to www.fwa.gov.au or go to the link for the modern Pastoral Award 2010 <http://www.fwa.gov.au/index.cfm?pagename=awardsfind#P>

DAIRY UPDATE FROM SADA



In partnership with



29 August 2011

PRESIDENT'S REPORT

David Basham

As dairy farmers we face challenges every day from the weather, commodity markets, world financial markets, through to the attitude of a newly calved heifer not enjoying her first milking. The important part of running our dairy farming businesses is managing the exposure of our farms to those challenges. We need to understand that we cannot eliminate all the risks but hopefully we can limit the damage they can cause. My example of the kicking heifer is one that I am sure we can all relate too, but sadly last week a 17 year old was killed by a kick to the head whilst milking. This shows we cannot stop the worst happening but we must try.

SADA is an important part of your risk management; SADA can address issues that affect all dairy farmers with one collective voice from one collective effort. I was pleased to be able to spend the whole day with the state Minister for environment & water Paul Caica include an hour in a car of one on one time to put the SA dairy farmers view on many water issues. As we travelled around the Fleurieu it was pleasing to be able to put a message to the Minister that was also backed by the same story from the dairy farms we visited.

I am proud that I am involved with an industry that understands the importance of a collective voice. Last week on the radio I was listening to a discussion about the "Convoy to Canberra" rally held on Monday. The guest who was a transport industry lobbyist said to the presenter good luck to those attending the rally, they will receive a couple of days of media coverage and they will all feel good about themselves for taking part. His next comment is what rang home, in a week's time everyone will have forgotten and nothing would have been achieved. This is why it is so important that we keep the lines of communication open at all times with Government rather than protesting. If we are in the room (or car) talking to the people that make the decisions we will be steering those decisions in our favour. I would like to thank Ken Lyons for his approach to this over the years at SADA for installing such a good lobbying approach for SA dairy farmers.

I would also like to thank two people that have decided to step off the board of SADA, Lyndon Cleggett & Michael Connor. Both Lyndon & Michael have made great contributions to the SA dairy industry in particular SADA. Lyndon has served on the Board and the former Central Council for well over 20 years. He has always operated with the best interests of the SA dairy farmer, and will continue to be involved as he now holds a position on the Australian Dairy Herd Improvement Service (ADHIS) board. Michael has also operated with his fellow farmers interests at heart. I personally would like to thank both for their support of me over the last 6 years.

Another person I would like to also thank is the outgoing President of ADF Wes Judd. Wes has often put his industry before his family & business but now must rebuild after the floods in December and January and dedicate his time to the family business. Wes has been a great industry leader and a mentor to me and the industry will miss him.

I would also like to welcome three new members to the SADA Board, Nick Brokenshire, Ruben Zandman & Gary Zweck. Let's hope one of them is the next Wes Judd for the dairy industry.

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CEO'S REPORT

Ken Lyons

This month in visiting and talking to our members there has been discussion about "confidence" going forward. Currently the international market is holding up quite well and seasonal conditions are encouraging even though members are seeing tight margins due to higher costs.

SADA members are telling us that they;

- do not like to see their product being so 'devalued' on the domestic market, they are concerned about the increasing power of the grocery "duopoly" and they want a regulator with some "teeth".
- are concerned the timing and reason for the government to be rushing into the carbon tax before the rest of the world that members believe will add extra costs and loss of competitiveness in international markets ;
- are concerned with how irrigators and stock and domestic users will be treated as the various water plans are determined and implemented, especially the MDB Plan (Reform of the MDB).

So in this Dairy Update I want to begin by discussing these three policy issues (the supermarkets, the carbon tax and the water issues) and put the case that in all three areas there is a reasonable level of confidence that our lobbying will deliver an acceptable outcome for dairy farmers in South Australia.

SUPERMARKET POWER AND THE DEVALUATION OF DAIRY PRODUCT

During the year the SADA Dairy Update has kept members informed about the massive devaluation (estimated at around \$700m per year) of dairy product on the domestic market and the growing concern about the power of the duopoly (Coles and Woolworths) in Australia.

In this SADA Dairy Update we will provide an overview of the recent announcement by the ACCC, and outline the actions we have taken, and finally the benefits for members and Australian consumers.

(a) The ACCC gives Coles the green light.

Recently the ACCC announced that they had investigated the Coles discounting of dairy product since 26 January and had not found any evidence that Coles had violated the Competition and Consumer Act. Coles responded by saying that they intended to keep the milk price down. This is a disappointing outcome from the ACCC but not unexpected. The case against the growing market power of the supermarket duopoly has been well documented, not only by the dairy industry, but many other industry sectors and community organisations. These groups are coming together to act as an "alliance" and building community pressure to encourage the Australian Government to take action to protect a fair and competitive domestic grocery market. This recent announcement by the ACCC is now seen by many SADA members as the final proof that the ACCC cannot do the job. The Daily News story on 26th July began with, "A leading consumer advocate (Professor Frank Zumbo) has slammed a decision by the ACCC to give the green light to Coles milk pricing practices". And then the Professor in the article poses the key question, "What will the ACCC do if Coles tries to pass the cost of the price reduction back to the milk processors at future contract negotiation".

John Cummings, Chairman of the National Association of Retail Growers of Australia said, "Now dairy farmers, some of them on margins of only a few cents a litre above break-even, are at great risk when new tenders are negotiated. Coles will not deny themselves a normal profit margin on a big category like milk indefinitely. They will try to claw some back from the processors". Further it has also been reported that the discounting on a few staple items like the milk is not affecting the profits of the two majors BECAUSE surveys are showing that the majors are steadily increases prices on 70 to 90 per cent of their products".

We do not blame the supermarkets as they will test the law to the limit but we do blame the Government for not strengthening the Act and ensuring we have a Grocery Ombudsman "with teeth". It is very much in the national interest that Australia has a healthy and competitive domestic grocer market.

So the lobbying on this issue will continue with all our dairy associations and farmer groups pressing the politicians for a strengthening of the legislation and informing consumers that further concentration of market power in the duopoly is not in their interests. Certainly ADF, SADA and most of the dairy associations will be putting in further submission to the Senate Inquiry before they make a final report on 1 October.

(b) A summary of what we have done:

As this issue reaches the 6 months mark (commencing 26th January) we can confirm that, against one of the most powerful political lobby groups (the supermarkets) in the country we have achieved the following;

- We achieved widespread media coverage of our challenge to Coles to show that in the longer term their actions would not result in lower farm gate milk prices,
- We worked closely with politicians such as Senator Xenophon and Robert Brokenshire to work all forms of the media (special thank you to 5AA Leon Byner) ,
- Our quality submission to the Senate Inquiry calling for the government to act as the continuing power of the supermarket duopoly would eventually threaten Foodland IGA and the choice of consumers was "spot on the mark" and well regarded,
- The SA Parliament Forum sponsored by The Hon. Robert Brokenshire brought together the wider "alliance" of other industries, the national grocery association, and Foodland and IGA,
- Now our new submissions to be submitted to the Senate Inquiry by 31 August will further add to the "call for action".

(c) Benefits from our lobbying:

In general there is an air of optimism that food is becoming more "valuable". So there is hope that farm gate milk prices may well rise to a new and sustainable platform. The increase in grocery prices are to some extent being hidden in the short term on the domestic market for the dairy industry because Coles has decided to use dairy product as a means of gaining "market share".

The bigger picture indicates that food commodity prices both internationally and domestically are on a significant price rise. For example, the latest OECD-FAO Agricultural Outlook has predicted that the average food commodity prices will be much higher this decade than last (butter for example to increase by 45%).

But the specific reasons why our SADA members can feel a little more "confident" in returns from the domestic market (some reward for our lobbying effort) include;

- ***Coles are still losing money with the discounted milk.*** We have been successful in getting the Senate Inquiry to delay making a final report so they can closely monitor whether Coles attempts to pass the discounts back to processors and then on our members. Putting the "spotlight" on Coles has made it more difficult for them to pass the discounting back to lower farm gate prices.
- ***Surveys are reported to be showing that Coles are advertising "DOWN, DOWN" while increasing the price for most of their lines.*** The strategy within Coles appears to be to get customers onto the private label products and then make their own private label products the most profitable. If this is the case then the exciting low milk prices may be short lived.
- ***A key for the dairy industry is to have a strong and viable Foodland and IGA.*** It is the Foodland's and IGA's that are providing an outlet for many of our dairy processor

product. For example WCB are expanding some of their plants producing product for the domestic market.

Take note, we do have dairy processors that have not given up on the domestic market and neither should we as farmers.

We suspect the extra Sungold (WCB) milk will go into IGA's and be marketed as local ("fresh") milk at premium "branded prices". Just like Paris Creek and Fleurieu Milk etc. So this is why it is important not to let the supermarket duopoly wipe out Foodland and IGA and why SADA and Foodland/IGA promoted the Parliament House Forum. This is at the heart of our SADA media campaign, "Wake up Australia". We believe SA has been, and will be in the future, well served by having a viable Foodland.

- The expansion of plants serving the domestic market by WCB was announced at the Supplier Meeting here in SA on Monday 1 August. So now WCB is looking for an extra 50m litres and this increased competition for milk is expected to benefit all dairy farmers.

So in summary; the supermarket duopoly and the weak performance of the ACCC are of concern to the dairy industry, but because we are fighting on behalf of our SADA members we are hopeful we can retain a dairy presence in the domestic market. Thank you especially President David Basham and Vice President James Stacey and all those who helped and participated in our lobby efforts.

THE CARBON TAX

Since the announcement, public opposition to the policy has gained momentum. The main reason for the opposition to the policy is the fact that the rest of the world is deferring action in the light of the global financial situation. So the Gillard Policy of Australia going it alone for a carbon tax with no (or minute) environmental gain, yet seriously damaging Australian industries by ensuring they are internationally uncompetitive or driven off-shore, is becoming more likely to be rejected by the Australian public. The catalyst for an election is a thing that is not clear at the moment.

Let us be clear as to how the dairy industry would be affected by the tax and why the policy, in this form, and at this time, is bad policy.

Dairy farmers have no capacity to increase prices they receive to cover additional costs incurred so these costs come straight off farm profitability. Basically there are two main ways dairy farm costs will be increased with the carbon tax. Firstly higher energy costs will mean higher power, fertiliser and transport costs. Secondly higher cost to processors will be passed back to farmers.

A third reason for concern is the carbon tax could have a negative effect on dairy farmers "productivity". Australian and New Zealand farmers are unique in that we are the only two developed nation exporters that operate; without tariff protection, largely without subsidies, while paying developed-nation wages and costs, and our success has come from improving our "productivity". So the Carbon Tax just makes being able to remain profitable and continue to achieve productivity gains really difficult and perhaps impossible when the Carbon Tax begins to escalate.

While the government is pointing to all the money that it is planning to give to rural industries for R&D to cope with a change to a lower carbon economy there are serious issues here as well.

SADA member and regular readers of the Dairy Update know that SADA has been, and remains, a strong advocate for R&D but we need to be careful here. The higher costs with the carbon tax may work against improving productivity. Also carbon mitigation options may also constrain productivity.

WATER REFORM IN THE MDB

South Australian irrigators have felt seriously disadvantaged by the past management of the MDB.

SA has undertaken cuts to allocations and caps, our irrigators have made major investments in infrastructure efficiencies, and SA has been subject to extreme salt levels during this past decade. *The new MDB Plan provides the opportunity for SA to get a "fairer deal".*

It was most disappointing to see on the front page of The Advertiser on Wednesday 3 August the announcement that the release of the Draft Plan would be delayed till mid-October (or even later). Here in SA there is political bi-partisan support for the reform of the MDB to go ahead.

It is pleasing that whenever Minister Tony Burke speaks about what is critical to the Plan he says that the Plan must ensure that the mouth of the Murray is open 9 out of 10 years. SADA has invested resources in securing a future for our River and Lakes dairy farmers over many years and we still believe that the dairy industry has a future in the region and the reform of the MDB will be of benefit to our industry.

Through all the complexity there is one simple equation and that is that salt is coming into the river from all regions and all regions have a responsibility to ensure that their salt, not only gets to the next weir down the river, but that it goes out the mouth. The removal of the salt through the mouth is the test that will indicate that all parts of the MDB Catchment are sharing responsibility for the system as a whole. There was an excellent article by Kym McHugh (dairy farmer, SADA member, Alexandrina Mayor, and President of the SA Local Government Association) that appeared in The Australian on 21 July.

History shows that it is not a lack of water that kills over allocated basins, it is salt. Unfortunately for SA and our dairy industry the damage from salt begins at the mouth and moves back up the system (people talk about the basin "dying from the mouth up" and the "Lower Lakes being the lungs of the river"). Today most people associated with the management of the MDB understand the importance of the Murray Lakes and having the mouth of the river kept open but incredibly even as recently as the Weekly Times (27 July) there was an article by Peter Hunt entitled "Demand Lakes Debate". Fortunately there is enough leadership and understanding about the MDB today that this old "red herring" will simply get a "this is not negotiable" response from those with any credibility.

On Thursday 11 July SADA represented the interests of our members in the MDB in a meeting with Minister Paul Caica at Swan Reach in the morning and with Dean Brown's Committee at Murray Bridge in the afternoon. Between now and the end of the year SADA will be offering dairy farmers on the MDB in South Australia the opportunity to have a strong say in the future of the region. Please encourage non-members to speak to us in the SADA office or our hard working SADA members providing leadership in the region in, James Stacey, Glenn Dohnt, Clem Mason, Warren Jacobs, and Lee McKenzie.

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So while all three issues (supermarkets, carbon tax and the future of irrigation on the MDB) are of great concern to our members it is also true that they are capable of being resolved without dealing a critical blow to our industry. But we do need to be active and effective with our industry representation.

Dairy farm business make a major contribution to regional communities and this was one of the points we discussed with the District Council of Grant in Mt Gambier when we met with them on 18 July. But new figures show that nationally farmers contributed over \$43 billion in gross production value to the Australian economy over the past year. This raises the question as to what the government and the community as a whole expects from farmers and the agricultural sector in the future, and our role both at home and abroad.

Most people acknowledge we are going through a challenging time and we have set ourselves a challenge of getting 80% of the milk in SA represented by SADA.

FINANCIAL OUTLOOK

Perhaps other concerns by SADA members relate to the financial outlook.

Dairy farmers are well aware of the importance of the \$A in determining farm gate milk prices and now we see the \$A at record levels. But we are fortunate that higher commodity prices are even higher than the \$A increases. This was addressed by the NAB Chief Economist, Robert Henderson, speaking at the Australian Grains Conference on 27th July. He said the demand for agricultural products especially from China, India, and the rest of Asia, is surpassing the impact of currency gains and ultimately increases income for Australian farmers.

We have come through difficult times and many members are very focused on reducing debt. Fortunately the Reserve Bank is currently holding interest rates. The Global situation remains volatile as indicated by the share market collapse.

TRIBUTE TO STEPHEN O'ROURKE

Charles Wallis

Stephen O'Rourke recently retired from Murray Goulburn after 24 years with the Co-op, 13 years of which were as Managing Director.

He commanded much respect from the entire dairy industry, both suppliers and processors alike. During his time as Managing Director he has overseen the growth of the farmer owned Co-op to a \$2 billion dollar a year business. Its balance sheet has strengthened despite a severe drought in MG's traditional heartland of Northern Victoria and the GFC affecting so many Export based businesses.

A feature of his tenure was his accessibility to all supplier/shareholders, probably rather untypical of many CEO's of similar sized businesses.

As so many processors in Australia appear to use MG as their benchmark for their milk pricing, the position must have been a high pressure role, one which he appeared to cope with well.

MG have been picking up milk in South Australia for the majority of his time as MD and the loyal supplier base has grown substantially in this time. He will be sorely missed by many suppliers as he always reminded them, that he worked for them, as they owned the business.

We wish him well in his early retirement and are sure he will be an asset to any business or organisation the he is involved in the future.

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COMMUNICATING WITH MEMBERS

All business people are constantly complaining about "information overload" and one of the roles we play here at SADA is to; help members identify important issues, assess their implications for the dairy industry, help industry formulate a policy, and then go forth and promote these policies.

This SADA Dairy Update newsletter plays an important role in our communication with members. When I first joined SADA I often sent out "Fax-back" surveys to gain members opinions. Today I am still actively canvassing members views (all views are heard and represented) but today I am in such regular contact (especially via the mobile) I feel confident that we are reading the views of our members very well.

While in Mt Gambier recently Charles Wallis suggested some of our members could benefit from additional copies of the Update going to family members and managers. The following day while visiting Trevor Telford I raised the suggestion by Charles. Trevor's response was that he would appreciate copies of the Update going to both of his sons. He felt it was important that the coming generation should be reading and thinking about the politics and policies impacting on dairy farm businesses.

So SADA will be updating existing contact details and offering to email copies of the SADA Dairy Update to extra contacts (sons, managers, etc) nominated by the members. You will note we are also seeking mobile numbers so we can "text" important short messages to members as needed.

To help us implement this policy ASAP please fill in the enclosed form and return it to SADA by email: sada@sada.asn.au; fax: 8293 8886 or post: U5 780 South Road, GLANDORE 5037. It is our wish to continue to strive to improve the benefits of SADA membership by being very close to our members. Jo will also email it to the email addresses she has.

MEMBERSHIP MEMBERSHIP MEMBERSHIP!

Just as real estate agents speak of location location location associations are driven by membership. Every year at this time we have to be aware that many suppliers will have changed companies and to retain membership we need new forms authorising payments to SADA for the

new company. So please help us identify ALL members who have changed. We have enclosed a new membership form for those who have changed or contemplating changing companies. We would appreciate any assistance in this regard from the regional committees.

CATTLE ADVISORY GROUP (CAG)

James Stacey

The Dairy Mana JD program is very successful program that has been supported from your 65 cent per tag levy collected by the Cattle Industry Fund. Over \$2 million dollars has been spent out of the cattle industry fund over the last 10 years to help the South Australian dairy industry identify infected and non infected herds. Currently there is 290 herds enrolled in the program, 220 (82%) of these herds are Dairy Score 7 or over. To maintain your score farmers are aware that you have to blood test 50 cows every 2 years to maintain your score, it has been highlighted to the cattle advisory group that these updates are not happening. I am well aware from my own business that this can be a task that is put off and not a priority to be completed.

A new test has been approved recently, this is called a HEC test (herd environmental culture), and this test can be used to maintain dairy score 7 status. The test involves your vet taking a yard scraping after a milking, this sample is then sent away by the vet for testing. This simplifies the work load to maintain your JD score and reduces the cost to farmers as the funding to the JD program for the on farm vet component of the testing has been gradually reduced over the last few years. Herds in the program below score 7 will still have to continue blood test individual animals as they have in the past.

The Mana JD program under the guidance of Dr Jeremy Rodgers has been a very successful program for the South Australian dairy industry helping to improve the health and value of our dairy cattle, the introduction of the HEC test will now make maintaining your score 7 both cheaper and easier than it has been in the past which is something that is positive for the industry.

HARMONISATION OF OHS LAWS

Chas Cini

The Occupational Health Safety and Welfare laws are being harmonised or in effect, nationalised and are expected to come into effect on the 1st January 2012. We were advised at the WorkCover Information Session on the 27th July 2011 that the target date of the 1st January 2012 appears to be achievable. SafeWork Australia signed off on the model Workplace Health and Safety Regulations and Priority Codes of Practices on the 29th July 2011.

On the 10th August 2011 a Regulative package to select Counsel on the Regulations will be submitted for approval. Towards the end of 2011 the model Workplace Health and Safety Laws package is expected to be finalised and we will advise members as soon as it is available.

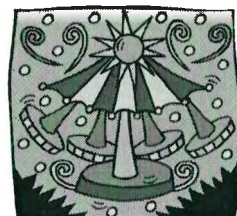
Meanwhile, we are finalising the Farmers' OHS Guide Update and we will be arranging a number of seminars throughout country South Australia over the next few months. We will advise members of the dates as soon as they are arranged.

SHOW BBQ & SHOW TICKETS



The SADA show BBQ sponsored by Wesfarmers Insurance will be held this year on Wednesday 7 September from 6.30pm behind the dairy sheds. Meat will be supplied by Lee McKenzie. Come and join us for a snag or two.

The Royal Adelaide Show Society have again generously offered free Show tickets to SADA Members. The take up this year has been great especially since sending out emails to all members whose email addresses we have and there are now no tickets left so hope to see many of you wandering around the show, in the cow sheds or at the BBQ enjoying some good food.



SA DAIRY AWARDS GALA DINNER



The 2011 SA Dairy Awards Gala Dinner held on Tuesday 9 August was another great success for the SA Dairy Industry and the DIAA, SADA and the Show Society would like to thank the following sponsors for their generous support.

Gold Sponsor: Dairy Australia

Silver Sponsor: Ecolab, National Foods and Warrnambool Cheese & Butter

Bronze Sponsors: Prime Super, Shamrock Food and Wesfarmers Insurance

General Sponsors: Murray Goulburn, Alto and GEA

National DIAA Partner: Chr-Hansen

Also a very big thank you to the suppliers of our cheeses, dairy desserts and drinks who include: Alexandrina Cheese Company, National Foods, Jindi Cheese, B-d Farm Paris Creek, Mini Melts, Parmalat, Moo Yoghurt, Golden North, Warrnambool Cheese & Butter.

Congratulations to all award winners.



Left: At the SA Dairy Awards Gala Dinner Ken Lyons SADA CEO presented Paul McIntosh Regional Manager of Wesfarmers with an Alison Parsons picture to commemorate 75 years of our relationship with the insurance company.

SADA AGM

At the SADA AGM held on 10 August the following SADA Executive were elected unopposed:

David Basham: SADA President

James Stacey: Vice President

Charles Wallis: Treasurer

Board Portfolio positions went to:

Glenn Dohnt: SADA Representative on the DairySA Board

Lyndon Cleggett and Ken Lyons: Show Promotions Committee

David Basham: Cattle Advisory Group Representative

Rick Gladigau: Natural Resource Management

Lee McKenzie: Trade

The SADA Board made presentations to both Lyndon Cleggett and Michael Connor who both stood down from the Board.

YOU DON'T HAVE MULTIPLE BANK ACCOUNTS SO WHY HAVE MULTIPLE SUPER FUNDS?

Nobody likes paying bank fees – it's one of the main reasons most of us only have one bank account. The same should apply to our super but sometimes it doesn't. Ironically, while we're happy to whinge about bank fees, the majority of Australians continue to pay multiple sets of fees on super accounts that in most cases they don't really need and often don't even know they have.



When you look at these costs over time, we're talking thousands of dollars wasted on fees. Most super funds are sending out their half yearly summaries about now, so if the number of super funds you have (you'll know because you'll receive more than one account summary) is roughly the same as the number of jobs you've ever had, it's time to think about consolidating.

Q. What are the benefits to consolidating my super?

By tracking down and consolidating your super into one account, you'll stop paying unnecessary additional fees and have more money in your account. More money means a higher earnings base and more for you to enjoy when you retire. Consolidation also makes it easier for you to manage and keep track of your retirement savings.

Q. How much could I save by consolidating my super?

What you save will obviously depend on your personal circumstances but let's say you have money invested in four different super funds. For the three funds you are no longer contributing to, you're being charged \$300 in total a year in account fees. In five years you'll have paid \$1,500 and, after 30 years, a whopping \$9,000 in additional fees. And that doesn't even include the interest you will have foregone on this amount.

By consolidating all of your accounts into one, you'll pay one fee and the money you save will provide a higher base for you to enjoy in retirement.

Q. Are there any things I need to consider before I consolidate?

Insurance benefits - Before you consolidate, you should review your insurance arrangements. Most people generally have some form of default insurance cover with their super. Let's say you have three super funds and have three lots of default cover. If you become entitled to a payout, you'll generally get a paid from each of your three insurance policies. But when you consolidate your super, your insurance cover in the funds you consolidate will lapse and you'll be left with only one lot of insurance cover.

When you consolidate, you may need to increase your level of cover to ensure you'll have enough if and when you need it. You should also be aware that you may be required to undergo medical tests if you apply for additional cover.

Exit Fees - Some funds charge a hefty exit fee if you try to move your money into another fund. If this is the case, you might not benefit from the transfer. You should ask about exit fees before you consolidate your super.

Selecting the right super fund - When people do consolidate, they generally roll their super into the fund that they are currently contributing to. While this is the easiest option, you might like to compare all the funds before deciding. Which one has the lowest fees? Which one has the best insurance cover? And even though past performance is no indication of future performance, which one has the best returns over the medium-longer term?

Q. What do I need to do to consolidate my super?

There are generally three steps to consolidate your super.

1. Track down all your different super accounts. If you've lost contact with your old funds or have no idea where your money is, there are a couple of ways you can find them:

- Search the ATO's Super Seeker website - www.ato.gov.au/superseeker. All you need is your name, date of birth and tax file number.
- Contact your old employers. They'll be able to tell you where they paid your super entitlements.

- Search the ASIC Lost Monies Register (www.asic.gov.au/unclaimedmoney) or the Lost Monies Register in your state.

2. Once you have the details of your accounts you need to decide which fund you want to roll them all into. You will need to fill in a separate consolidation form for each account you want to consolidate. You can usually download consolidation forms from your chosen fund's website or you can contact them and ask them to post it to you. For a copy of Prime Super's consolidation form visit www.primesuper.com.au or call 1800 675 839.

3. Send your completed forms to your chosen super fund together with certified copies of your identification (your driver's licence or passport is usually the easiest) and they'll do the rest.

Q. Why do I have to get my documents certified?

Although it can be time consuming to get your original identification documents certified, it's a legal requirement that super funds must comply with to make sure everything is kosher with your consolidation request.

There are lots of people who are qualified to certify your documents. So the next time you need to visit your local post office, doctor's surgery, pharmacy, bank or police station, kill two birds with one stone and take along your documents for certifying. Just make sure you take in the original and the copies.

Q. What happens if I change jobs?

Just because you change jobs doesn't mean you have to change super funds. Most Australians are able to choose which fund their super contributions are paid into. If you change jobs, simply give your super fund membership details to your new employer.

Radek Kotlarczyk is your Prime Super Regional Manager. If you have any questions about consolidating your super or any other super questions give Radek a call on 0429 410 426 or send him an email rkotlarczyk@primesuper.com.au

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HUMANE KILLING AND DISPOSAL OF SICK OR INJURED CATTLE

The topic of the humane killing and disposal of cattle has arisen due to a current lack of services in the Fleurieu. The question was asked about the use of capture bolts and whether SADA could source them at a reasonable price.

With the help of Bridget Peachey at DA we sought the advice of Tristan Jubb who is an expert in this area. The capture bolt he has recommended usually sells for around \$700-\$800 through vet suppliers but through buying online at the Farmers Warehouse you could have one delivered for around \$420 - \$450. www.farmerswarehouse.com.au/product.php?productid=21704

This model capture bolt does not require a gun license in SA and requires a lot less maintenance than the dearer models.

Introduction

Humane killing should be considered for any animal that is found to be in pain or suffering and where treatment is either not practical or not economically feasible. Every farm should have access to personnel who are competent and readily available to undertake humane killing. Suitable equipment should be readily on hand and be maintained in good working condition.

Where it is necessary to kill cattle, it must be done promptly, safely and humanely.

If undertaking humane killing you must:

- Ensure humane killing is managed by a competent operator
- Undertake the humane killing without delay
- Ensure the killing method results in immediate loss of consciousness followed by death while unconscious
- Confirm death in every animal every time by observing for the presence of specific signs (as outlined below).

Recommended methods of killing

Adult cattle

- Options include close range firearms to the brain (including the temporal position), captive bolt to the brain or chemical euthanasia
- A rifle should deliver at least the muzzle energy of a standard 0.22 magnum cartridge. For larger animals and bulls, 0.30-calibre high-power cartridges are recommended.
- A captive bolt is a stunning device that does not discharge a free projectile and needs to be held against the head – it is potentially safer to use than a firearm
- Chemical euthanasia must only be carried out under direct veterinary supervision.
- The carcass of a chemically euthanased animal is not fit for consumption by any species – it must be buried, burnt or composted.

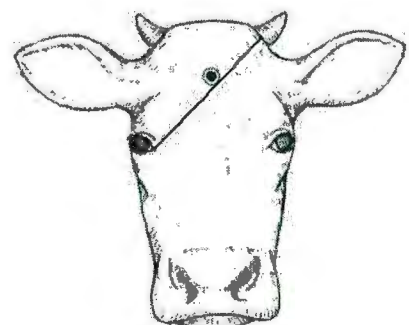
Calves

- Options include firearms, captive bolt, chemical euthanasia (or blunt trauma at less than 24 hours of age)
- A rifle should deliver at least the muzzle energy of a standard 0.22-long rifle cartridge.
- A person must not use blunt trauma to the brain to kill a calf unless it is less than 24 hours old.

Take great care with firearms and captive bolts. Keep this equipment securely locked away from children.

Target position for humane killing

Note the target for the frontal shot with captive bolt or firearm. The point of entry is where a line drawn from the inside of the eye to the base of the horn bud crosses the midline. The direction of aim should be along the centre of the neck. Don't shoot between the eyes



Signs of death

Three or more signs should be observed to determine whether the method used for humane killing has caused death. These include:

- Loss of consciousness and deliberate movement
- Absence of corneal 'blink' reflex when the eyeball is touched
- Dilated pupils that are unresponsive to light
- Absence of rhythmic respiratory movements for at least three minutes
- Flaccid tongue and jaw
- Absence of heartbeat after three minutes
- Absence of a pulse after three minutes.

If necessary, cattle should be bled out using the chest stick method in preference to slitting the throat (neck cut).

Carcass disposal

It is very important that any cattle carcasses be disposed of appropriately.

- The law prohibits leaving carcasses to rot or dumping them in waterways
- It is illegal in most states to allow anyone other than a licensed knackery to remove meat from a farm

Disposal Method	Note
Knackery	Collection sites should be confined to the farm to minimise the potential for disease spread Not suitable for chemically euthanased carcasses Avoid communal collection sites in public areas
Burning	Used in the case of emergency diseases to destroy pathogens Significant air pollution is created Sufficient fuel is required for adequate burning - tyres are not permitted
Burial	Must not impact on the land, ground or surface waters or the air Carcasses must be buried deeply enough to prevent access by other livestock and scavengers Access information from state environmental protection agencies regarding depth of hole, distance from water, exclusion of stock and scavengers
Composting	Advantages include the production of soil conditioner and the avoidance of digging holes Disadvantages include time required and skill to do well An important consideration when composting is the need to protect against scavengers Requires suitable composting materials

Quote (Charles Wallis)



*"In the debate of butter over margarine
I'd rather trust the cow over the chemist"*



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DAIRY UPDATE FROM SADA



In partnership with



27 September 2011

PRESIDENT'S REPORT

David Basham

Challenges continue to face the dairy industry here in South Australia. We have the two domestic manufacturing plants at Jervois and Murray Bridge on the market still awaiting a buyer. We have the State Government moving away from supporting the dairy extension officers. We have the Federal Government introducing a carbon tax that is not being imposed on Farmers but it is going to cost the average dairy farmer in SA more than \$10000. We have a State Government that is trying to introduce a Biosecurity levy on farms to pay for essential work that needs to be undertaken by Government to protect the whole Agriculture and rural community. A State Government that is drafting or reviewing Water Allocation Plans across many dairy regions. The Murray Darling Basin Authority is preparing the new water plan for the Murray River. This is why you are a member of SADA.

SADA along with ADF is working on your behalf on all these issues at the moment try to achieve the best outcome for Dairyfarmers. All these issues are extremely important to the long term viability of the dairy industry in South Australia. If you would like to know what is happening on any of these issues please contact the office and we can organise some information to be sent to you or someone can give you a call.

We have three new Board members on the SADA board so I have decided that it is important to make theirs and all the boards contact details available to you so they are listed below. I would encourage you to talk to any one of them if you have any issues that SADA maybe be able to help with.

Adelaide Hills:

Rick Gladigau 0429 807 682
Gary Zweck 0428 810 829

Fleurieu:

David Basham 0417 865 962
Lee McKenzie 0409 569 011
Nick Brokenshire 0400 298 377

River & Lakes:

James Stacey 0429 373 130
Glenn Dohnt 0427 322 217

South East:

Charles Wallis 0408 083 511
Ruben Zandman 0412 359 946

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CEO'S REPORT

Ken Lyons

September is an especially busy time for SADA. Apart from the normal lobbying activities (such as a working lunch with Robert Brokenshire in Parliament House today, 15th September) there are a number of government policies going through what are generally referred to as "industry consultation stages" (eg the proposed Biosecurity Levy) and there are many industry functions and events. We also look at a solution to a "problem" for members on the Fleurieu. And finally in this September edition of the SADA Dairy Update some more Industrial Relations advice from Chas Cini. But let me begin this Update with a report on the Royal Show week.

SHOW WEEK

The Show provides a wonderful opportunity for our SADA Board and staff to meet up with our members. In particular the SADA/Wesfarmers BBQ on the Wednesday night is a focal point for us. It was pleasing this year to have on hand with the Wesfarmers team their two new staff members, Liam Bache and Tehani Sleeman. The Wesfarmers sponsorship of the event was acknowledged by all and the number of people who made a point of thanking the Wesfarmers and SADA people was appreciated. Also special thanks to; SADA Board Member Lee McKenzie for donating the high quality meat, Lion (National Foods) for donating the flavoured milk, Jo and Chris Gilbert and Adrian for the actual BBQ, and the RAHS for again generously providing show entry ticket for SADA members.

But the Show also provides the opportunity to get media and generate publicity to highlight the damage being done by the supermarket duopoly (Coles and Woolworths) in reducing farm gate returns to dairy farmers. On the Wednesday SADA President, David Basham, did a full page article for The Advertiser and then on the Thursday (Dairy Day) Andrew and Angela Koch took a cow to the ABC Country Hour broadcast to again inform the public that their access to fresh milk should not be taken for granted. Finally; on the Friday the guest speaker at the Show Luncheon was Dick Smith and he simply reinforced to consumers the key message that, "he wants consumers to put more emphasis on good quality, healthy Australian foods, rather than lower-quality imported foods". He warned that "Australia faces the risk that all its food will be imported as supermarket chains focus on lower-cost, and average quality products".

During the Show Week I did speak to Foodland IGA and we have agreed to meet in the near future. We believe it is important for our SA dairy industry to have a strong Foodland IGA going forward and we need to consider ways of ensuring this happens.

Thanks also to the Dairy Australia sponsorship of Dairy Day and the Exhibition Dairy.

INDUSTRY CONSULTATIONS

Apart from the on-going consultations relating to regional Water Plans, including the MDB, the latest "consultation" relates to the proposed "Biosecurity Levy". Preparing briefings and submissions is an important role for SADA as most SADA members have not the time or the networks to make effective submissions. It is usual with these industry consultations, and is the case with the Biosecurity Levy, that there are various discussion papers prepared by government (56pages), independent consultant's reports (90pages), proposed draft changes to Bills (24 pages) all have to be carefully considered and assessed. There will be meetings to attend (in the case of Biosecurity Levy it is on 21 September at the PIRSA Office Glenside). This is what SADA will do on behalf of our members. If there are members who have already taken an interest in this topic and have done some homework we would be pleased to have their input. If members want to have access to the material referred to above simply contact SADA. Both SADA and SAFF are concerned that all "levies" can be justified and add value to our businesses. We will keep you you informed as we go about the Bio security levy.

At the national level the ADIC has made a submission on behalf of the dairy industry to the Carbon Tax Senate Inquiry. A key point here is because of the larger dairies and higher electricity usages in SA we will be hit hardest with the Carbon Tax.

WORKCOVER AND OCCUPATIONAL HEALTH AND SAFETY

SADA has been working with WorkCover and Employers Mutual on a number of projects aimed at getting a better outcome in relation to OHS for our dairy members. We will be making an announcement later this year about a new initiative that will enable our SA dairy farmers to have access to relevant information instantly and on-line.

Both Chas Cini and myself attended the "WorkCoverSA Recovery and Return to Work Awards" on the evening of Tuesday 13 September and held at the Adelaide Convention Centre. Because of the pressure of work I had decided not to attend the event but then heard that an SA farm family business was a strong

contender for an Award and therefore changed my mind at the last moment. I am so glad I did because it turned out to be an inspiring night, not to be missed. The Award winning family was Tim and Bruce Shultz from Kenlen Seeds at Naracoorte. I had the pleasure of being on their table at the function and found Tim and Bruce Shultz and Peter and Wendy Day truly remarkable people. We are attempting to arrange for our SE SADA members to hear first-hand from the Shultz's and the Day's their story at the Penola OHS Seminar.

This was an inspiring story of a clover seed harvester running over worker (Peter Day) inflicting numerous injuries including a broken neck. But it was what happened along the path for Peter to return to work is the story that was "the inspiration". A brief version of the story has been included in this Dairy Update. (Page 9)

With support from Employers Mutual we are conducting the following program of seminars to be held throughout South Australia during the next few weeks.

Wednesday 12 October	1.30pm – 3.30pm	Clare Valley Motel, 74A Main North Road, Clare
Wednesday 19 October	1.30pm – 3.30pm	Bushman's Inn, 114 Church Street, Penola

Please contact Jo on 8293 22399, 0419 035 459 or sada@sada.asn.au to book.

SERVICES TO MEMBERS

The SA dairy industry relies on a myriad of commercial "partnership" arrangements to ensure all our members have access to services needed. Recently members in the lower Fleurieu Region had a service relating to "downer cows" suddenly closed. The Dairy Industry has a really proud culture of caring for livestock and the environment and David Basham has led an attempt to find a solution.

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Fortunately Mark McLoughlin (Livestock Agent for T & R and friend of our dairy industry) approached Mathew Payne who lives near Port Elliott and he has agreed to work with our SADA members on the Fleurieu. You can contact Mathew on the mobile 0414 493 533 or 8554 2196. Mathew's father, Stan, could also take a message on 8554 1864.

I encourage Fleurieu members to thank Mark McLoughlin the next time you see him and encourage Mathew so it can be a "win win" situation.

UPDATING MEMBER INFORMATION DETAILS

We are enclosing another member information sheet for members who have yet to respond. To help us update our records please fill in the the enclosed form and return to SADA by email: sada@sada.asn.au; fax: 8293 8886 or post: U5 780 South Road, GLANDORE SA 5037. It is our wish to continue to strive to improve the benefits of SADA membership by being very close to our members.

INDUSTRIAL RELATIONS UPDATE

Chas Cini

Correction regarding Transitional Provisions – Pastoral Industry (South Australia) Award and Pastoral Award 2010

If you are a member of the South Australia Farmers' Federation Industrial Association or, prior to the 1st January 2010 you were bound by the Federal Pastoral Industry Award 1998 this update does not apply to you and you should ignore the following information.

Casual Loading

If you were previously bound by the Pastoral Industry (South Australia) Award this information corrects previous advice provided to us by Fair Work Australia regarding the Transitional Provisions. This correction is likely to impact on the Casual loading when we were previously advised was to increase by ½ % per year starting with 23% on 1st July 2010.

We wish to correct that advice and state that from the:-

- 1st July 2010 to the 30th June 2011 the casual loading should have been 21% (**not 23%**):-
- 1st July 2011 until 30 June 2012 the casual loading should be 22% (**not 23.5%**).

Between the 1st July 2012 and the 1st July 2014 the casual loading will increase by 1% per annum up to a maximum of 25%.

If you wish to reduce your current casual loading to 22% you may do so but please advise Employees prior to doing so.

Take Home Pay

We also previously advised that the "take home pay" orders which, effectively means that an Employee who is financially disadvantaged in taking home less pay than they would have under the old (in this case Pastoral Industry (South Australia) Award), the Employees were able to seek payment for the shortfall. Our previous advice from Fair Work Australia referred to the payments for Saturday afternoon and Sunday work which we were initially advised would be treated as penalty rates but, we have since been advised that it is considered to be overtime.

The Modern Pastoral Award 2010 does not prescribe overtime payments on Saturday afternoon and Sundays as did the former Pastoral Industry (South Australia) Award. Any Employee who suffers a loss of income as a result of the withdrawal of the overtime rates on Saturday afternoon

and Sundays is not eligible for make-up pay. The basis for this is that overtime is not to be taken into account when considering the “take home pay”.

SUPERANNUATION OBLIGATIONS

Chas Cini

Not sure of your obligations as an employer?

If your new employee is eligible to choose a super fund, you should provide them with a Standard choice form (NAT 13080) within 28 days from the day they started working for you. The employee should also be aware that if they don't reply or complete the form that the superannuation contributions will be made into your default fund.

Employers must advise employees of the name of the default fund and must show the contributions on EVERY PAYSリップ.

If you require further details please call us or go to <http://www.ato.gov.au/content/00108082.htm>

UNPAID MEAL BREAKS – ARE AT RISK OF NOT PAYING OVERTIME?

Chas Cini

We have again received a complaint lodged with the Fair Work Ombudsman about employers not meeting their obligations to provide an unpaid 30 to 60 minutes meal break for shifts exceeding five consecutive hours.

Whilst the Pastoral Award 2010 allows for agreement between the employer and an individual employee, the meal break may be taken at a time agreed. Whilst most work places have paid morning or afternoon tea breaks, the 30 to 60 minutes unpaid meal break must still be taken within 5 hours of commencement of work.

Some employees may prefer not to take the unpaid break. Whether they do or not, the employer still has the obligation to ensure compliance with the Award and non compliance may result in overtime payments until the break is taken. There may be exceptions to the rule for say urgent animal husbandry purposes but it is important that the award is observed at all other times.

If an employer asks an employee to work beyond the five hours, **overtime at double time** rate applies. Will an aggrieved employee use this as an excuse after termination of employment?

The following award provisions apply to all employees other than employees engaged on shearing operations who will be entitled to the breaks prescribed for such work in Part 7—Shearing Operations of this award.

15.1 Meal break

(a) A meal break of not less than 30 minutes and not more than one hour will be allowed each day, to be taken not later than five hours after commencing ordinary hours of work. Provided that where there is agreement between the employer and an individual employee, the meal break may be taken at a time agreed.

(b) All work performed on the instruction of the employer during a recognised meal break will be paid for at double time rates. Such payment will continue until the employee is released for a meal break of not less than 30 minutes.

15.2 Rest break

Employees will be allowed a paid rest break of 10 minutes each morning. Where agreement is reached between the employer and employee for an additional rest break, such rest break will be unpaid and in addition to the employee's ordinary hours of work.

We highly recommend that you issue a written instruction current and new employees is authorised to work more than 5 consecutive hours without a break and that they sign the instruction indicating that understand and will comply.

ADF INFORMER ARTICLES

ADF elects a new leadership team

The Australian Dairy Farmers' Board elected a new leadership team following Mr Wes Judd not seeking re-election after two years in the role.

The new ADF President is Mr Chris Griffin, a dairy farmer from Moe, Victoria. Mr Griffin has been an ADF Board member for over 6 years and President of the United Dairy Farmers of Victoria since 2009. Mr Griffin has more than 34 years experience in dairy farming and has a strong history of industry involvement.

"There are many challenges that we need to tackle to ensure the dairy industry's viability into the future, as well as that of the ADF. With important issues to address such as water, a carbon tax and retail milk price to name a few, I can say that ADF remains 100 per cent committed to staying the course on these and other vital issues." said Mr Griffin.

Mr Griffin will be supported in his role by ADF's Vice Presidents, Mr Noel Campbell, a dairy farmer from near Warragul, Victoria and Mr Peter Evans, a dairy farmer from Busselton, Western Australia.

The new leadership team, along with the ADF Board, acknowledge the contribution Wes and his family have made to the Australian Dairy Industry over many years and in many roles. The new team looks forward to working with its members, Australia's dairy companies, Dairy Australia and Governments to ensure a strong, viable dairy farming future.

PISC decision on Animal Welfare Standards and Guidelines

The Primary Industries Standing Committee (PISC) recently endorsed a number of recommendations on the development and implementation of livestock welfare standards and guidelines, arising from an industry/government workshop organised by AHA and held on 8-9 March 2011. These recommendations included:

- 1) A PISC reaffirmation of its endorsement of a national collaborative approach, managed by Animal Health Australia (AHA) ;
- 2) An endorsement of a joint government-industry approach to the nationally consistent implementation of livestock welfare standards, with the aim that the animal welfare-related operating costs and barriers for like businesses should be no different across jurisdictions, while recognising the sovereign right of states/territories to enact legislation that reflects their own needs;
- 3) Agreement to the participation of all jurisdictions in the proposed consultation and communication processes in developing and implementing the livestock standards and guidelines;

The ADF welcomes this commitment and is hopeful that the spirit of the PISC decision will be reflected in the outcome from PISC consideration of a science based standard for the maximum time off feed for calves being transported.

Contacts: David Basham 0417 865 962, Kevin Shiell 0413 800 349

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ADIC submission to Senate Carbon Tax inquiry

On 23 August the ADIC submitted a supplementary submission to the Senate Select Committee into Carbon Tax Pricing Mechanisms (previous submission May 11).

This additional submission further outlined the dairy industry concerns on the impacts of the carbon tax on dairy farmers and dairy processors resulting from the Government's *Clean Energy Future Plan* announced in July. Brief outline of the impacts on the dairy industry included in the submission:

- Dairy industry at greater risk if operating in advance (or differently to) major international competitors;
- Additional costs for dairy farmers of up to \$5,000 to \$10,000 per year if carbon tax rate set between \$20 to \$30 per tonne;
- Dairy farming to be impacted to a greater extent than any other agricultural commodity;
- Government modelling forecasts dairy gross output to only grow by 1% from 2010 to 2020;
- Electricity is a major component of a dairy farming operating costs and it is expected the tax will have a direct impact by increasing costs;
- Call for the extension beyond the two years exemption for long distance transport fuel usage as on-farm milk collection charges will increase;
- Trade exposed dairy processors have limited ability to pass on carbon costs to consumers – costs more likely to be passed on to dairy farmers

The full submission is available on the ADF website www.australiandairyfarmers.com.au

Contact: Beverley Wallace 08 8621 4200

*****LATEST NEWS*****

ETSA Utilities

Interruption to power supply

ETSA Utilities advises that due to essential maintenance work at Myponga substation, power will be interrupted in **Myponga, Hindmarsh Tiers, Sellicks Hill and surrounding areas**.

The outage will commence at about **10pm Monday 10 October** with power being restored by **4am Tuesday 11 October**.

Myponga 11kV Feeder MV31, Hindmarsh Tiers 11kV Feeder MV32, Blockers Road 11kV Feeder MV33, Sellicks Hill 11kV Feeder MV34 will be affected.

We apologise for any inconvenience. This work may not proceed in extreme weather or due to unforeseen circumstances.

For tips on what to do during a power interruption please read our **Customer Handbook**, available at www.etsautilities.com.au/customerservice. To request a hard copy or for more information call us on **13 12 61**.

U13411

ADF Support for Future Animal Health and Welfare Initiatives

The ADF Board have supported an amendment to the Primary Industries (Excise) Levies Act 1999 to increase the legislated maximum amount on the dairy industry levies specified under the Act for undertaking Animal Health and Welfare activities in partnership with governments through Animal Health Australia (AHA). The decision followed advice from DAFF that the operative rates of the levy will soon be at the previous maximum level currently provided for under the Act; set in 1999. Since that time the dairy industry has partnered with governments and other industries in programs covering disease surveillance, emergency animal disease preparedness and response capabilities, biosecurity, training and animal welfare.

The operative rate of the levy does not vary as a result of this decision. Any change in the levy requires that industry develop a documented case to be put to government justifying any increase and demonstrating widespread industry consultation and strong support as set out under the governments levy funding principles. This increase in the legislated maximum rate provides a platform for the next decade that will enable the dairy industry to continue to partner with governments and other livestock industries in the management of national livestock health and welfare programs.

Contacts: David Basham 0417 865 962, Kevin Shiell 0413 800 349

REVIEW OF MINIMUM 3 HOUR ENGAGEMENT

Fair Work Australia is about to begin a review of all of the modern awards which came into operation on 1 January 2010.

National Farmers Federation is coordinating a response for the Pastoral Award 2010. The minimum 3-hour engagement for casual and part time employees is part of that review.

NFF is seeking feedback from farmers to support an argument that the 3-hour minimum engagement should be reduced or removed from the award. NFF has prepared a questionnaire which seeks information from farmers about how the 3-hour minimum engagement has affected their business since the modern Pastoral Award came into operation.

The information is vital if NFF is to mount a successful case so please take a moment to fill in the questionnaire and fax or email it back to NFF preferably by 30 September 2011. The questionnaire can be accessed from www.thepeopleindairy.org.au and click on What's New 22 Sep 2011.

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AWARDS

Employer excellence (small to medium) – Kenlen Seeds

When a clover harvester ran over a worker at Kenlen Seeds at Naracoorte, owners Tim and Bruce Shultz did everything they could to support him, making changes to safety procedures and assisting him back to health and work.

His injuries included a broken neck, soft tissue injuries and a heart condition – the accident came close to being fatal. The worker's medical treatment has been complex, intense and is ongoing. Despite this, the worker has been determined to get back to work as quickly and safely as possible. Tim and Bruce believe this is because he finds his job satisfying and enjoys the workplace environment.

Kenlen Seeds is a small business, employing only four staff members, so when one is injured, the impact on the business is substantial. One of the big challenges for a small business in this situation is to find suitable duties for an injured worker while they recover sufficiently to return to their pre-injury role.

Throughout the rehabilitation process, the worker maintained a positive outlook, which was reinforced by the measures taken by Kenlen and the rehabilitation team to accommodate his restrictions when returning to work.

One of the advantages to being a small team is the feeling of family and loyalty can inspire. Tim and Bruce see their workforce as members of their family, so they did their utmost to see their injured worker and his family were looked after.

They created safety signage to remind staff to remove keys from vehicle ignitions prior to maintenance, to help stop a similar injury occurring in the future. Once the worker was able to return, an air seat was organised for the truck, making sitting in the truck more comfortable for him. They also found new methods of monitoring grain levels so he wouldn't strain his back.

So keen was the worker to return that during his rehabilitation he would visit the farm and have other workers drive him around to see what was going on. He would ring in regularly and his employers would telephone him and his wife to make sure he was progressing well. Keeping the contact between workplace and worker was very important to this recovery process.

Regular on-site meetings were held with the case manager, as were meetings with the worker's GP and other members of his return to work team, through which Tim and Bruce have gained a greater understanding of workplace injury and how the Workers Rehabilitation and Compensation Scheme works.

Today, the worker is not quite back to full-time, but he is extremely keen to be at work. "We find ourselves having to send him home because he's pushing himself too much!" say Tim and Bruce. "You only get this sort of work culture from being loyal and caring employers that value each employee for their strengths and work with them to achieve a common goal."

WorkCoverSA

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Email: info@workcover.com

Website: www.workcover.com

Free information support services: TTY (deaf or have hearing/speech impairments):

(08) 8233 2574. Languages other than English: call the Interpreting and Translating

Centre - (08) 8226 1990 and ask for an interpreter to call WorkCover on 13 18 55.

Braille, audio, or e-text: call 13 18 55 and ask for help in an alternative format.

Document: Kenlen Seeds (Employer excellence – small).doc

Last updated: August 2011

The information produced by WorkCover Corporation of South Australia in this publication is correct at the time of printing and is provided as general information only. WorkCover is a statutory authority funded by employers to rehabilitate and compensate South Australians injured at work.



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DAIRY UPDATE FROM SADA



In partnership with



31 October 2011

PRESIDENT'S REPORT

David Basham – 0417 865 962

River Murray Dairy Factories

It was pleasing last week to receive confirmation that a buyer was found for the two processing plants at Jervois & Murray Bridge. The day the announcement was made Glenn Dohnt and I took the opportunity to attend the press conference and meet with the new owner United Dairy Power (UDP) Managing Director Tony Esposito. The media was told of the plans of UDP to grow the throughput from 130 million litres per year to 400 million litres a year. Tony said the factories had been used as balancing plants for the Adelaide milk market by Lion (formerly National Foods) but UDP intend to change the focus and treat the plants as primarily key manufacturing plants that UDP want to operate to their full potential.

SADA is speaking with Tony Esposito to organise for him to attend regional dairy meetings so that local farmers can meet him and learn more about UDP the company. More details of these meetings will follow in the near future. I would encourage all dairy farmers to attend these meetings as UDP will be a major purchaser of milk in the South Australian market. Whether you intend to supply UDP or not it is important to engage all potential milk buyers in SA to give you choices in to the future.

Dairy Levy Poll

Recently you would have received a letter about the Dairy Levy Poll that is to be conducted early next year. Farmers will be asked to make an important decision about their future and the future of dairying in Australia in February/March 2012. The Dairy Poll Advisory Committee with farmer representatives from around the country determined that a 10% increase in the Dairy Service Levy was the minimum increase required to fund the current programs and services provided to dairy farmers by Dairy Australia. An increase in the levy is necessary to ensure that current dairy industry programs continue for the benefit of all dairy farmers and to ensure the industry will benefit from these services in the future. The Levy has not increased since 1997.

The levy is essential to your future and the future of our industry. The levy gives us the means to tackle the big issues. These include climate change, water, carbon tax issues, human health concerns, international trade, supply chain integrity, protection of industry reputation, and people training and development. All major agricultural commodity groups have a representative industry-good agency. The Australian Government is unlikely to provide funding to an industry that is not prepared to invest in itself.

I would encourage all dairy farmers to support the 10% increase to continue to look after the future of our industry.

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CEO'S REPORT

Ken Lyons

Traditionally David Stacey and myself each year like to visit our members leading up to the end of the year and over recent weeks we have visited the Mid North, Fleurieu and South East. These visits are very important because we can have a really good discussion about the issues affecting the farms and regions. It is also pleasing that these regional visits are also signing on new members for SADA that is making us both financially and politically stronger. We are also improving our database and updating our communication links to members.

This year we have a number of Bills being debated in the State Parliament at this time and so even while out on the road we are continually lobbying the politicians. This year having David Stacey with me has been especially helpful, as he has been doing a lot of the driving while I have been on the mobile phone and emailing. As I write, the three Amendment Bills in the Upper House relate to; the legislation to allow the collection of a proposed "biosecurity levy", the amendment to the NRM Act to include plantation forestry to be included as a water taking activity so SA complies with the agreements relating to the National Water Initiative, and finally (but also the most controversial) the amendments to the NRM Act that will impact on the operation of the Water Allocation planning in both the Eastern and Western Mt Lofty Ranges. Last week while in the South East we were rising at 5am and working through the emails before breakfast.

We will begin the Dairy Update by providing a report on some of the national issues that are impacting on our dairy industry such as; the carbon tax, the Murray Darling Basin Plan, and power of Coles and Woolworths.

NATIONAL ISSUES

➤ THE CARBON TAX

The supporting legislation for the carbon tax last week went through the House of Representatives as expected with the help of the Greens and some of the Independents. It is expected to pass through the Senate on November 21. All the major rural industries have done their homework on the costs to their farming community of the introduction of this legislation including; identifying the extent to which producers margins will be squeezed even tighter and our international competitiveness eroded. While public opinion is strongly against the introduction of this new tax at this time it would appear the current Federal Government is committed to continuing down this path.

As the President of the NFF said, "It is frustrating that it has been passed" but the NFF and associations like SADA will continue to strongly oppose the "tax". The government incorrectly appears to be arguing that the Carbon Farming Initiative (CFI) will provide farmers with adequate compensation for the carbon tax. Senator Barnaby Joyce said in the Senate on 12 October that, "the debate is not finished. The Australian people will demand that we fight this all the way".

On our farm visits to members in recent weeks, the issues that we found to be at the forefront of farmers minds were the issues relating to water and water allocation plans because it is these issues that they believe pose a real threat to the survival of individual farms. The carbon tax is seldom raised in the first instance by members and the feedback we get is similar to the comment by Senator Joyce in that they, like the vast majority of rural people, are strongly opposed to the proposed new tax and they want SADA to lobby for its removal.

On a positive note, the dairy processors and dairy associations are negotiating with government to improve the compensation (particularly recognising the high-energy costs) and funding for transitional research and development as we move towards a lower carbon economy.

➤ MURRAY DARLING BASIN DRAFT PLAN

We are expecting the Draft Plan out very shortly and this would be followed by a round of regional meetings. It is interesting, and encouraging, that our new Premier, Jay Weatherill, as one of his first actions as Premier was to get straight on the phone to Federal Water Minister, Tony Burke. We have the impression that both Weatherill and Minister Caica are serious about “drawing a line in the sand” (they are open to the idea of re-mounting a legal challenge from SA) and getting Minister Burke to be locked in with his commitment for, “the mouth of the Murray to remain open nine years out of ten to flush out the salt”.

➤ COLES AND WOOLWORTHS

The Senate Inquiry Final Report is also due out shortly following two delayed interim reports. There has been quite a shift in the public awareness of the potential danger of the lack of competition in the domestic grocery market (to consumers in the longer term in terms of both price and choice, excluding quality Australian produce in favour of cheap imported product, and driving food processing off-shore). Hopefully the work we at SADA have done in the media and our association with Nick Xenophon and Robert Brokenshire has contributed. We want to retain a foothold in the Australian domestic market for our dairy product so regions currently supplying the domestic market can have a future.

It was pleasing to hear the new head of the ACCC, when addressing the Melbourne Press Gallery, single out, as a priority, that he would place more scrutiny on the operations of Australia’s two largest supermarkets. In his address, he specifically confirmed he would be watching the areas we listed in our submission to the Senate inquiry. Then just a few days ago he was reported as being open to the idea of the ACCC having extra powers to investigate the supermarket duopoly.

One final positive statement from the new ACCC Chair, Rod Sims, was that he was, “very supportive of collective bargaining for dairy” and “if the dairy farmers have particular concerns about the way it’s done to see if we can help further”.

STATE AND REGIONAL ISSUES

➤ LEGISLATION TO ALLOW PLANTATION FORESTRY TO BE INCLUDED IN WATER ALLOCATION PLANS

This legislation is expected to come before the Upper House in this final sitting for the year. The State Government has consistently supported this important policy and has spent considerable time and consultation to ensure a smooth transition. The intention to amend the NRM Act has been government policy for many years beginning when John Hill was the relevant minister and has been supported by all Ministers since then (including the new Premier). The reasons justifying the policy change has been explained by the then CEO of the Department, Rob Freeman, and the SE NRM CEO, Hugo Hopton, in the media on many occasions.

The case for this is overwhelming;

- Plantation forestry in the SE is a major user of water from the aquifer (about one third of the water taken from the resource) and therefore like all other “water taking” industries should be listed in the NRM Act.
- All States as part of their signing on to the National Water Initiative (NWI) have agreed that Plantation Forestry is to be included where it is a significant user of water (as is the case in the SE where the water table



is so shallow). So there is a clear obligation on the SA Government to abide by the NWI. SA expects the other States to abide by agreements pertaining to the River Murray.

- If Plantation Forestry is not included either the other irrigation industries are forced to bear all the pain of any water allocation cuts during droughts or the natural resources of the South East could be threatened.
- The economic future of Plantation forestry in the SE depends on being labelled an environmentally friendly industry. International buyers of forestry product are increasingly seeking to purchase from countries and regions that are perceived to be supportive of NRM policies.

A lot of the discussion in recent months has been taking place both within the industry consultative committees and amongst the government agencies about the specifics of just how best forestry can operate within a Water Allocation Plan. It appears that most sectors of the forestry industry in SA have accepted that the Act will be changed and are now concentrating on just how this can be practically achieved.

Remember the amendment to the NRM Act going to the Upper House simply seeks to have Plantation Forestry included as a "water taking activity (not any detail of how this is to occur).

We do acknowledge that just how forestry is made to be accountable is a challenge but here again quite a lot of progress has been made in this area over the past year and it is quite "do-able". It would be a great disappointment if our politicians in the Upper House again referred this to the parliamentary environment committee.

➤ **LEGISLATION TO AMEND THE NRM ACT GENERALLY AND THE IMPACTS ON THE EASTERN AND WESTERN MT LOFTY RANGES WAP'S**

SADA has had member representatives for the Adelaide Hills and Fleurieu working on committees, making submissions, leading delegations, and facilitating information nights, etc, etc. This work began about 5 years ago and has involved SADA employing a consultant and involving expert advice from Dairy Australia to achieve a good outcome for our SADA members in these two WAP regions.

Currently there is on-going discussion and lobbying about the "general policy framework" for these WAP's and later when it comes to implementation there will be the need for this to be sorted farm by farm.

So how best can individual SADA members work best with their SADA elected representatives?

You can have a say in the framing of the "general policy framework". In recent editions of these SADA Dairy Updates, our SADA President, David Basham, has been encouraging members to contact and discuss the issues with our SADA regional

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representatives and their SADA Board members. Members of SADA are telling us, as we visit the farms, that they are seeing value in having the SADA network available to them. So we encourage those members that are not in regular contact with their SADA representative to do so. The issues in relation to these WAP's could be vital to the financial viability of a dairy business. The strength of SADA lies in our ability to speak with confidence on behalf of our dairy farmers in the region.

Given our prediction that every farm is different and needs "one on one" representation, **we at SADA are exploring ways we can work in partnership with our individual members and the government.** We may be able to "mirror" the information base of government and provide individual farmers with critical information relating to the issues on that farm. Often there are several alternative and creative options to managing water efficiently on farm. The water resources of dams and bores are critical to farmers, as they are well aware of the costs of carting water when water is in short supply. On the other hand, the population (people, hobby farms, commercial businesses requiring water etc) will put more and more pressure on the water resources and there will be on-going and regular reviews of Water Allocation Plans for all regions in Australia.

It is an interesting observation that in the SE we are now noticing a "wave effect" with non-members beginning to approach us for membership. The situation in the Eastern and Western Mt Lofty regions is such that we may have an opportunity to grow our membership through this difficult time.

➤ **SAYING NO TO THE PROPOSED BIOSECURITY TAX**

Over the past ten years, nothing has been so "offensive" to livestock producers in South Australia than the misguided attempt to raise extra revenue without justification by way of a "Biosecurity Levy". Livestock producers already pay a levy to Animal Health Australia, MLA, and Dairy Australia for a national biosecurity program and money from these funds comes back to PIRSA here in South Australia. It is all the more "heartless" in that it was industry that went along with the NLIS and the PICS to give Australian livestock producers the very best biosecurity program in the world and it was through the PIC that the new tax was to be imposed.

There are times that members expect their associations like SADA and SAFF to simply "draw a line in the sand" and say NO - enough is enough. This is such an occasion.

Enclosed is the SADA Board submission on the Biosecurity Tax. Please read this brief submission because you need to be assured that all the "anger and frustration" the members have with this was accurately conveyed to the government. See page 8.

Specifically, SADA is currently lobbying the members of the Upper House to vote down the clause (Section 25) in the amendments to the Livestock Act that allows them to introduce this new tax.

➤ **SADA MEMBERSHIPS**

The SADA Board was well aware of the financial pressures on dairy farmers during the drought and global financial crisis and the Board went for many years without increasing our membership Levy. During these difficult years SADA spent extra funds to support our members (eg EC Funding Submissions) and also took a loss on the value of our Share Portfolio. Most importantly, SADA acknowledges and thanks members for retaining their SADA membership during these most difficult years. The fact that our dairy farmers had the confidence in SADA to stay with us now sees SADA membership amongst the strongest of any rural industry association.

The SADA Board however recently decided that in the light of the better conditions to make a "one off" increase in the SADA levy of 5% commencing on 1 January 2012 in order to account partially for the loss of

income during those tough years. The intention of the Board is then to continue annually with CPI increases, currently at 2.8%.

So come the 1 January 2012 the levy payers who have their payment taken from their milk cheques will go from 2.354cents/kg protein to 2.472cents/kg protein (inc GST) and those paying the levy directly (by invoice) will have a 5% increase on their quarterly payment.

SADA MEMBER UPDATE

Thank you to all those members that have filled in and returned the SADA Member Update form with your current details. However, there are still many of you to do so. The forms are giving us a very clear idea of how individually you would prefer to receive your Update and meeting notices etc so if you haven't already filled one in could you please do so and get back to Jo either by post, fax or email. If you require another form please call Jo. If you have already sent back a completed form, please ignore.

BUREAU OF METEOROLOGY

The Bureau of meteorology is progressively upgrading its forecast system to provide more detailed forecasts across Australia. From the end of October 2011, new and improved forecasts will be introduced in Adelaide and regional South Australia and will include such features as 7 day forecasts for Adelaide, 4 day forecasts in district locations, fire danger ratings, UV alerts, weather system descriptions all in an easy to read format. Go to <http://www.bom.gov.au/sa/> to view.

CONTRACTOR V EMPLOYEE

Chas Cini

With the forthcoming harvesting period, it is important to be sure that who you engage to provide work is correctly categorised. It is most important that the nature of the relationship between you and those providing a service is clearly understood and whether it is one of employment or independent contractors.

The parties cannot deem a relationship to be what it isn't. The issue of employee versus contractor has been determined on a number of occasions including in the High Court.

The Australian Taxation Office has a guide at <http://www.ato.gov.au/content/4540.htm>

If you want fuller details the Income Tax Ruling 2005/16 provides more information from a taxation point of view. That Ruling can be located at <http://law.ato.gov.au/atolaw/view.htm?Docid=TXR/TR200516/NAT/ATO/00001&PiT=99991231235958>

Revenue SA has also issued a Revenue Ruling No. PTA038 which can be located at <http://www.revenuesa.sa.gov.au/rulings/PTA038.pdf>

From an industrial relations and employment perspective it can be an expensive exercise when an employee is wrongly categorised as a contractor or, what is commonly known as "sham arrangements"

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and further information is available at <http://www.fairwork.gov.au/employment/independent-contractors/sham-contracts/pages/default.aspx>

A person who has an ABN is not necessarily a contractor and if wrongly categorise it could result in not only the ATO having an interest but also WorkCover and Fair Work Ombudsman. The Fair Work Ombudsman has issued a warning which can be located at <http://www.fairwork.gov.au/employment/independent-contractors/Pages/things-every-independent-contractor-should-know.aspx>

Contractors also need to be aware of the Transitional Provisions which expired on 1st September 2011 and reference is available at <http://www.fairwork.gov.au/employment/independent-contractors/independent-contractors-act/pages/default.aspx>

If you are unsure please contact us before you enter into an arrangement as it can be costly if the arrangement is deemed to be a sham.

YOUNG SA DAIRY FARMERS GET SET TO JET!

(Extract from the SA Young Dairy Farmers Network news)

Five young dairy farmers Glenn Dohnt (Lower Murray), Shane Gardiner (Lower South East), Mel Halse (Fleurieu Peninsula), Ty Maidment (Fleurieu Peninsula) and Jamie Nietschke (Barossa Valley) are getting ready to jet off on an amazing journey to learn from the strengths of dairying nations around the globe. The once in a lifetime dairy study tour is part of the innovative DairySA project "*iDairy – a sustainable farming future*". The project was created as a new way of developing the state's emerging dairy leaders to prepare them for the challenges of the future, as well as to attract and retain new people to the industry.

The young farmers, plus the project coordinator, will be capturing the global trip through video to produce a documentary and a short-film to help share their experiences with the rest of the dairy community. They will also be sharing their experiences as they happen through an online blogging website, specially set up for the iDairy tour at www.idairyproject.com that will officially go live on Monday 24th October 2011.

The tour will take the group on dairy adventures through China, Holland, Sweden and Chile, including farm visits, learning about manufacturing sectors and investigating research and extension priorities. Most importantly, participants want to gain an understanding of each country's unique strengths, challenges and best practice management.

Filming will begin and end with each study tour member in their own farming operations, sharing their anticipations, as well as the impact the tour has had on them personally and on their vision for the future.

iDairy participants will not only be hands-on in developing the documentary, they will also exclusively host a premiere dinner event to launch and celebrate the finished product. The documentary will then be made available to view or download online.

2012 is also the Australian Year of the Farmer, providing a perfect opportunity to collaborate and launch a short-film version of the documentary and share the iDairy messages beyond the dairy hedge to a much wider audience.

After the screenings, participants will work with young farmer and community groups, along with the media, with the aim to attract and retain other young people to the dairy industry.

The month-long iDairy overseas study tour leaves in early November.

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Tuesday 27th September, 2011

Mr. Mark Langman
Manager, Compliance
Biosecurity SA

biosecurityfeesubmission@sa.gov.au

Dear Mark,

Re: Submission from the SADA Board on the proposed Biosecurity Levy Proposal

The SADA Board believes that it is in the interests of both, the general public of South Australia, and all livestock producers that there are appropriate biosecurity programs in place both nationally and within South Australia. SA livestock industries have previously worked with PIRSA to ensure biosecurity was adequately addressed. More recently SADA and SAFF have contributed to joint government/industry advisory committees to introduce NLIS (electronic livestock identification) and property registration (PIC's) that have substantially enhanced our biosecurity capacity.

The Industry anger and frustration at what it sees as “revenue raising” has resulted in ALL livestock sectors (including the SADA Board) to strongly reject this proposal for a “biosecurity levy”. The SADA Board is urging politicians to reject Section 25 of the proposed Amendment Bill.

The universal industry condemnation of the proposed Biosecurity Levy is perhaps in part due to the way the government has attempted to introduce the new Levy. Criticisms from the livestock industries and regional communities have included;

- The way PIRSA presented the new proposal showed little understanding of the concept of “cost sharing”. On this occasion the proposal was presented simply as a new fee (revenue raising without any new service) to be paid for by industry. The difference between “revenue raising” and “cost sharing” an important issue raised in the ACIL Tasman Report appears to have been missed by PIRSA.
- The information provided including the public “consultation paper” failed completely to explain the importance of biosecurity to both the public and industry leaving the impression that there was little value in the programs. For instance, there is no mention in the paper of the possible loss of human life from a breach of biosecurity.
- In fact if the livestock fund was set up as suggested by PIRSA, at this time, with what industry considers as such weak promotion and marketing of the importance of biosecurity, it could be expected that both government and industry would significantly reduce their funding. Seriously weakening the entire national biosecurity program.
- On this occasion PIRSA has given the impression that it is continually blaming the Rann Cabinet (for supporting the recommendation of the Sustainable Budget Commission to establish cost recovery targets for the State’s Animal Health program) for the decision to raise the additional revenue without engaging with industry and working through the issues. PIRSA in the past has accepted the responsibility to liaise with Industry and defend government decisions.

There is an unprecedented level of frustration and disappointment in regional SA at the unfortunate way this (issue of the Biosecurity Levy) has been handled. It has contributed to the “Enough is Enough” campaign run in the Stock Journal. Industry representatives, who have worked with government people on the various advisory groups over the years, and have shown “leadership” in promoting NLIS and the PIC

initiatives, feel disappointed and let down by PIRSA. Many believe it was regrettable, that when it became apparent months ago that the once workable relations between our SA rural industries and PIRSA had broken down, that the issue has been left to drift on. It seems inevitable that that an Amendment Bill before the Parliament will have Section 25 (enables the raising of the Biosecurity Levy) voted out. While the challenges described above are daunting, SADA (together with all the other livestock industries), still maintains a positive vision of a South Australia with a nationally integrated livestock biosecurity program.

SADA (again together with all the other livestock industries) believes a good outcome is achievable and looks forward to working with Minister O'Brien to ensure this happens.

Yours Sincerely,



Ken Lyons
CEO, SADA

FLEURIEU AGM

The Fleurieu Annual General meeting will be held Tuesday 15 November from 10.30am till 12.30pm followed by a light lunch at the Mt Compass Sports and Social Club.

Lunch will be sponsored by Peter Aitken from Environmental Organic Nutrients (EON).

A more detailed Meeting Notice will be sent out to members in the next few days. Please mark in your diaries now.



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Gary Zweck 0428 810 829

Fleurieu:

Lee McKenzie 0409 569 011
Nick Brokenshire 0400 298 377

River & Lakes:

James Stacey 0429 373 130
Glenn Dohnt 0427 322 217

South East:

Charles Wallis 0408 083 511
Ruben Zandman 0412 359 946

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DAIRY UPDATE FROM SADA



In partnership with



12 December 2011

PRESIDENT'S REPORT

David Basham – 0417 865 962

Changes to the SA Dairy industry

As I mentioned in the last Update the sale of the factories at Jervois & Murray Bridge has been made to United Dairy Power (UDP). Since that time some farmers that had been supplying Lion have been told that they will no longer be required by Lion as suppliers. In this Update there is an article written by UDP outlining their need for milk to put through the plants. SADA has also spoken with the other companies collecting milk in the region to inform them of the notice given to Lion suppliers. If you are one of those suppliers please contact the companies collecting milk in your region to identify the best option for your business. If you would like the contact details of any of the companies please contact the office.

Dairy Levy Poll

I am repeating my message from the last Update in relation to the Dairy Levy Poll. Farmers will be asked to make an important decision about their future and the future of dairying in Australia in February/March 2012. The Dairy Poll Advisory Committee with farmer representatives from around the country determined that a 10% increase in the Dairy Service Levy was the minimum increase required to fund the current programs and services provided to dairy farmers by Dairy Australia. An increase in the levy is necessary to ensure that current dairy industry programs continue for the benefit of all dairy farmers and to ensure the industry will benefit from these services in the future.

The Levy has not increased since 1997.

The levy is essential to your future and the future of our industry. The levy gives us the means to tackle the big issues. These include climate change, water, carbon tax issues, human health concerns, international trade, supply chain integrity, protection of industry reputation, and people training and development. All major agricultural commodity groups have a representative industry-good agency. The Australian Government is unlikely to provide funding to an industry that is not prepared to invest in itself.

I would encourage all dairy farmers to support the 10% increase to continue to look after the future of our industry. In February there will be meetings held in Strathalbyn & Mount Gambier to answer questions in relation to the Dairy Levy Poll.

Christmas

Finally I would like to wish you and your families a happy and safe Christmas and a successful New Year.

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CEO'S REPORT

Ken Lyons

RELEASE OF THE FINAL SENATE DAIRY INQUIRY REPORT

Our view is that significant progress has been made to protect the domestic grocery market for Australian produced product but this will be an ongoing issue for many years to come. We are currently working on getting some legislative change to strengthen the ACCC. There has been a change in attitude in the community, in Choice (the consumer group), and in the ACCC (as indicated by the new CEO) and we need to continue to press for the market power of Coles and Woolworths to be contained.

THE FUTURE OF DAIRY FARMING IN THE SOUTH EAST PROTECTED

November 2011 will go down as a very important month in the history of our dairy industry in the South East. The long battle (over 5 years of hard work) to see plantation forestry included in the Water Allocation Plans has been won in the Parliament. In addition, there has been a significant break-through in terms of the Cross Border Water Sharing Agreement in that this Agreement will now fit below the State NRM Water Plans.

This was truly a "team effort" and I would like to acknowledge some of the key players.

- Graeme Hamilton, the SE Water Committee, Jody and the SE Irrigators Group.
- The various Ministers (Hill, Gago, Weatherill and Caica) and Department CEO's (Rob Freeman and Scott Ashby) who looked at the science and remained solid behind the right policy for the future of the region. We also acknowledge the assistance of Don Plowman and Simon Gierke from PIRSA.
- The SE NRM Board and the staff who went out publicly telling the story of why this was the correct policy.
- Finally; the politicians like Family First (Robert Brokenshire and Dennis Hood) and the Greens (Mark Parnell and Tammy Franks) and Dignity for Disability Member (Kelly Vincent) who all decided, rather than again referring the issue to a committee, recognised the case was proven and it was time to move on. Special thanks to the local member, Don Pegler. Don understood the views from all sides of the debate and worked to get a good result for the region.
- Finally, to all the dairy farm families who supported SADA through their membership.

Now as we all know this is but a step, an important step, but now we need to put the policy into practice. As Minister Caica said recently, in this area SA is leading the nation in water management, and we will have the other states following closely on behind.

We understand SE SADA dairy farm leaders will have the opportunity to meet with Premier Jay Weatherill in Mt Gambier on Friday 9th December.

MEETING WITH THE LIBERAL PARTY

A delegation from SADA addressed members of the state Liberal Party in Parliament House on 9th November.

- Graeme Hamilton spoke on the importance of having plantation forestry included in the SE WAP. Unfortunately, the Liberal Party decided to again refer the matter to a committee as expected.
- James Stacey spoke on the importance of voting out Section 25 (provides the means to raise the Biosecurity Levy) in the NRM Amendment Bill. The Liberals again not on side.
- Warren Jacobs spoke on the issues relating to the Eastern and Western Mt Lofty Ranges WAP's. General agreement that these WAP's are of great importance to dairy farmers as they are a means of securing our access to water.

While on the first two issues, there was a significant difference in policy position. It was appreciated that we had the opportunity to have an exchange of views and was therefore seen to have value to both parties.

BIOSECURITY LEVY MEETING CALLED BY ROBERT BROKENSHERE

All SA livestock industries were represented at a meeting in Parliament House chaired by Robert Brokenshere and held on 22 November to discuss the proposed Biosecurity Levy. All livestock industries are against the Levy as it is seen to be simply "revenue raising". Strong concerns were raised that there could be a significant "backlash" from farmers who may respond by cancelling their voluntary animal health industry levies leading to even less revenue for the PIRSA Animal Health budget. Another issue of concern is the difference between the way the government is approaching "cost recovery" in the livestock industries and the plant industries.

It is interesting that DAFF has recently released a review of Australia's ability to manage an outbreak of foot and mouth disease (FMD). The response to the report is being co-ordinated nationally (first meeting December 2011) by the Federal Minister reinforcing the importance of the national approach. He has no problem seeing biosecurity as important to the general public and all governments and not just a cost to farmers as indicated by his press release on the subject saying, "Australia's biosecurity system is recognised worldwide as strong, bringing benefits to the economy, environment, and way of life".

MEETINGS WITH MINISTER PAUL CAICA, ON THE MDB PLAN

In the lead up to the release of the new draft MDB Plan on Monday 28th November, the media has been full of stories that neither the irrigators, nor the environmentalists, nor the up-stream States would support the Plan. But an initial step would be to get an "agreed SA response" to the new draft plan. While South Australia only accounts for 7% of the take from the river system it is most important that progress is made to manage the catchment as a whole given both our position at the bottom of the river and the recent history of attempts to cap water extractions.

- On Wednesday 2 November, the new Premier Jay Weatherill and Water Minister Paul Caica met with MDB stakeholders (irrigators, environmentalists, community etc) at a public meeting in Murray Bridge. Jay Weatherill believes getting a national plan that provides a healthy and productive river is one of his key priorities and he wanted to gauge the support if he were to take a strong stand on this issue. There was strong, positive and united response from the audience

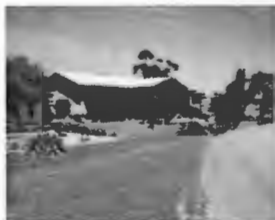
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to the position put by the new Premier. He pointed out that SA was not being recognised for both capping their take from the river way back in 1969 and the prior infrastructure spending in SA to operate efficiently. The over- allocation was leading to serious problems in SA during dry times such as; a build-up of salt, the mouth of the river closing over, and the height of the river being so low the swamps infrastructure could not be maintained,

- On Monday 21 November a delegation from SADA (James Stacey, Clem Mason and Ken Lyons) together with Dairy Australia Water Specialist (Claire Miller) met with Minister Caica. The main topic of conversation was the new ADIC MDB Policy position and getting a good understanding of both the position of SA and that of the national dairy industry.
- James Stacey will attend an ADIC (Australian Dairy Industry Council) Water Policy meeting in Melbourne on Friday 2 December.
- Clem Mason and Ken Lyons have been invited to a meeting with Premier Weatherill to discuss the Draft Basin Plan and the States response to be held in Parliament House on Monday 5th December.
- On Thursday 8th December David Basham and Ken Lyons have been invited to a private briefing by the MDBA of regional representatives in Murray Bridge.
- The first of the public meetings to be held by the Murray Darling Basin Authority in South Australia will be held on 9th December. Details of the time and location will be published on the MDBA website.

It is interesting that on the front page of The Australian paper (29th November) there is a photo and story of Mark Bryant a dairy farmer from the Goulburn Valley who is a supporter of the draft plan because he sees the benefits in water efficiencies. He was one of the farmers to benefit from the federal funding to upgrade his farm infrastructure (\$350,000 spent on his 280ha farm) freeing up extra water to restore river health. "There is no loser in this," Mr Bryant said. I got the pipe and farm upgrades and the environment gets the water".

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I mention the option of using federal funding for on-farm infrastructure because it is reported that this was a key topic of conversation (Premier Weatherill, Minister Burke and Minister Caica) at the meeting in Adelaide on Tuesday 29th November. Minister Burke agreed to speed up the spending from what is known as the Private Infrastructure Program (to date only \$14.4m has been spent in SA). Having funding available may well prove to be a positive option for some of our dairy farmers on the swamps.

FLEURIEU REGIONAL MEETING

James Stacey spoke on the proposed Biosecurity Levy and the main concerns are;

- That we believe we are currently paying our share of the service fee and this new proposal will see farmers paying for some of the state government share.
- These new Taxes can be increased at will year after year.
- Extra State Taxes with give interstate dairy businesses a competitive advantage over us.

The meeting decided;

- We should attempt to get more information on the justification of the new tax apart from a simple grab for farmer cash as a revenue raiser.
- Keep the issue in the media.
- Ken Lyons reported that he was currently collecting more evidence and detail on the issue.

LATE NEWS

We believe the Government has decided not to introduce legislation in the Parliament relating to the Biosecurity Levy until it reassesses the situation. This is good news, as it will allow time for both Industry and the government to reconsider their positions. At the same time, the Liberals have, with the support of the independents, have successfully moved that the matter be referred to a parliamentary committee.

We will keep our members informed as to the actions being undertaken by SADA to protect your interests as the situation develops.

Warren Jacobs reported on the progress being made with the Eastern and Western Mt Lofty Ranges WAP's. Like the South East SADA has been working very effectively with the consultations on the new WAP's. There are many SADA members actively involved including Warren Jacobs, Ian Williams, John Crompton, Robert Brokenshire, David Basham and James Stacey. We have also involved Greg Mitchell to help with our SADA submission and Dairy Australia Water Policy Manager, Claire Miller.

The meeting recognised that through representation we have achieved;

- For Industrial Water Allocations we are seeking 140 litres per cow.
- We have introduced the concept of high intensity pastures which provided additional water per ha.
- A good outcome from extractions (threshold flow rates) from permanent streams.

Purchasing flow meters. Currently in discussion on getting a discounted price for members on the model being recommended. See below.

FLOW METERS SPECIAL OFFER

Some South Australian Dairyfarmers' Association members have field tested a number of different water flow meters, comparing the merits of mechanical and magnetic technologies. Consideration was given to suitability to local water sources, accuracy, reliability and local support. The result is that the Watermaster Mag Flow Meter from ABB has been endorsed.

The Watermaster Magflow meter does not have any moving parts or flow restrictions in the pipe work, the flow of water passing through the flow meter is measured by its electrical and magnetic properties. This method results in an accuracy of 0.2% across a very wide flow range.

This type of flow meter from ABB has been used and well proven by water utilities for well over 20 years

The Watermaster Mag Flow meter is available from pipe sizes 15mm to 2600mm and can be supplied either 240vAC, 24vDC powered or Battery powered.

The Watermaster meters can be supplied with either a built in or remote mount display, this allows the flow sensing tube to be installed in your pipe work and the display to be mounted at a convenient position nearby. The flow sensor can even be buried.

ABB Australia through its authorised resellers is offering members of the South Australian Dairy Farmers a special price offer.

Contact Nick King at the ABB Adelaide office for technical information and the location of your nearest reseller ph 08 81508715 or Mobile 0437 216 550 or email nick.king@au.abb.com

DFMC CONVENTION AND AGM

Perhaps the main value for us came in the "networking" that involved the DFMC, the Lion representatives, Simon Gierke (PIRSA) and SADA. I would like to thank Ian Zandstra, Greg Griffith and Murray Jefferies for their genuine, and on-going interest in progressing the future of the SA dairy industry. This will involve many issues including the transfer of some milk supply to UDP.

The guest speaker to the convention was John Mulvaney (Dairy Consultant) and his address involved **confidence to invest** the dairy business going forward. It is a common topic of conversation so I thought I would mention a few of John's key points. The confidence to invest was also a key question raised by Lee McKenzie when he opened the recent Fleurieu Regional Meeting.

According to Mulvaney there are three groups of dairy farmers; those that hype the dairy industry, those that talk the industry down, and the mid-range group that see the reality (experience the good and the hard times). Often the really stressful times are when you are expanding (out of balance with stock, plant and debt). The reality is that most of the older dairy farmers have worked hard and accumulated reasonable wealth. Young people today can accumulate wealth but it is not easy. It is not easy because

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dairy farmers have to be great change managers (able to juggle many balls in the air at once). Now some of the really smart farmers will say it is easier today than it was in the 1970's (this period was far worse than the recent global financial crisis). Remember in the 1970s it was not about "parking cows" it was about paying \$10 per head to have them shot. But perhaps the big difference was that back then it was less complex (not so many balls in the air to juggle).

Mulvaney also stressed every farmer had to decide on the size and scope of their dairy business as you can see great businesses in all size ranges.

Another reality is that milk prices have remained relatively static (as pointed out by Lee McKenzie) and so you have to have "productivity gains" to keep your dairy business profitable.

In terms of thinking of Australia as a nation there is currently a major concern that this nation's

future is at risk because of a falling-off in “productivity” since the economic reforms of the 1980s and 1990s. We have this on good authority because this was the major message from the Chairman of the Productivity Commission, Gary Banks, when he recently addressed the Australian Chamber of Commerce and Industry.

So coming back to the south Australian dairy industry what can we do!

There is lots to be done including needing all the dairy RD&E we can get. We need extension programs that will bring this in from Victoria where most dairy R&D is being done. We need to have SA as a good place to be in the dairy industry. We need good supply options and competitive farm gate prices, more processing to be done in SA, less taxes (no Biosecurity Levy making us more taxed than dairy businesses interstate), governments encouraging rural development (bringing Forestry into WAPs, getting rid of the Border Agreement) , and a strong and well supported SADA and DairySA. You will be able to add more to the list.

UPDATED DATA ON CLIMATE CHANGE

There was a front page story in The Australian paper on 25th November under the heading “Climate forecasts exaggerated”. In a study published in the leading journal Science, the researchers found rising level of CO2 would cause climate change, the most severe predictions - some of which were adopted by the UN’s peak climate body – had been significantly overstated. The researchers went on to say that, “we have some room to breathe and time to figure out solutions to the problem”.

THE SALE OF MURRAY BRIDGE AND THE JERVOIS FACTORIES

To be all SA members up to-date with the developments we have included reports from both Lion and UDP. We thank both the companies for these reports and again SADA recognises the importance of the fact that the sale to a major dairy processor is great news for the SA dairy Industry.

- **LION**

LION held four Supplier Business Updates on 28th and 29th November.

Murray Jeffrey, LION Director of Agricultural Procurement, updated suppliers on his views on dairy commodity prices going forward, with an explanation of the interaction between commodity product prices and exchange rates. His view is that where LION started the year with milk prices for their SA suppliers is where they will finish, at approximately \$5.80/kg MS or 41.8 cents/litre.

Murray also discussed the effect on the LION business of the generic milk pricing situation, and showed some of the upcoming marketing and promotion efforts in Flavoured Milk, Yoghurts and Cheeses. LION has committed to over \$400 million in capital works over the next three years to improve factory and distribution



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Merry Christmas and a safe and
prosperous New Year*



efficiencies throughout their Australian operations.

With respect to the sale of Jervois and Murray Bridge to United Dairy Power (UDP) he indicated that the change of control will be 30th January 2012, with UDP taking over all employees from that time on full entitlements. LION will be supplying those two plants with milk until 30th June 2012, with UDP already bring up nearly 2 million litres of their own milk per week to increase throughput in the plants. UDP has indicated that they are keen to increase off-farm milk supply into both these plants.

From July onwards, LION will be assisting suppliers transition to supplying UDP, but will retain approximately 100 million litres for their requirements at Salisbury. Murray indicated that they will still require some 30 direct suppliers supplying 60 million litres and Dairy Farmers Milk Co-operative (DFMC) supplying 40 million litres. Greg Gilbert, Farm Services Manager, committed to visiting all LION direct suppliers from January to discuss their options to remain supplying LION or seek another milk buyer from among the other dairy companies operating in South Australia.

• UDP

"UDP will be taking over the operations of the National Foods Murray Bridge and Jervois sites (previously Dairy Farmers) at the end of January 2012. Their plans are to expand these factories over the next three years, and re-establish dairying in South Australia. By having them owned by Australia's largest independent milk company, UDP's acquisition brings certainty to the region for milk supply. Currently over half of South Australia's milk is transported into Victoria to be produced into commodity products. UDP plan to make value added products in both Jervois and Murray Bridge, and re-establish the Caboolture brand of Pizza Cheese back to the volume that used to be held in years gone by.

In the New Year, Managing Director Tony Esposito will be co-ordinating meetings in all dairy regions in South Australia to sign up new suppliers to supply milk into UDP. UDP wants to purchase milk directly off farm, into the dairy factories, and in the near future UDP will publish where the meetings will be held, and also contact names of field representatives and milk supply manager who will assist in the co-ordination and recruitment of new suppliers. Our target is over 300 million litres of milk. We want your milk. In the meantime if you wish to contact UDP, Milk Supply Manager is Cassie Allison cassiea@udp.com.au mobile 0428-379651 or Field Rep David Massey davidm@udp.com.au mobile 0439-734701."

RETIREMENT OF THE CEO OF DASA, STEVE RICE

Steve Rice has announced his retirement from the Dairy Authority of South Australia effective from the end of January 2012. Steve will have served for 40 years in PIRSA and DASA and has been a great contributor to our dairy industry over these many years. We at SADA thank Steve for his friendship over the years and we wish him all the best in his retirement.

DASA ANNUAL REPORT

The figures reveal that the South Australian dairy industry produced 603.5 million litres of milk from an average of 296 dairy farms during 2010-2011, a decrease of 1.0% on 2009-10 production. During 2010-11 dairy farm numbers decreased by 6.8% from 307 to 286 at 30th June 2011.


SADA MEMBER UPDATE

Thank you to all those members that have filled in and returned the SADA Member Update form with your current details. However, there are still many of you to do so. The forms are giving us a very clear idea of how individually you would prefer to receive your Update and meeting notices etc so if you haven't already filled one in could you please do so and get back to Jo by post, either fax or email. If you require another form please call Jo. If you have already sent back a completed form, please ignore.

SADA LEVY INCREASE REMINDER


From the 1 January 2012 SADA levy payers who have their payment taken from their milk cheques will have an increase from 2.354cents/kg protein to 2.472cents/kg protein (inc GST) and those paying the levy directly (by invoice) will have a 5% increase on their quarterly payment.

SADA CHRISTMAS OFFICE CLOSURE



The SADA Office will be closed from Wednesday 21 December and will reopen on Monday 9th January 2012.

The CEO Ken Lyons can be contacted for emergencies on the mobile on 0419 037 569.



SADA Board and Staff wish all our members and families a happy and healthy Christmas and safe and prosperous New Year.

*Merry
Christmas*

SADA Board Members:

Adelaide Hills:

Rick Gladigau 0429 807 682
Gary Zweck 0428 810 829

Fleurieu:

Lee McKenzie 0409 569 011
Nick Brokenshire 0400 298 377

River & Lakes:

James Stacey 0429 373 130
Glenn Dohnt 0427 322 217

South East:

Charles Wallis 0408 083 511
Ruben Zandman 0412 359 946

Working at rural and remote properties

According to a recent Safe Work Australia report, farm workers are part of a sector that experiences an injury rate 60% higher than the average rate for Australian workers.

The unfortunate death of another South Australian rural worker has again highlighted the major hazards that exist in working on rural and remote properties.

SafeWork SA has since issued a bulletin Isolated Work at Rural and Remote Properties that highlights the circumstances leading to the farmer being fatally injured and suggests practical control measures to help the industry manage the risk.

Other rural safety related bulletins to be found from this link include Chain Saw Safety, Tractor and Rural Machinery Safety and Child Safety.

TRANSITIONAL PROVISIONS SOUTH AUSTRALIAN PASTORAL INDUSTRY AWARD AND MODERN PASTORAL AWARD 2010

(Chas Cini)

Who this does NOT apply to

This update does **NOT** apply to Employers previously bound by the

1. (Old) Federal Pastoral Industry Award 1998, (ie Employers bound by that award were members of the SA Farmers Federation Industrial Association) regardless when the Employee commenced employment with that Employer

and nor does it apply to Employers who were previously bound by

2. The Pastoral Industry (SA) Award in relation to Employees who commenced with them after the 1st February 2011. *If the Employer was not incorporated (eg Partnership, Family Trust). All other Employers who were incorporated (eg Pty Ltd please refer to the footnote in this update).

Who this Update does applies to?

If you had an Employee who is currently employed by you and who commenced with you prior to the 1st February 2011* (refer footnote) and you were previously bound by the old State Pastoral Industry Award and you are now bound by the Pastoral Award 2010 this Update applies to you.

The old Pastoral Industry Award (SA) made provision for overtime to be paid for work performed on Saturday afternoons and Sundays. The rate of pay for Saturday afternoon work was time and a half and on Sundays was double time unless the Employee was engaged in watering and feeding of stock when it was paid at time and a half.

The new Award does not make overtime provisions for Saturday afternoon and Sundays and therefore an Employee who worked with you prior to the 1st February 2011* may suffer a reduction in earnings as a result of this change. Such an Employee can lodge a claim for a "Take Home Pay Order" with Fair Work Australia. The purpose of that Order is that the Employee is not to be disadvantaged between the old provisions and the new.

Therefore, the "Take Home Pay Order" requires an Employer to make good the shortfall less any pay increases that have occurred since. For example, if an Employee was engaged on afternoon milking on a Saturday they would have expected under the old Award to receive time and a half for such time worked.

No such provision applies under the new Award, therefore they may suffer a loss of "Take Home Pay" with the Modern Pastoral Award 2010. However, that loss can be offset against any pay increases that have occurred since. This could include the 3.4% pay increase on the 1st July 2011. An Employer can absorb that and other increases until such time as the worker is not disadvantaged from the provisions of the old Award. Effectively Employers who have Employees who were previously bound by the Pastoral Industry (SA) Award and who have continued to be employed by the same Employer after the 1st February 2011* the Employer is to ensure they are not disadvantaged.

In effect this decision means that Employers in that situation will need to compare each effected employee's current payments with the previous entitlements.

We understand that this maybe potentially an administrative nightmare and may require this comparison to be made for years to come. It will also result in an employee(s) receiving different payments with another employee not affected by this process.

This decision effectively impacts only on Employees who were employed prior to the 1st February 2011 who worked on Saturday afternoons and Sundays and who were employed under the provisions of the Pastoral Industry (SA) Award.

We point out again, that if the Employee was engaged by an Employer previously under the ("old") Federal Pastoral Industry Award 1998 regardless when the Employee commenced employment and, the Pastoral Industry (SA) Award after 1st February 2011* then this decision will not apply.

We recommend that Employers keep a copy of this update readily available in case they have a visit from the Fair Work Ombudsman's Office or Inspectors or, if they receive employee complaints.

This is general advice only and if this applies to you, please contact us.

NB: *If an Employer is a Constitutional Corporation (eg Pty Ltd) the date of effect of these changes is 1st January 2010 not the 1st February 2011 which only applies to Non Incorporated Employers (eg Partnerships, sole traders, Family Trusts etc).*

CALCULATION OF PERSONAL CARER'S LEAVE (PREVIOUSLY KNOWN AS SICK LEAVE)

Q. Does an employee accrue sick leave while they are on sick leave and if all their leave entitlement has been used do they need to complete a full year of service again before the next 10 days becomes available?

A. Sick leave (now know as Personal Carers leave) accrues when the employee is in receipt of wages including when on annual leave, personal carers leave and long service leave. It does not accrue when an employees is not receiving pay (eg when on Personal Carers Leave without pay or leave without pay).

Personal Carers leave accrues on a weekly basis but only when the employee is in receipt of wages. The accrual is for a full time employee is a follows;

1. 76 hrs per annum
2. 76/52 hrs per week

It accumulates indefinitely but is not payable on termination

Community service and Jury service leave

Leave provisions appear in the National Employment Standards ("NES") for all employees required to attend jury service and for those who engage in a voluntary emergency management activity.

Employees (excluding casual employees) are entitled to be paid by their employer for a period of up to 10 days while they are absent from work during a period of jury service.

Payment for jury service leave is at the employee's base rate of pay for ordinary hours of work and therefore does not include overtime and penalty rates.

Employees who are paid for jury service leave from the Courts are to pay the Employer those amounts or the employer may reduce the payment of wages by the amount paid by the Courts.

Notice requirements – jury service leave

Employers can request evidence that the employee has taken steps to obtain any available payments and evidence of the payments from the Court for the first 10 days of the jury service leave. If this is not provided the employer does not have to make the payment for jury service leave.

Voluntary emergency management activities

Employees are entitled to unpaid leave to engage in voluntary activities which involve dealing with a natural disaster or emergency if they are voluntary members of the emergency management body and the body has requested them to attend. Emergency management bodies include fire fighting bodies, civil defence and rescue.

Notice requirements – community service leave

Employees must give employers notice of the need for community service leave as soon as possible and advise the employer of the expected length of the absence. Employers can also require employees to give them reasonable evidence of the need for the leave.

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