

DAIRY UPDATE FROM SADA



In partnership with



14 February 2012 PRESIDENT'S REPORT

David Basham – 0417 865 962

This year we have a few choices to make about how we are represented and the level of service we want to receive from our organisations.

Dairy Poll

All dairy farmers across Australia should have received their voting forms for the Dairy Levy Poll. Please consider your choices very carefully. There are three options:

- A. A 15% increase that will provide a greater scope to deal with unforeseen challenges
- B. A 10% increase that will maintain the current level & scope of services (Recommended Option)**
- C. No Levy that would mean the winding up and closing of Dairy Australia.

The Poll closes on the 16th of March, so please vote as it is important that we maintain the services of Dairy Australia.

Australian Dairy Farmers' Ltd Restructure

The next change that is being proposed is the restructure of Australian Dairy Farmers' Ltd (ADF). There have been many articles in the rural press about the ADF restructure. The need for a national dairy organisation is essential in my view. The issues that are facing farmers in SA are common to dairy farmers anywhere in Australia and we are having to lobby federal governments more and more on industry issues such as climate change & animal welfare.

Over the past few years funding has become tight as the increase in demand for lobbying has out stripped supply of funds from investments and income from the state organisation members. ADF has spoken with the largest 14 companies operating in Australia and they have agreed to put funds of more than \$1 million into a restructured ADF each year for the next three years. The restructure is to allow farmers to be direct members of ADF. There will also be a skill based Board of 4 farmers & 1 independent director instead of the current representational Board made up of all states with the number of directors from each state being dependent on milk volume produced in that state.

The SADA board has been discussing the pros & cons of these changes for many months and still have not reached a final view. I would encourage you to discuss this with Ken, myself or your local board member because we at SADA need to make sure that we make the best decision for SA dairy farmers which may or may not be the best decision for Australian dairy farmers.

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CEO'S REPORT

Ken Lyons - 0419 037 569

It was great to finish off last year with the performance of SADA being recognised in an article (the Stock Journal, 15th December) on rural associations by the ex-head of the Agribusiness Association of Australia, John Crosby. He said, ***“There are still examples of industry organisations with high membership, when judged against maximum potential. In SA, they are dairy and wine grapes while interstate they are rice and sugar”***. But just like our members striving for a better future we at SADA are very focused on becoming stronger and an even more effective organisation into the future. So on the first day back in 2012 I began the year by making lists of the issues we need to tackle and the outcomes we need to deliver.

For this first SADA Dairy Update in 2012 I have attempted to list the top four issues for 2012.

KEY SADA PRIORITIES FOR 2012

SADA places the highest importance on being close to our members. We invite and encourage members to keep in regular contact with our regions, board members and staff. This communication provides the ideal way of ensuring the priorities set by SADA are in line with the needs and aspirations of the membership. So what are the SADA member's key priorities for this year of 2012 and what are the benefits to be delivered, as seen by the members? Feedback on this assessment of the priorities would be appreciated.

1. WATER ISSUES

The regional water issues will again be the number one priority for 2012 and expected to take as much time and resources as all the other issues together. A lot was achieved in 2011, especially in the South East, where legislation was passed for the inclusion of plantation forestry into the water plans and significant changes have been made to the Cross Border Water Sharing Agreement. In the other regions SADA has actively liaised with the various government agencies, participated in the “consultative process”, prepared formal submissions, and lobbied politicians on water issues affecting dairy regions. Feedback from the government indicates that many of suggestions made by SADA have been taken up in the new water plans. During 2012, SADA will negotiate the final detail for these regional WAP's and assist individual members with their specific issues during implementation. SADA is represented on the Premier's Leadership Group on the future of the MDB.

2. RIGHT TO FARM ISSUES

During 2011 SADA became involved with a network of other SA rural industries, often these meetings were initiated by the Hon Robert Brokenshire (dairy farmer and SADA member), to jointly tackle a variety of issues loosely under the banner of “right to farm issues” and this is shaping up as our second highest priority. These issues include; the proposed Biosecurity Levy, unreasonable animal welfare positions, higher utility costs and charges for power and water, restrictive land planning regulations imposing unnecessary costs on land holders, and the increasing power of the supermarket duopoly forcing farmers out of food production. While it is difficult to say how effective we will be in defending our farmers we believe we are putting SADA members in the best position to benefit by working together with the other industries and SAFF to give more political weight to our lobbying. We commenced having cross industry meetings in the SADA Board Room in January.

3. SERVICES TO MEMBERS

By the number of calls to the SADA office this is clearly our third most important priority. Farm businesses are placing great value on having access to specialist support advice (legal, industrial, counselling, financial etc) that can be accessed via SADA and our network.

4. NEW INITIATIVES FOR 2012

When I decided to make the list of the key priorities I decided to limit it to four but as I cannot split the next two priorities I am simply going to list them as they are both new initiatives;

- Work closely with milk processors and their SA milk suppliers to increase the volume of milk processed in SA and encourage a competitive market for milk. The future processing facilities at both Murray Bridge and Jervois is linked in with the future opportunities and support that can be provided for dairy businesses in the region (River, Lakes, Hills and Fleurieu)
- Many believe the value NFF provides to SADA members covers their SADA membership each year and this year all SADA members have the opportunity to become involved in formulating national rural policy of NFF through a program called the “Blueprint for Australian Agriculture” program. This is a unique opportunity for members to contribute to national policy issues.



Michelle Hamilton, Minister for Agriculture Gail Gago and Graeme Hamilton

TRIBUTE TO STEVE RICE



The long serving and respected CEO of the Dairy Authority of South Australia, Steve Rice, retired on 31 January. Steve has made a significant contribution to the SA dairy industry over many years and we wish him well in retirement. Many people serving the SA dairy industry in advisory and executive positions over recent years have formed an informal group with the aim of ensuring that through “team work” we could deliver better support and Steve played a key role. We thank Steve for his contribution and hope he will be available to continue with the judging of dairy produce.

SADA is pleased to hear that John Crosby (referred to earlier in this Update) will replace Steve as the new CEO at the Authority. John recently played an important role as the Chair of the SA NLIS Implementation Committee and on which I represented the dairy industry. John’s brother Doug has a robotic dairy in the SE.

WATER ISSUES

We expect the main demands on SADA resources early in the year will revolve around the implementation of the Western and Eastern Mt Lofty Ranges WAPs.

In the last SADA Dairy Update date we paid tribute to those SADA members who have worked over many years now in the “consultation phase” with government agencies. These plans were originally the responsibility of the Conservation Department and later the NRM Boards. Recent discussions with NRM staff suggest that our dairy industry input during the submissions and consultations have been heard and significant adjustments made to the Plan as it evolved as a result.

Once the Minister signs off on the Western Mt. Lofty Water Allocation Plan landholders will be progressively (over several weeks or months to spread the workload) be advised on the allocations and there will be a period to lodge appeals.

SADA is being represented on the Premiers high-level taskforce looking into the future of the Murray Darling Basin.



Ken Lyons with the Premier Hon Jay Weatherill and Hon Paul Caica, Minister for Water and River Murray

CHRIS AND BEV’S ROWNTREE’S FIELD DAY

The recent DairySA Field Day held at Chris and Bev Rowntree’s dairy farm was very well attended and the program stimulated a lot of discussion. Even Gary Zweck made it down from Blyth. Chris began the program with an assessment of their situation and how they had adjusted the farm operation to meet their objectives. Everyone is looking for different things from days like this but what impressed me was the creative way Chris and Bev were changing the management of the farm to both; keep profitable, and perhaps even more important for them (so it appeared) was to get genuine enjoyment from the process of trying new ideas and ways of doing things. The new calving facilities were of particular interest.

Dr Simon Edwards, Willunga Vet Services, provided the key messages coming out of the Fleurieu Dairy Investigation Project.

Finally, Phil Shannon, DPI Victoria, challenged the audience to focus on the key concepts required for investing and running a dairy business.

Special thanks to Chris and Bev for hosting the day that provided lots of ideas for everyone and sent people home

thinking about some changes for the home farm.

Verity Ingham reminded everyone of the next two Forums:

Mount Gambier

on Tuesday 21 February at 10.15am at the Mt Gambier RSL and

Strathalbyn

on Thursday 23 at 10.15am at Dunreath Homestead.

Both feature leading US dairy fertility expert, Prof Ron Butler, in the morning session and a Dairy Poll Forum in the afternoon. Also attending will be representatives of DairySA and SADA.



Chris Rowntree with Phil Shannon, DPI Victoria

MILK SUPPLY CONTRACTS

This is shaping up to be a very interesting year for SADA members deciding on supply contracts. There is a strong demand for milk and more supply options, than we have had for many years, to consider. Today the choice is further complicated in that some processors are offering several contract options.

It is well accepted that it is best for every farm to look at these options and to choose the best fit for their dairy business. Board members of SADA supply a variety of companies so please feel free to use them as a “sounding board” when tossing round the options.

The SA dairy industry has championed the ambition to achieve more milk processing to be done in SA and so the acquisition of the two dairy plants by UDP, that can continue to produce dairy product, is good for SA.

SUPERMARKET DUOPOLY

The Australian Dairy industry remains committed to exposing the longer-term negatives for the Australian community of the growing domination of the grocery markets by the supermarket duopoly. It has been widely reported that this short-term strategic “race for market share” will come at a significant cost to the Australian consumers down the track.

The ADF Media Release heading said it all, “Farmers suffer, Government dithers and hides behind ineffective ACCC”. See ADF media Release attached.

While it was the dairy industry that was initially targeted last year now the latest campaign slashes the prices of fresh fruit and vegetables. Ironically, this is also the week the United Nations released a report warning there was not enough food to feed the world population.

While the growth of house branded product is expected to continue another challenge for dairy is to get its product differentiated. This is a point clearly made in the Stock Journal article (2 Feb) on A2 Milk. They can get 2.5 times the price of the house branded product for A2 milk because there is a “point of difference”. Every month the stories coming out about the health benefits of dairy product but for this to lead to high prices for farmers these benefits must be captured and a premium attained in the market.

MANAGING EXPORT SLAUGHTER INTERVALS

The recent discovery of an antibiotic residue in Russia threatens trade to our 4th largest meat export partner. The meat industry response through the SAFEMEAT Partnership has been to introduce a provisional 90 day Export Slaughter Interval (ESI) on a range of antibiotic products, and to require farmers selling cattle to explicitly write the words "Russian Eligible" on National Vendor Declaration (NVD) forms in order for products from the slaughtered cattle to be eligible for export to Russia.

Dairy farmers all understand the requirements of Milk and Meat Withholding Periods (WHPs) in order to ensure that residues above the Australian Maximum Residue Limit (MRL) do not occur in milk and meat products. Some other countries have different MRL requirements and some products in other countries have different meat withholding periods to those in Australia. In order to manage the risk of violating other countries' requirements, some veterinary medicines in Australia have an Export Slaughter Interval (ESI) that is different to the meat WHP. An ESI is similar to a withholding period but it applies when meat is destined for export. The ESI is the minimum time that should elapse between administration of a veterinary chemical to animals and their slaughter for export.

Meat Withholding Periods (WHPs) are mandatory for domestic slaughter and are on the label of every registered product. Only some products have an ESI and these are listed on the APVMA website. ESIs manage differences between MRLs allowed for chemicals in Australia and the MRLs of its trading partners. ESI advice is particularly important for quality assurance schemes, and especially for producers filling out the NVD as part of the whole-of-chain management of exported product.

Information about ESIs and WHPs for veterinary products is available on the APVMA and SAFEMEAT websites, www.apvma.gov.au/residues/esi_whp/index.php and www.safemeat.com.au

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New Export Slaughter Intervals for Oxytetracycline and Chlortetracycline

Due to the detection of tetracycline residues a new provisional ESI for Russia of 90 days has been introduced for most products containing oxytetracycline and chlortetracycline. Oxytetracycline is a commonly used antibiotic on dairy farms. There is one brand of oxytetracycline injection that continues to have an ESI of 35 days, but all other injectible and intramammary products that contain oxytetracycline now have a provisional ESI of 90 days. This is important information for dairy farmers. Cattle treated with an oxytetracycline product may not be eligible for slaughter for export for 90 days and this could affect your options to sell these animals. Make sure you consult your veterinary surgeon for guidance before treating any animal that you may wish to sell in the foreseeable future.

SAFEMEAT has provided the following advice for livestock producers to meet Russian Market

eligibility

To meet Russian market access requirements SAFEMEAT is implementing a 90 day Provisional Russian Export Slaughter Interval (ESI) for products and feed containing oxytetracycline or chlortetracycline – effective 1 January 2012. Producers must now declare the status of their livestock against this ESI by correctly completing the LPA NVD. Producers who do not use products or feed containing oxytetracycline or chlortetracycline or comply with the 90 day ESI must write the words “Russian Eligible” on the LPA NVD under Question 9 for cattle. Where “Russian Eligible” is written on the LPA NVD it means that the livestock have not been injected with or ingested feed products containing oxytetracycline and chlortetracycline in the last 90 days. Detection of oxytetracycline or chlortetracycline residues in meat or offal in Russia will result in the meat processor, and potentially Australia, being banned from that market. Russia is Australia’s fourth most important meat export market. For the latest updates go to www.safemeat.com.au

Consult your veterinary surgeon about the use of broad spectrum antibiotics in dairy cows

Oxytetracycline containing antibiotics are used in dairy cattle medicine because they have;

- A broad spectrum of activity;
- Good tissue penetration into tissues such as lungs, liver, kidneys/urine, mammary gland and uterus – common sites of infection in dairy cattle;
- A long acting option (3-5 days of coverage with a single injection & longer if dose is repeated 72 hours following initial dose);
- Cost effective.

In situations where the Provisional Russian ESI of 90 days potentially limits slaughter options for treated cows consult your veterinary surgeon about alternative treatment options for dairy cattle. Alternatives include:

- Oxytetracycline products with 35 day Russian ESI Alamycin 10 injection has established a 35 day Russian ESI, Meat WHP 15 days, Milk WHP 60 hours
- Ceftiofur – (eg; Excenel RTU injection or other powdered/ready to mix products) Meat WHP 1-3 days, Milk WHP 0
- Amoxicillin – (eg; Moxylan, Betamox, Amoxyvet , Bomax) Meat WHP 14-30 days, Milk WHP 48-72 hours
- Neomycin/Penicillin – (eg; Neomycin-Penicillin 100/200) Meat WHP 35 days, Milk WHP 36-72 hours
- Sulphonamides – (eg; Trisoprim 480) Meat WHP 14-28 days, Milk WHP 3 days
- Long acting Procaine Penicillin – (eg; Ultrapen LA, Norocillin LA, Benacillin) Meat WHP 21-30 days, Milk WHP 5-13 days.
- Narrow spectrum products may also be suitable for some treatments.

NOTE: Mastalone Blue Intramammary contains oxytetracycline and has a provisional 90 day Russian ESI. Seek veterinary advice for alternatives.

For further information consult your veterinary surgeon or **Robin Condron Dairy Australia 0419 500 374**

YEAR OF THE FARMER

Many rural magazines will have as an insert the magazine “Year of the Farmer – Our Farmers. Our Future”. There are two excellent articles by Carlene Dowie of successful dairy businesses. The first; features SA dairy farmers Simon Scowen and Andrew Angelino and their robotic dairy to push boundaries and getting a lifestyle and the second; the Tasmanian dairy business of Grant and Kim Archer who have used a savvy mix of farm ownership and sharefarming to grow their wealth from \$1m to \$7m over the past decade. While it is great to read these special stories of achievement the real truth is that every farmer is a hero. Every farm is different but everyone who works our farms is making an important contribution to society and the community. I think of the Rowntree’s and all the talented farmers that attended the recent Field Day. So we all should be proud to be country people as Quentin Bryce wrote in the forward of the magazine of the Year of the Farmer:

“Country people have much to teach us about caring for each other, about giving (even when there is not much to give) and about values and respect...it is an opportunity for our urban communities to get an insight of beyond the suburbs....hope you will take time to reflect on our lucky country and thank the farmers who work so hard to make that luck”.

The lobbying we do at SADA has at the cornerstone of our work, the recognition and satisfaction of knowing, that farming families proudly care for their livestock and the environment, they produce quality nutritious foods, and they create vibrant communities, wealth, and employment for the country.

I still am very proud of my car sticker given to me by Lee McKenzie, “Every Family needs a Farmer”.

CHAS CINI ARTICLES

Industrial relations has become a more important area for dairy management as our farms grow and employ more staff and contractors. In this Dairy Update, Chas Cini, covers a number of topics for members.

But first up I would like to explain the background to recent media from many industry associations expressing their concern about the proposed Federal Government’s “Work Health and Safety Act”. The objective of this Federal Act that will be replicated by the states is to ensure that all Australia is covered by the same OH&S requirements. However, the big concern is that many industry associations and some of the state governments are concerned that the wording in the new act may change responsibility for due care more towards the owner than the contractor. Technically, what the new act is saying is that “workers” will be expanded to include contractors, sub-contractors, students and volunteers.

PROPOSED WORK HEALTH AND SAFETY ACT

At this stage a spokesperson for Industrial Relations Minister Russell Wortley has said the duty of care owed by farmers to contractors would not change but we are attempting to get a more iron clad assurance from the Minister’s Office. It is worth noting that the President of SAFF Peter White has come out in the press strongly expressing his concerns. Also interstate the Victorian Premier believes that unless these issues are adequately addressed it could cause productivity declines, job losses and affect the volunteering sectors.

So this is an issue that has recently emerged and we will report on progress as we go.

MINING COMPANIES ENTERING FARMS

Under South Australian Law, a farmer may fill out a Form 23 Waiver of Exemption. This allows a miner to mine areas that would otherwise be excluded from general exploration around the property of a farm such as a yard, garden, cultivated field, plantation, orchard or vineyard, airfield, railway, tramway etc. This comes under Section 9 of the Mining Act 1971 (SA). This includes 400 metres of a building or structure used as a place of residence and a few other specific areas.

It is important to note in this situation when a miner asks you to sign a waiver allowing them to come in and explore these areas:-

1. You can negotiate a price that does not have to necessarily be consistent with what they are offering in the general area.

2. It would be prudent to limit the amount of time they have to explore that area. For example, 5 weeks. By doing this you limit the amount of damage that they can do and, put them in a situation where they must come back and re-negotiate in the event they want to continue exploration there.

One farmer recently reported that they signed a waiver of exemption which was fine and the miners came out but were not supplied by the mining company with toilets. As a result the miners simply used the fields as their toilets. They created a bit of a mess and the farmers contacted the mining company who then, that night, came out and cleaned it up. Something to bear in mind.

In addition, the farmer had clearly asked that the miners only drive on designated tracks on the farm so as to preserve the cultivated land and other areas. They did not do this. That is something else to be aware of. It may require some supervision.

WARNING TO EMPLOYERS EMPLOYING ILLEGAL WORKERS

The Department of Immigration and Citizenship (DIAC) has again warned employers of the significant risks they face if they fail to check the immigration status of their prospective and current employees.

The move follows the DIAC's Compliance Officers raid when 23 illegal workers were caught at a construction site at Homebush Bay in Sydney's west. Twenty of the 23 illegal workers were transferred to the Villawood Immigration Detention Centre for processing, ahead of their removal from Australia at the earliest opportunity.

DAIC has issued this warning that "It is the responsibility of employers to ensure that non-Australian workers they hire hold a visa with valid work rights," a DIAC spokesman said. "Illegal workers in Australia will not be tolerated and the Department actively investigates community reports and takes swift action to apprehend non-citizens without work rights."

Employers face penalties for failing to comply with immigration legislation and be fined substantially and may also be imprisoned for breaches.

Employers (partnerships and sole traders) responsible for employing illegal workers face fines of up to \$13,200 and two years' imprisonment if convicted under Commonwealth legislation.

Employers which are Companies (eg incorporated, Pty Ltd etc) can also be fined for overall organisational negligence, and face fines of up to \$66,000 for each illegal worker.

Employers wishing to check the immigration status of prospective employees (with their consent) can do so for free at the DIAC **Visa Entitlement Verification Online** service. This information is available at

<http://www.immi.gov.au/managing-australias-borders/compliance/info-employers/evo-orgs.htm>

When Employers recruit through a labour hire company they should show the same level of diligence by asking for copies of Visas and other acceptable proof prior to engaging labour hire employees.

Do not hesitate to contact us prior to engaging non-Australian employees especially back packers.

EMPLOYEE WHO IS UNFIT FOR WORK FOR AN EXTENDED PERIOD OF TIME

When an employee suffers a serious injury or illness that is not covered by workers compensation (ie WorkCover) there are a few options available when they have exhausted their personal carers leave (previously known as sick leave).

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If they are full time or part time they can apply to use their annual leave and long service leave (if eligible), take personal carers leave without pay or check with their Superannuation Fund to establish if they have Income Protection, Temporary Disablement or, Total and Permanent Disablement insurance.

Casual employees may also be able to use Long Service Leave (if eligible) and may have the same insurance benefits attached to their Superannuation Fund.

As an Employer, you may wish to suggest to employees to check with their Superannuation Fund to explore if the insurance benefits are also available. Not all Funds provide this benefit. Some Funds automatically include a basic insurance cover free but employees can contribute for a more generous benefit. Other Funds require employees to contribute for a cover of their choosing.

When an employee is likely to be unfit for a period of thirteen weeks or more an employer is able to terminate their employment on the basis that they can't perform their duties and a clearance date for the employee to return to work is unclear. In these circumstances, the Employer should insist on a medical opinion prior to terminating the employment. It is illegal to terminate employment on discriminatory grounds.

If termination does occur the employee is entitled to the period of notice prescribed by the National Employment Standards and the award.

We strongly recommend that you obtain advice PRIOR to termination.

LATE NEWS

Congratulations to Kris Lloyd of Woodside Cheese Wrights who has been nominated for the prestigious Veuve Cliquot Business Woman Award. This award celebrates the financial and commercial success of enterprising women around the world.

WORK WANTED

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- Looking to gain general farm management skills
- Not afraid of hard work
- Available to start immediately in Murray Bridge, Adelaide Hills and Fleurieu areas

Contact Daniel on 0407 601 001 or Goodie_man@hotmail.com



Colin Stephan, Senior OHS Inspector with SafeWork SA and Lee McKenzie

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
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3 February 2012

Farmers suffer, Government dithers and hides behind ineffective ACCC

Australian Dairy Farmers (ADF) President Chris Griffin has today expressed great disappointment in the Government's so-called responses to the Senate Economics References Committee's 2011 final report of the *Inquiry into the impacts of supermarket price decisions on the dairy industry and Milking it for all it's worth – competition and pricing in the Australian dairy industry*.

The Government, after two years of inquiries and conclusive evidence of impacts on dairy farmers, is yet again avoiding taking action.

"They are hiding behind the ACCC, which has time and again proven itself to be ineffective and powerless against the tactics of the major supermarkets," said Mr Griffin.

ADF is amazed that the Government is satisfied with the ACCC's 'monitoring' when it admitted in evidence to the Senate Committee that it had "not done any monitoring of the other items" in reference to the approximately 15,000 other items in a supermarket that Coles may be increasing the price of to offset the price cuts on staples such as milk.*

The ACCC also admitted that it had not checked if Coles was selling below cost in regional areas such as Darwin, Kununurra and "other far flung places."#

Even Coles' major competitor, Woolworths stated a year ago that the price cut was unsustainable and would lead to farmers being impacted.

"The dairy farmers of Australia demand action. The Government has been presented with clear and uncontestable evidence that Coles' marketing tactic is adversely affecting dairy farming families and action needs to be taken now," said Mr Griffin.

"Coles' actions have already contributed to the loss of some 30 dairy farmers from the industry in Queensland since January 2011, and more are set to leave with farmers being confronted with lower contract prices and major cuts to their incomes over recent months," said Mr Griffin.

Farmers in Qld and NSW are having to sign contracts at three cents per litre less than last year. For many dairy farmers this means they will become unprofitable.

Mr Griffin said, "ADF is calling on the Government to support the dairy industry's recommendation for an enforceable and mandatory Code of Conduct for supermarkets that covers the entire value chain, from farmer to retailer."

The industry also calls for a Supermarket Commissioner or Ombudsman to be established to investigate complaints and strongly enforce the new code.

"The price cuts are unsustainable and the plain fact is milk priced at 1992 levels does not bring in enough money to support farmers, processors and retailers in the year 2012. The evidence shows it and Coles knows it," Mr Griffin said. After two years of inquiries, hearings and submissions the government has agreed in principle to seven recommendations and noted twenty-four out of a total of thirty one. There is no action!

For further information contact:
Chris Griffin, ADF President
0402 846 239

*Senate Economics References Committee hearing, Thursday 6 October 2011, Page 37

#Senate Economics References Committee hearing, Thursday 6 October 2011, Page 36

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Good people to know.



DAIRY UPDATE FROM SADA



In partnership with



16 March 2012

PRESIDENT'S REPORT

David Basham – 0417 865 962

As some of you may be aware, I resigned from the Australian Dairy Farmers Ltd (ADF) Board last week as a Director. I took this action, with the support of the SADA board, as I felt I was no longer effective in delivering the messages from South Australia and having them heard at ADF. SADA is able to replace me on the Board and we will go through that process before ADF meet in two months time, with their next meeting being planned to be held here in South Australia. Under the current structure of ADF, as President of SADA, I am one of six members of ADF along with the other Presidents of the organisations from the other states. I will continue to have influence into the restructure as the Member from South Australia.

As many of you are aware, ADF has been trying to restructure to strengthen the organisation. I believe it is essential for the long-term viability of the dairy industry that we need a strong national advocacy and policy development body. I have been calling for the need for restructure at the national level for most of my time in the role as SADA president.

The current restructure proposal does not address some key needs that the SADA board has identified. Firstly, in strengthening membership, by improving outcomes from advocacy and making farmers wanting to be part of the dairy industry lobby groups, and secondly, it does not address the issues in the states where dairy committees sit inside broader farmer organisations, so the dairy voice can be heard with strength and not compromised by other agricultural sectors that may have differing views on key issues.

The SADA board has discussed this issue most weeks for the last 12 months on our weekly teleconference and our face-to-face meetings. This is a very important issue that in the interest of farmers we need to get right. SADA will meet with a couple of ADF Directors at our face-to-face board meeting on March 20 to raise our concerns again. We need to make sure our members voice is as strong or stronger under any restructure proposal and do not believe this to be the case at this stage.

I have enjoyed my time working at the National level representing you and all Australian dairy farmers, in particular in my role as Chair of Animal Health and Welfare. I hope that we are able to find a way forward to resolve our concerns around the current ADF structure and I may again at some stage be able to represent you and the Australian dairy industry in some form.

If you would like to discuss the ADF restructure proposal please give me a call on 0417 865 962, give Ken a call on 8293 2399 or phone one of the SADA Board members.

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Ken Lyons 0419 037 569

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SADA BOARD ELECTIONS FOR 2012

This year the Board Members facing re-election are:

| | |
|--------------------------|----------------|
| Adelaide Hills | Gary Zweck |
| Fleurieu | David Basham |
| River & Lakes | Glenn Dohnt |
| South East | Charles Wallis |

There will also exist a vacancy in the South East due to the recent retirement from the Board by Ruben Zandman. David Basham and the Board would like to thank Ruben for his contribution to SADA over the past 12 months.

A timeline for these elections will appear in the next Update

Later that day SADA has been invited by Premier Weatherill and Minister Caica to attend a follow up meeting to discuss the progress being made in developing the State Government's response to the draft Murray-Darling Basin Plan.

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Wayne Kirk, Warren Jacobs and David Basham checking out a low flow bypass on a Fleurieu farm

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It was pleasing to meet Carol Schofield at the function and learn she is actively involved in presentations around Australia with the "Year of the Farmer".

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During the "Year of the Farmer" Rural Media South Australia is holding a luncheon meeting to present award-winning Brisbane based journalist and presenter of ABC Television's Landline program, Pip Courtney, as the speaker. As part of the event, Pip will also officially launch, "Women of the Land", a new book by local rural author Liz Harfull, capturing the stories of eight women from around Australia who run their own farms.

Joining the function will be most of the women featured in the book, who will travel to Adelaide from around Australia, and the entire ABC Landline team also gathered from across Australia will attend.

Pip won the best rural broadcast story in Australia in 2011, before going on to win the best rural story as judged by the International Federation of Agricultural Journalists awards, announced in Canada. Pip dedicated the achievement to her cameraman husband, John Bean, who was killed in a helicopter crash at Lake Eyre last August while filming for Landline and ABC News.

SADA will be represented at the function by Mandy Pacitti, Kate Bartlett, Ros Zweck and Ulli Spranz, together with James Stacey and myself.



Carol Schofield at the recent Rural Women's Award presentation



Hon Robert Brokenshire and Ken Lyons

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SADA would like to thank the Hon Robert Brokenshire for actively progressing many issues on behalf of SA dairy farmers in the South Australian Parliament. In particular, he has brought together a cross section of industry representatives (including SADA) to consider industry issues and this group recently met with Minister Gago.

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mandatory PIC fee but not to the proposed bio security levy. They all felt the government should fund its fair share. Currently through the CIF and SIF (cattle and sheep industry funds) industry contributes \$2.43 million to the animal health programs. This money is raised from voluntary sheep and cattle ear tag levies. This leaves \$3.14million needing to be recovered from farmers by the 2014/15 year.

The bio security levy was to be used to raise this money, but because of the opposition to the bio security levy, they are now trying to amend the legislation to recover the money through the animal health fund. This could potentially cause the contribution from each cattle NLIS tag to increase from \$0.65 to \$3 - \$4. It has been highlighted to government that they have agreed to national animal health programs and they are now asking farmers to potentially pay the government share of the programs.

We have lobbied the Liberal Party in SA and the rural Libs are not opposing this new fee because the state finances are in such a bad state they need all the cost savings they can get. The city Libs need to make sure the books balance if they get into power and country voters are pretty upset with this response.

Robert Brokenshire family first MLC has been strong on opposing this. The state government is trying to get this legislation through next week and Robert has put some amendments up to prevent cost recovery through future regulation. Late last year it was indicated to us early on that if the proposed biosecurity levy was unsuccessful cost recovery would be done through the biosecurity increasing the CIF and SIF levy. The problem with that is that it is a voluntary levy and producers can ask for their money back and therefore would become illegible for assistance with biosecurity problems.

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- Experienced in milking
- Looking to gain general farm management skills
- Not afraid of hard work
- Available to start immediately in Murray Bridge, Adelaide Hills and Fleurieu areas

Contact Daniel on 0407 601 001 or
Goodie_man@hotmail.com

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Dion 0428 854 953 or Gary 0418 834 944

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 please phone or email Jo for a form. Phone 8293 2399 or sada@sada.asn.au

If you have already sent back a completed form, thank you.

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

Fleurieu Sub – Branch of Holstein Australia All Breeds Dairy Youth Camp April 10th - 13th 2012

Open to everyone 12 years and over
(Under 12 years welcome if accompanied by a fee paying
Parent /Guardian)

Venue: Adelaide Showgrounds, Wayville

Cost: \$100 per person (+ GST if applicable)
Multiple family members discount applies
Includes all meals and activities
\$50 fee for Parent/Guardian

Activities may include:

Animal Health/ Husbandry – Judging
Showmanship – Clipping – Halter Making
Guest Speakers from all facets of the dairy Industry
+ Much more
Culminating with a Mini Show

Applications to be received by the 1st April 2012
Forms available from Gino & Mandy Pacitti
Ph. 8554 7202 or 0409 547 202

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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.



DAIRY UPDATE FROM SADA



In partnership with



21 March 2012

PRESIDENT'S REPORT

David Basham – 0417 865 962

As some of you may be aware, I resigned from the Australian Dairy Farmers Ltd (ADF) board last week as a Director. I took this action, with the support of the SADA board, as I felt I was no longer effective in delivering the messages from South Australia and having them heard at ADF. SADA is able to replace me on the Board and we will go through that process before ADF meet in two months time, with their next meeting being planned to be held here in South Australia. Under the current structure of ADF, as President of SADA, I am one of six members of ADF along with the other Presidents of the organisations from the other states. I will continue to have influence into the restructure as the Member from South Australia.

As many of you are aware, ADF has been trying to restructure to strengthen the organisation. I believe it is essential for the long-term viability of the dairy industry that we need a strong national advocacy and policy development body. I have been calling for the need for restructure at the national level for most of my time in the role as SADA president.

The current restructure proposal does not address some key needs that the SADA board has identified. Firstly, in strengthening membership, by improving outcomes from advocacy, making farmers wanting to be part of the dairy industry lobby groups, and secondly, it does not address the issues in the states where dairy committees sit inside broader farmer organisation, so the dairy voice can be heard with strength and not compromised by other agricultural sectors that may have differing views on key issues.

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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 please phone or email Jo for a form. Phone 8293 2399 or sada@sada.asn.au

If you have already sent back a completed form, thank you.

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

Fleurieu Sub – Branch of Holstein Australia All Breeds Dairy Youth Camp April 10th - 13th 2012

Open to everyone 12 years and over
(Under 12 years welcome if accompanied by a fee paying
Parent /Guardian)

Venue: Adelaide Showgrounds, Wayville

Cost: \$100 per person (+ GST if applicable)
Multiple family members discount applies
Includes all meals and activities
\$50 fee for Parent/Guardian

Activities may include:

Animal Health/ Husbandry – Judging
Showmanship – Clipping – Halter Making
Guest Speakers from all facets of the dairy Industry
+ Much more
Culminating with a Mini Show

Applications to be received by the 1st April 2012
Forms available from Gino & Mandy Pacitti
Ph. 8554 7202 or 0409 547 202

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Good people to know.



DAIRY UPDATE FROM SADA



In partnership with



1 May 2012
PRESIDENT'S REPORT
David Basham – 0417 865 962

Over the last few weeks there has been a lot of reporting on the Australian Dairy Farmers Ltd (ADF) restructure and the position of the SADA Board. SADA Board members have considered the proposed changes to the constitution and the proposed changes to the operations of ADF and do not believe it is in the best interest of SADA to support. All the SADA Board members have instructed me as the representative of SADA to vote no to the changes on the 30th of April 2012 at a Special General Meeting to be held in Victor Harbor. There is also discomfort from some of the other states. If one other state also votes “no” to the restructure in the current form, it will not proceed and an alternative needs to be put in place. SADA will fully engage in this process to make sure that we can rebuild a strong national policy and advocacy that can be trusted and respected by all stakeholders. I will keep members informed of any major developments by direct correspondence.

The restructure has been consuming a lot of time but importantly we are still making sure all the other issues are covered off. Ken outlines in this Update many of the issues we are working on. I would like to thank Ken, Jo & Sonja in the office as well as all the SADA Board members for their commitment to the dairy industry in South Australia. There are also other dairy farmers that directly help SADA achieve a better outcome for all SA dairy farmers, and I would like to thank them for their work on committees such as DairySA, Water and SA cattle advisory Group. Without all these people SADA could not deliver anywhere near what it does with their involvement.

Also over the last few weeks I have attended one of the presentation meetings that United Dairy Power gave about their entry into the SA market. I would encourage all dairy farmers to consider what is best for their business by seeking income estimates from the options available to them. If you need any assistance please contact the office for contact details or one of the SADA Board members if you are having trouble understanding what has been supplied to you by any particular milk company in the income estimate. The Board members may or may not be able to help directly but may be able to assist in asking the right question.

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Disclaimer: This publication is provided in good faith and as a guide only, it may be of assistance to you, but SADA does not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

CEO'S REPORT

Ken Lyons

It has been a busy but productive month at SADA. I know this because I have made a long list of topics and issues that are of concern to our members and therefore need to be reported. Given there are currently so many "balls in the air" it is difficult to decide where to start. But the entry of a new dairy processor (UDP) in SA is perhaps the major news story.

UNITED DAIRY POWER (UDP) PLANS FOR MURRAY BRIDGE AND JERVOIS PLANTS

The move by UDP to acquire the dairy processing facilities at both Murray Bridge and Jervois has been welcomed by the SA dairy industry, the regional community and the state government. The benefits include increased competition for milk potentially stimulating farm-gate milk prices and increasing milk processing (value adding) in SA.

Since the announcement, SADA has been inundated with requests for information about UDP, the dairy products they intend to produce, how they intend to acquire milk supply, etc. For this reason SADA, with the co-operation and support of UDP, has recently hosted two regional meetings (Murray Bridge and Nuriootpa) with a further regional meeting to be held at Mt Gambier on 8th May.

The regional meeting at Mt Gambier will be held at the Blue Lake Golf Club on Tuesday 8th May beginning at 11am and a luncheon commencing at 1pm. We would encourage all SE dairy farmers and dairy industry representatives to attend this important meeting.

These meetings have been well attended and we are grateful that the top management team at UDP attended. Information on UDP can be obtained from the web but some key facts are; they were established in 1999, they have approximately 70 staff and have a turnover of around \$125m annually.

Cassie Allison is the Manager of Milk Supply (0428 379 651) and David Massey is a Field Representative (0439 734 701) for UDP.

MILK SUPPLY OPTIONS

Milk producers will have several milk supply options this year and many are talking to processors now to get a general idea on how the various companies go about pricing milk supply. Then closer to the "opening" of the new season farmers will be able to begin the process of comparing prices as opening prices are announced.

RSPCA OR PIRSA TO ENFORCE THE LEGISLATION?

Currently before the State Parliament is Legislation that will decide who will have the prosecutorial powers for animal welfare. Robert Brokenshire has an amendment that will, if successful, transfer the responsibility for commercial livestock and horses from the RSPCA to PIRSA.

Rural animal welfare issues can occur in a number of ways, for instance; when farmers suffer from depression; or there is a serious event such as a bushfire, power outage, floods etc. In these situations the best animal welfare outcomes come from providing advice and assistance in the first instance. PIRSA staff has the resources and training to bring that assistance to any of these situations while at the same time having the full weight of the law for those who are deliberately cruel to animals. For these important and practical reasons SADA believes PIRSA is the appropriate organisation to have the enforcement role.

SADA has emailed members (those we have emails for) explaining why this power should go to PIRSA and asking them to email members of Parliament on the issue. We have included in the Update the request from SADA President David Basham for those not emailed and a list of politician email addresses. We at SADA would be most

appreciative of the support of our members to this request to send off an email or two. Please copy (CC) your emails to SADA (sada@sada.asn.au) so we can monitor the success of this initiative as a strong response could deliver the change to PIRSA that we believe will deliver the best animal welfare outcome.

Some of the concerns registered by others in relation to the RSPCA's qualifications for the role include; the legitimacy of having a charity responsible for law enforcement, the need to have an agency that understands primary production and to have enforcement in the hands of an agency that does not have a lobbying arm.

SADA TO HOST NATIONAL DAIRY MEETINGS

The annual Australian Dairy Farmers and New Zealand Farmers Dairy Section Board Meetings this year are being held at the McCracken Country Club at Victor Harbor commencing on Monday, 30th April. The program will include a Board Dinner on the Monday night and later in the week there is a trip on the Coorong with Clem Mason and Henry Jones that should stimulate discussion on the future of the Murray Darling Basin.

SADA SUBMISSION TO THE MDB AUTHORITY

Regional water allocation plans have been a major activity for SADA in recent years. The decade of drought across southern Australia has created havoc for our SA dairy industries on the Swamps and the Lakes. The effects of the drought and the over-allocation hit home to everyone the need to urgently reform the management of the river basin.

This has been a difficult time for our dairy industry based on the MDB with many electing to exit the industry. During this time SADA has been contributing to the many committees, working parties, advisory groups and this week SADA put in a submission on behalf of our members on the Draft Plan.



Clem Mason with Premier Jay Weatherill

The SADA submission is included and members can discuss it with David Basham, James Stacey, Clem Mason or Ken Lyons.

Looking forward, there are some of us that can see potential dairy investment opportunities returning to the River and Lakes regions. This once famous dairy region may well be restored to its former glory with the right leadership and incentives. History has shown these river flats are highly productive when operating efficiently and supplementary feed is competitively priced in the region. This is something SADA is keen to explore further.

SUPERMARKET DUOPOLY

It has been over 12 months now since Coles began its move to devalue the domestic dairy market with its "Down-Down" campaign. This has helped focus attention on the unprecedented grocery market power of the supermarket duopoly. As more and more food industries, and other industries, are targeted, the more and more cheap imported product is replacing Australian made on the supermarket shelves. Many food processing companies are today choosing to move "off-shore" and this could be hastened with the introduction of the carbon tax.

SADA is committed to continuing to highlight the “political power” of the supermarkets and promote that it is in the national interest to have the ACCC ensure there is a “competitive domestic grocery market place”.

Professor Frank Zumbo has been developing guidelines for new legislation for strengthening the ACCCC and looking at options for a Grocery Ombudsman for the NFF and other organisations concerned with the power of the duopoly. He is regarded as a leader in this field in Australia. So it was with great interest and anticipation that we recently visited Professor Zumbo in Adelaide as he took on a new part time role (as well as his role at Sydney University) as the Deputy Small Business Commissioner for South Australia.

SMALL BUSINESS COMMISSIONER

James Stacey and I met with Mike Sinkunas (Small Business Commissioner) and Frank Zumbo (Deputy Small Business Commissioner) recently to discuss how they can assist small business. We were pleased to find they are seen as “leaders” by the other States and they will pursue all cases of injustice even if it involves major players such as Coles or Woolworths.

We understand that they are keen to look at codes of practice to ensure farmers get fair treatment in the supply chain.

So this provides SADA and our members with a new networking opportunity.



Frank Zumbo, James Stacey and Mike Sinkunas

ROAD RULES IN THE FLEURIEU REGION

Farmers in the Fleurieu region are seeking clarification on policing issues relating to the transport of farm vehicles and machinery. The Member for Finniss, Michael Pengilly, arranged for two public meetings (Mt Compass and Parawa) with the Superintendent John Bruhn, Officer in Charge, Hills Fleurieu, SA Police to clarify the issues. SADA meets with Michael Pengilly several times during the year at his electoral office and the last meeting was Friday 20th April.

MORE INDUSTRY REFERENCE GROUPS FORMED

New reference groups have been formed recently.

On Tuesday 17th April, Graeme Hamilton and Charles Wallis attended a reference group working with the SE NRM Board to develop the new water allocation plan for the region.

Another reference group, Animal Health Cost Recovery Review reference Group, to be made up of industry leaders has been brought together to explore issues around cost recovery.

“WOMEN OF THE LAND”

SADA was proud to participate in the launch of the new book “Women of the Land” by local author, Liz Harfull, capturing the stories of eight women from around Australia who run their own farms. Most of the women featuring in the book attended the luncheon that was hosted by the Rural Media South Australia. One of the eight women is, Jan Raleigh, a dairy farmer from Timboon in Victoria.

Another feature of the luncheon was the address by Pip Courtney, the Presenter of the ABC Television program “Landline” and she brought with her the entire Landline team from across Australia. Landline has been running since 1991 and Pip has been with the team since 1993.

Pip was judged as presenting the best rural broadcast story (on the controversy of steam gas developments on prime farmland) for 2011 before also taking out the best international rural story. She dedicated the achievement to her cameraman husband, John Beam, who was killed in a helicopter crash at Lake Eyre last August while filming for the ABC.



Ken Lyons with Jan Raleigh



Kate Bartlett, Ros Zweck, Ulli Spranz and Mandy Pacitti

We were pleased that Mandy Pacitti, Kate Bartlett, Ros Zweck and Ulli Spranz were on hand to represent SADA together with James Stacey and Ken Lyons.

SADA obtained signed copies of the book for Verity Ingham (DairySA), Joanne Bills and Helen Dornom (Dairy Australia) in recognition for the support they have provided to SADA.

WHAT WAS HAPPENING TO MILK PRICES IN 1938?

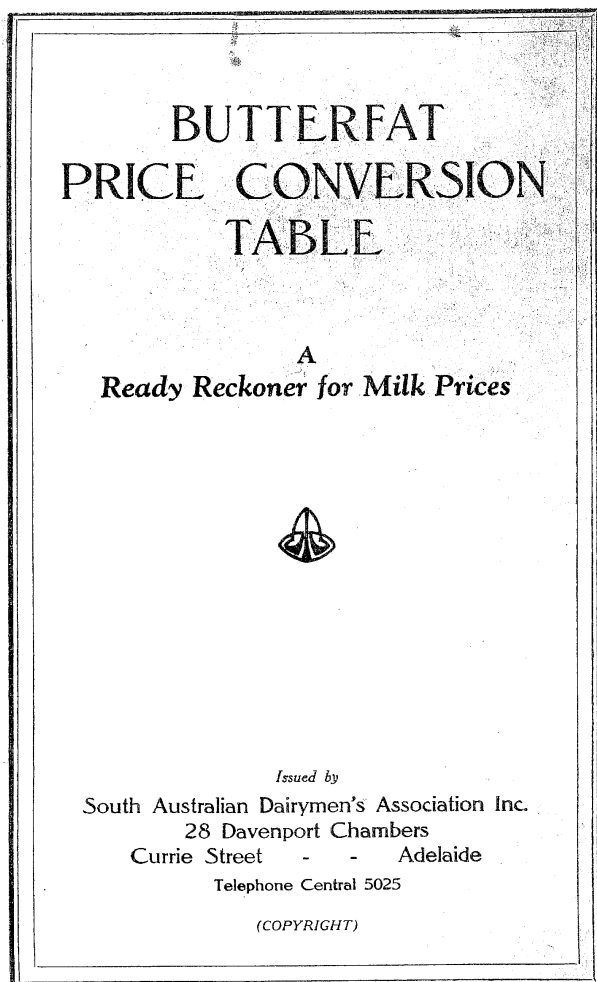
The major change at the time was the change to paying for milk on the basis of butterfat.

We were reminded of this change when a friend came up to me after a Saturday game of golf and gave me some "stuff" found while renovating a farm house at Meadows. The main item was a booklet published by SADA on 1 September 1938 which was "A Ready Reckoner for milk prices – Butterfat Price conversion Table".

To give you an example of how this worked, "to find the price of milk per gallon, when sold on a BUTTERFAT BASIS, take the butterfat price (along the top of the table) then the TEST (down the side) run the two columns together to get the price per gallon". For example 4% test at 1/5 (one shilling 5 pence) per pound equals 7d (pence) per gallon. Note the prices per gallon were brought to the nearest sixteenth of a penny. First there was the demise of the farthing (quarter of a penny), then in my time the half-penny (ha'penny), the penny, threepence, the one cent, and the two cent coins and today we can envisage the demise of the 5 cent coin.

I have copied the Introductory Remarks to the booklet by the then General Secretary of SADA, Colonel A. H. Nelson. Some things do not change, "It is in the interest of every dairyman to belong to the Association as UNITY is strength". The subscription fee has changed from only 10/- (ten shillings). But another interesting note in the minutes of the SADA Board Meetings around this time it was noted that the SADA Board was most concerned about the high cost of producing the booklet. But they decided to go ahead anyway and in the process learnt that with the "advertising" after several reprints of the booklet that they eventually made money from the booklet. Federation Insurance (precursor to WFI) was one of those advertisers and the Wesfarmers Insurance partnership with SADA today pays for the SADA Dairy Update. It is also interesting to note that at this time the SADA Office was located at 28 Currie Street and the Federation Insurance was located at 26 Currie Street, Adelaide.

Also with the booklet were two receipts, both dated 14 May 1941, one for the SADA subscription of 10/- shillings and the other for the "SADA District Levy" of 5/- shillings. The money was received from E. J. Haines of Meadows South and countersigned by Colonel Nelson.



Introductory Remarks

We have much pleasure in presenting to our members a Butterfat Conversion Table in the form of a Ready Reckoner.

For your convenience it has been printed in a handy booklet, and we feel sure that you will appreciate the ready manner in which you are able to ascertain the price per gallon you are receiving for your milk when it is sold on a butterfat basis.

It is the desire and aim of the S.A. Dairymen's Association to help members in every way, and this booklet is just one of the activities of the Association that has been brought to a successful issue for the benefit of members.

It is to the interest of every dairyman to belong to the Association as UNITY is strength.

Be loyal to your fellow dairymen who are members of the S.A. Dairymen's Association by joining the nearest Branch. Subscription is only 10/- annually.

The S.A. Dairymen's Association is constantly fighting to improve the position of the producer.

A. H. NELSON,
General Secretary S.A. Dairymen's
Association (Inc.)

Adelaide,
1st September, 1938.

SA DAIRY INDUSTRY “INNOVATION DAY”

The two highlights each year for the South Australian dairy industry are the Dairy SA Innovation Day (27 June) and the Gala Dairy Awards (14 August).

The Innovation Day will be held on Wednesday 27 June at The Barn Palais, Nelson Road, Mount Gambier. This year the focus will be on the engine room of every dairy operation – the people.

“POWERING UP THE ENGINE ROOM”

The DairySA Innovation Day, being held in Mount Gambier in June, will this year focus on the engine room of every dairy operation—the people.

According to Dairy Innovation Day coordinator, Kylie Boston, the one thing all successful dairy businesses have in common is a team of happy, well-organised and enthused staff all working together. And after a decade of focusing on a range of important and innovative dairy topics, she says the committee thought it was time to look at the people who are the strength behind dairies.

“We’ve had quite a bit of farmer input into developing this year’s theme and topics,” she said. “We know it will be beneficial to see what some dairying businesses are doing really well, and what all employers and managers could do to improve their relationship with staff and develop high performing teams and great environments employees are keen to work in.”

Speakers on the day will include specialist communications trainer, business consultant and executive coach, Kathy McKenzie. Kathy has a strong rural background and works with a large number of rural leadership programs throughout Australia where she applies her unparalleled talent in developing human potential.

Organisational psychologist, Kathryn McEwen, of Dakin McEwen and CoachPartners, will also be discussing how to assess and coach your team to reach its full potential, as well as how to restore things when they go wrong.

“Amongst others, we’ll be hearing from South Australian Agribusiness Consultant, Ken Solly, on the important topic of succession planning, and Victorian farm consultant, John Mulvany, who’ll be discussing work/life balance and how to achieve a healthier *off-farm* life,” Kylie said.

There will also be a session for newer industry entrants, employees or young farmers that will cover a range of popular topics from finance to time management to effective communication.

For more details, contact Kylie Boston on 0407 231 547 or email kylie.smc@bigpond.com.

What: 2012 DairySA Innovation Day

When: Wednesday, June 27, 2012

Where: The Barn Palais, Nelson Road, Mount Gambier

BUTTER... NATURALLY

Dairy Australia has launched a new advertising campaign reminding Australians butter is pure and natural and unbeatable on taste.

The advertisements, which first appeared at the start of March, will run in New Idea, That’s Life, Good Health, Woman’s Day and Take 5 through to the end of April. Advertisements are also appearing online at Ninemsn.

Butter’s role as part of a healthy, balanced diet is again being questioned in the media. You may have noticed advertisements encouraging Australian mums to ‘make a healthier choice for their families’ and switch from butter to margarine.

Dairy Australia Dietitian Glenys Zucco said butter was a wonderfully natural food we have been eating for thousands of years – you just have to look at the ingredient list to see how natural it is.

“Butter tastes great and enhances the flavours of other ingredients used in cooking,” Ms Zucco said.

“A little butter enhances the taste and texture of nutritious foods such as wholegrain bread or vegetables, of which Australians don’t eat enough.”

The butter promotion is just one part of Dairy Australia’s wider health and nutrition program which includes a number of projects and initiatives to promote and protect dairy’s role in the diet. The fact is scientific views on fats, cholesterol and heart disease are changing. So Dairy Australia is constantly working to make sure the research keeps evolving to explore these views and develop more credible science to support dairy’s role in a healthy diet.

“The most recent evidence does not support a link between saturated fat and heart disease,” Ms Zucco said.

“We have been working hard behind the scenes to defend regular-fat dairy products by communicating this science to health professionals and nutrition policy setters. We are regularly meeting with the likes of GPs, dietitians and nutritionists to educate them about the changing research so they are better informed to give advice to all of us when we see them for a health check-up.

“There’s also a lot of work being done to educate school teachers, parents, athletes, the media and key influencers like the Heart Foundation about the importance of dairy foods as part of a healthy, balanced diet.”

For more information contact Glenys Zucco on (03) 9694 3842 or visit www.dairyaustralia.com.au/butter

SADA BOARD ELECTIONS

This year there exists a vacancy on the SADA Board in the South East since Ruben Zandman has stepped down from his position as Board member.

Board Members facing re-election are as follows:

Gary Zweck – Adelaide Hills
David Basham – Fleurieu
Glenn Dohnt – River & Lakes
Charles Wallis – South East

A nomination form will be included with the next Update. So please give some consideration to who you think would best serve your region on dairy industry matters.

Murray Goulburn information Meetings

re becoming a Supplier and where MG are heading into the future

Wednesday 9 May

Venue: Commodore Motel, Mt Gambier

Time: 11.00am – 1.30pm

Attendees: Gary Helou (MD), Robert Poole, Ross Greenaway

Field Services Officers: Meaghan Johnston, Rodney Petering

RSVP: Rodney 0428 993 395

Wednesday 16 May

Venue: Hahndorf Football Club

Time: 11.30am – 1.30pm

Attendees: Robert Poole, Ross Greenaway

Field Services Officers: Meaghan Johnston, Trevor Keele

RSVP: Trevor 0458 400 079

DAVID BASHAM'S LETTER TO MEMBERS ON ANIMAL HEALTH ISSUES

Dear member of SADA,

I am writing to you to encourage you to make contact with your local Member of Parliament about how the welfare of farm animals is managed. Currently the RSPCA is the state regulator to manage the enforcement of animal welfare legal requirements. We at SADA believe to improve the welfare outcome for farm animals that the role of enforcement for production animals, such as dairy cows, should move to PIRSA. The legislation to move the responsibility from the RSPCA to PIRSA has been introduced by Hon Robert Brokenshire.

Officers within PIRSA understand the issues of welfare in relation to farming enterprises and are able to offer sound advice to improve the welfare outcome for production animals. The PIRSA officers will also have the ability to prosecute when circumstances demand, and the dairy industry would demand this be the case to protect the welfare of production animals.

To improve animal welfare we believe that it is important not only to police but to educate. Please send an email to your local MP encouraging them to support the move to PIRSA as it will deliver better welfare outcomes for production animals.

This issue was the front page article in the Stock Journal (5 April) and you will notice our participation in a newly formed "alliance" formed to bring balance to animal welfare debates hijacked by fundamentalist animal rights and liberation groups. All the livestock industries represented in the "alliance" have animal welfare at the core of their activities and work within strict welfare codes of practice and quality assurance programs.

Please send your emails as soon as possible as the matter is expected to come back into the Parliament on 1 May. Included are some of the parliamentary email addresses and an example email that you could use to forward to those politicians. But we would encourage you to personalise the letter to some extent so that it has more impact.

Regards,
David Basham, President of SADA.

Dear MP

I am writing to you as a farmer, to encourage you to support a change in how the welfare of farm animals is managed. Currently the RSPCA is the state regulator to manage the enforcement of animal welfare legal requirements. As a dairy farmer I believe to improve the welfare outcome for farm animals that the role of enforcement for production animals, such as dairy cows, should move to PIRSA.

Officers within PIRSA understand the issues of welfare in relation to farming enterprises and are able to offer sound advice to improve the welfare outcome for production animals. The PIRSA officers will also have the ability to prosecute when circumstances demand, and the dairy industry would demand this be the case to protect the welfare of production animals.

To improve animal welfare I believe that it is important not only to police but educate. Please support the move to PIRSA as it will deliver better welfare outcomes for production animals.

Regards
Farmer

| Name | Position | Electorate | Email |
|--------------------------|---|-------------------|--|
| Labor Party | | | |
| Hon Michael Atkinson | | Croydon | croydon@parliament.sa.gov.au |
| Ms Frances Bedford | | Florey | florey@parliament.sa.gov.au |
| Ms Zoe Bettison | | Ramsay | zoe.bettison@alp.org.au |
| Leon Bignell | Parliamentary Secretary to the Minister for Health and Ageing | Mawson | mawson@parliament.sa.gov.au |
| Hon Lyn Breuer | Speaker of the SA House of Assembly | Giles | giles@parliament.com.au |
| Hon Paul Caica | Minister for Water & the River Murray | Colton | colton@parliament.com.au |
| Hon Patrick Conlon | Minister for Transport & Infrastructure | Elder | elder@parliament.sa.gov.au |
| Dr Susan Close | | Port Adelaide | ptadelaide@parliament.sa.gov.au |
| Hon Chloe Fox | Minister for Transport Services | Bright | bright@parliament.sa.gov.au |
| Hon Gail Gago | Minister for Agriculture, Food & Fisheries | | minister.gago@saugov.sa.au |
| Hon John Gazzola | Member for the Legislative Council | | John.Gazzola@parliament.sa.gov.au |
| Mrs Robyn Geraghty | | Torrens | torrens@parliament.sa.gov.au |
| Hon John Hill | Minister for Health and Ageing | Kaurna | kaurna@parliament.sa.gov.au |
| Hon Ian Hunter | Minister for Communities & Social Inclusion | | ian.Hunter@parliament.sa.gov.au |
| Hon Tom Kenyon | Minister for Employment, Higher Education and Skills | Newland | newland@parliament.sa.gov.au |
| Hon Steph Key | | Ashford | ashford@parliament.sa.gov.au |
| Hon Gerry Kandelaars | Member for the Legislative Council | | kandelaars.office@parliament.sa.gov.au |
| Tom Koutsantonis | Minister for Manufacturing, Innovation & Trade | West Torrens | WestTorrens@parliament.sa.gov.au |
| Hon Michael O'Brien | Minister for Finance | Napier | Napier@parliament.sa.gov.au |
| Lee Odenwalder | | Little Para | littlepara@parliament.sa.gov.au |
| Tony Piccolo | Deputy Speake | Light | light@parliament.sa.gov.au |
| Hon Grace Portolesi | Minister for Education and Child Development | Hartley | hartley@parliament.sa.gov.au |
| Hon Jennifer Rankine | Minister for Police | Wright | wright@parliament.sa.gov.au |
| Hon John Rau | Deputy Premier | Enfield | enfield@parliament.sa.gov.au |
| Alan Sibbons | | Mitchell | mitchell@parliament.sa.gov.au |
| Hon Jack Snelling | Treasurer | Playford | playford@parliament.sa.gov.au |
| Hon Bob Sneath | President for the Legislative Council | | bob.sneath@parliament.sa.gov.au |
| Ms Gay Thompson | | Reynell | reynell@parliament.sa.gov.au |
| Mrs Leesa Vlahos | Parliamentary Secretary to the Premier | Taylor | taylor@parliament.sa.gov.au |
| Hon Jay Weatherill | Premier | Cheltenham | cheltenham@parliament.sa.gov.au |
| Hon Russell Wortley | Member for the Legislative Council | | russell.wortley@parliament.sa.gov.au |
| Hon Michael Wright | | Lee | lee@parliament.sa.gov.au |
| Hon Carmel Zollo | Member for the Legislative Council | | zollo.office@parliament.sa.gov.au |
| Liberal Party | | | |
| Vickie Chapman MP | Shadow Minister for Transport & Infrastructure | Bragg | bragg@parliament.sa.gov.au |
| Hon John Dawkins MLC | Shadow Cabinet Secretary | | john.dawkins@parliament.sa.gov.au |
| Hon Iain Evans MP | Shadow Treasurer | Davenport | davenport@parliament.sa.gov.au |
| John Gardner MP | Shadow Minister for Families and Communities | Morialta | morialta@parliament.sa.gov.au |
| Mark Goldsworthy MP | Shadow Minister for Community Affairs | Kavel | kavel@parliament.sa.gov.au |
| Martin Hamilton-Smith MP | Shadow Minister for Substance Abuse | Waite | waite@parliament.sa.gov.au |

| | | | |
|----------------------------|---|------------|--|
| Steven Griffiths MP | Opposition Whip | Goyder | goyder@parliament.sa.gov.au |
| Hon Jing Lee MLC | Parliamentary Secretary for Multicultural Affairs | | jing.lee@parliament.sa.gov.au |
| Hon Michelle Lensink MLC | Deputy Leader in the Legislative Council | | michelle.lensink@parliament.sa.gov.au |
| Hon Rob Lucas MLC | Shadow Minister for Finance | | rob.lucas@parliament.sa.gov.au |
| Duncan McFetridge MP | Shadow Minister for Police | Morphett | morphett@parliament.sa.gov.au |
| Steven Marshall MP | Shadow Minister for Industry and Trade | Norwood | norwood@parliament.sa.gov.au |
| Adrian Pederick MP | Shadow Minister for Agriculture, Food and Fisheries | Hammond | hammond@parliament.sa.gov.au |
| Michael Pengilly MP | | Finniss | finniss@parliament.sa.gov.au |
| David Pisoni MP | Shadow Minister for Further Education | Unley | unley@parliament.sa.gov.au |
| Isobel Redmond MP | Leader of the Opposition | Heysen | heysen@parliament.sa.gov.au |
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FOR SALE

Keenan MF 360 feed mixer

2010 model
(purchased July 2010)
Good condition

Urgent Sale

Mob: 0429 807 682

Submission to the Murray Darling Basin Authority from the South Australian Dairyfarmers Association (SADA)

SADA believes it is time to get on with the Murray Darling Basin Plan. All groups involved seem to be equally unhappy therefore we believe the balance between all concerned interests must be about right. We know the plan can never be perfect as there are so many vested interests that have differing opinions regarding what a healthy working river should look like.

Irrigators and the communities they support need to get on with their lives and are tired of all the arguing and the uncertainty that is affecting investment decisions. The Authority could go on for another hundred years trying to find the perfect plan and we would still have unhappy people.

The Basin Authority was set up to do a very difficult task, to take the politics out of the development of the Basin Plan and look at the best available science, work out some trade-offs based on social and economic basis and deliver some tough reform, it was never going to be easy.

Not even the scientists are in agreement on what the final number in the plan should be. At one extreme we have scientists claiming we should remove the barrages and all will be fixed and on the other extreme we have those that believe nothing short of a return to nature will do. Less than ten years ago we had a group of scientists and also South Australian politicians on all sides advocating that returning 1500GL to the river would have a moderate chance of restoring river health. The Basin Plan and the water recovered through the Living Murray Program returns 3250GL, more than double this original target. The proposal in front of us today returns double the volume called for 10 years ago for the long term water security for the population of South Australia and the ongoing health of the river. We need to just get on with this proposed Plan and make adaptations as we go.

The single issue of most concern to our dairy irrigators with the proposed draft plan is a reduction of SA high security water reliability factor of 0.9 (as determined by the CAP). Despite information provided by the authority, irrigators are still concerned that the methodology being used to establish SA's BDL takes away the acknowledgement of SA's prior effort established with the CAP. Minister Tony Burke has repeatedly asserted that the reliability of irrigation entitlements will not be affected by the Basin Plan.

By standardising the methodology for establishing the SDL's the Authority has taken away the recognition of past effort to SA when the CAP was set at 93-94 levels of potential development. This is a situation that requires urgent consideration by the Authority and both the State and Federal governments as any policy driven reductions in reliability have a significant impact on the value of all water licences in South Australia.

The other important issues we have identified for the success of the basin plan in the region below Lock 1 include:

1. It is important that the Basin Plan be ratified by the Federal Parliament in 2012, so there is a start to the adoption of a Basin Plan and its requirements.
2. The legislative framework must be strong enough to ensure that a truly adaptive process is implemented. This means that the environmental, economic and social outcomes must be assessed on a region by region basis to ensure that these meet the criteria set down in the Basin Plan. This will require detailed monitoring and flexibility in implementing the Plan.
3. The Basin Plan must ensure that the integrity of the River channel is maintained below Lock 1, including adopting a minimum operating water height of +0.5 m. AHD within the River channel and at Wellington and Lake Alexandria in order to prevent future acidification events occurring.
4. The average salinity in Lake Alexandrina (the average of five measuring points around the Lake) must be maintained at less than 1,000 EC Units for 95% of the time, ensuring fit for use water. This will require the installation of additional salinity monitoring points below Lock1 and around Lake Alexandrina.
5. The flow down the River Murray and into the Coorong must be sufficient to ensure the Murray Mouth is open through natural means for at least 9 out of 10 years, with dredging ensuring the Murray Mouth is open the balance of the time.

6. South Australian irrigators should not be expected to contribute to the “shared saving target of 971 GL” due to their early adoption of efficient water delivery infrastructure and the imposition of a cap on water use in 1968. Infrastructure upgrades in Victoria and NSW should be the preferred means of achieving a high proportion of these shared savings.
7. In relation to infrastructure spending the Barrages need to be upgraded to minimise saltwater incursions and to improve the efficiency and ease of operation. Both the MDBA and the State Government need to recognise the importance of ensuring the integrity of the Levee Banks in the Lower Murray damaged by the drought. The dredging of the Narrung Narrows. Investigate effectiveness and funding for strategic dam low bypasses.
8. The 2015 Review must include an assessment of whether environmental objectives have been achieved up to that point, with potential for adjustments to the SDL either higher or lower.
9. The salinity levels in Lake Albert must be reset by carrying out the necessary works to achieve salinity levels so the water can be used as stock water and irrigation. Review of the option for a channel from Lake Albert to the Coorong.

In summary; SADA supports the concept of the Basin Plan developed by the MDBA, but we have a major concern with the draft plan in relation to the devaluation of all South Australian water licences, and we have a list of other key issues to be addressed for the successful implementation of the Plan below Lock1.

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DAIRY UPDATE FROM SADA



In partnership with



25 June 2012

PRESIDENT'S REPORT

David Basham – 0417 865 962

Choosing your Milk Processor

Another financial year comes to an end with most farmers waiting for their processors to announce their opening price. This year is going to see a larger number of people than normal change companies with the change in ownership of the two factories at Jervois and Murray Bridge. As I have every year, I would like to encourage farmers to speak with all the companies in their area to work out what is the best fit for their business. All the companies offer income estimates that can help you make up your mind. Please remember, that when you change companies, to ask if there are any penalties or non-payments of step-ups if you leave at a particular time.

Australian Dairy Farmers

As some of you may have read in the press, ADF are investigating SADA for behaviour that it considers is prejudicial to ADF Ltd. The SADA board, along with one other state, does not agree with the proposed ADF restructure. We believe that each state must have an ADF board member so you as dairy farmers have someone that you know that you can communicate with and will hopefully understand any local perspective on national issues. The SADA board is monitoring the issue and will defend our democratic right to disagree on the proposed changes to the ADF constitution.

South Australian Farmers Federation

Over the last few months you may have also read about some proposed changes to lobbying and advocacy in SA with Rob Kerrin developing an alternative model to the current SAFF membership structure. The proposed model is to setup organisations based on individual commodities very similar to our current structure at SADA. I believe this will be a good outcome for all the other commodities as I feel farmers will relate better with an organisation that is acting for their own industry.

These commodity groups will then be members of an overarching cross commodity organisation. SADA has been approached to be part of this structure, if it is successfully implemented. The SADA Board will continue to be involved in discussions to evaluate the model and will also look at changes to funding SADA under state legislation that allows levies to be collected by a similar manner to the levies on NLIS tags that fund the Cattle Industry Fund. This may be a way to more equably spread the cost of policy and advocacy across more dairy farmers in our state.

The issues around ADF and SAFF will develop further over the next few weeks; I will continue to keep you informed either by direct mail outs or through future SADA Updates. If you have any questions please do not hesitate to call me on 0417 865 962 or Ken on 0419 037 569. Also, if you need any help with changing milk companies please contact us, any of the Board members or the office.

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CEO'S REPORT

Ken Lyons

June is the month when dairy farmer attention is drawn to considering milk supply contracts and milk prices for the coming season. This year there have been a number of processor meeting held in the regions with farmers having perhaps more options than ever and most companies looking to expand their milk supply base. So it is likely this year that we will see more than usual dairy businesses change their milk supply arrangements. **Remember when this happens farmers need to complete another membership form for their new dairy company to continue with your SADA membership. A membership form is included in this SADA Dairy Update.**

But before looking at your milk supply options let me make a couple of comments on some of the big issues and challenges for the dairy industry.

KEY GOVERNMENT POLICY SETTINGS

SADA and industry associations continue to lobby on issues related to increasing input costs, charges, and especially the Carbon Tax. The key point is not that we are denying climate change, but like many community leaders, industry leaders, academics etc, we are **all simply unconvinced that a carbon tax will achieve any of the outcomes the government expects of it.** In fact after you go through all the science, all the economics, all the hype written on the carbon tax, you may well agree with Ziggy Switkowski, the Chancellor of RMIT and company director when he concluded his detailed assessment of the carbon tax by saying in The Australian newspaper on 14 June, **"..the carbon tax is essentially a political device born out of a negotiation to form government with minority partners..."**

Brian Tessman, President of the Queensland Dairyfarmers Organisation (QDO) said this about the carbon tax in relation to dairy farmers. **"The only thing I can see being achieved out of this is that Australia will achieve an even greater loss of some of its cheapest and most convenient sources of food, especially dairy."** Given the way the carbon tax impacts (extra cost simply drag down productivity) on our farms, our dairy factories, our research investments, it is an issue that needs a professional and focussed response and a reason to have some of our own mates (like James Stacey) in the Federal Parliament.

There was some good news last month when it was announced that Dairy Australia would receive \$1million in Federal Government funding for their Smarter Energy Use on Australian Dairy Farms project.

In terms of thinking of some positive policy setting for the Australian government, two that immediately come to mind are getting movement on a Free Trade Agreement with China and getting all governments to recognise there is a "Food Boom" about to happen in Asia (predicted to last longer than the Mining Boom) and a smart Australia can be part of this opportunity.

MILK SUPPLY CONTRACTS

To provide a brief summary of the market outlook perhaps the following points are relevant:

- There may be some further late "step ups" to add to the final payments for 2011/12. At the time of writing this Update, Murray Goulburn had just announced its fourth increase in milk price bringing their available weighted-average price to \$5.44 per kilogram milk solids.
- The international supply demand situation is suggesting a lower "opening price" but most companies are saying they expect the market to improve during the season. A typical comment from Fonterra said, "We've

got some very strong demand signals from our customers, particularly our export customers in Asia and particularly for higher value products, which is really encouraging". "Our long term projection is that the world needs a staggering amount of milk and demand projections, particularly through Asia, are 7 to 10 per cent per annum growth".

- It has been encouraging to hear most of the dairy companies talking of growth, expansion and plans to penetrate high value markets. For example, MG is establishing new offices in both Dubai and Singapore. Tatura is spending \$7.8m on new plant to accommodate increased demand from the Middle East, and WCB has had a stand at the world's biggest food and beverage show, Gulfood 2012.
- Farmers should be aware that those companies that are keen to secure to grow their milk supply through existing suppliers will offer a pricing structure that will reward growth.
- The plans by UDP to expand the output from their plants at Murray Bridge and Jervois provides a positive move to achieving both, more milk processing here in South Australia, and a new player in the market for SA dairy milk supply.

So while the final decision on milk contract rests with each individual dairy business SADA has again this year been actively engaged with the processors to understand their needs. We have looked at the various company strategic marketing plans going forward, we have provided advice to those wishing to engage in "collective bargaining", and where appropriate we have acted to resolve disputes. The fact that SADA has such good relations with milk companies are to the benefit of the industry generally.

NEW FMD RULES

The new farm management deposit rule has opened up wider saving options for farmers setting aside in these tax-friendly accounts for use in tougher years. See your accountants for the benefits that may suit your business. Given the market uncertainty at this stage, it is difficult to predict just how the season and prices will turn out. Most dairy businesses are correctly planning for tough years but if things do turn around the FMD scheme is then an important option. Beside it is a positive move to be talking about the potential for a profitable year.

ENVIRONMENTAL ISSUES UPDATE

- At the national level the two key issues for dairy farmers are the Carbon Tax and the Murray Darling Basin Plan. Both these issues are being addressed by the ADIC and the NFF at the national level, although with the MDB Authority Plan there is a lot of state and industry consultation happening. In SA, there is perhaps more of a consensus policy position between government community and industry and also between the major political parties about the need to achieve some meaningful reform of the management of the Basin. It is important that SADA, through our dairy representatives such as Clem Mason, David Basham and James Stacey we have input both into the South Australian policy position and to the national policy positions developed interstate.
- SADA is continuing to monitor the development of the Eastern and Western Mount Lofty ranges Water Allocation Plans. SADA is pleased to note that many of our suggested enhancements have been included in the Plan that has gone to the Minister for consideration.
- We are continuing our involvement with the development of the SE WAP and resolution of the Cross Border Water Agreement issue. As I write, there has been a clear message from Victoria that they are not willing to review the Agreement. However, the SA government in response to representation from industry, including

SADA, have decided to mitigate most of the adverse effects that the Agreement was having on our SA irrigators. SADA appreciates the work of the government and NRM staff, Andrew Johnson in particular.

- SADA attended the launch of the State Natural Resources Management Plan South Australia 2012-2017 on Tuesday 5 June. This role of the State Plan is to provide the strategic blueprint for NRM boards and agencies to develop their own specific plans. The key is that the NRM Act establishes NRM boards to give ownership and responsibility to regional communities. In the forum preceding the launch of the Plan by Minister Paul Caica, much was said of the importance of community engagement and especially with the farming community. But, as I looked around the room that evening the sad truth was SADA was one of just a few rural association represented. When governments seek “community consultation” they, and members of rural associations, look to rural associations, like SADA, to be there to provide a “representative view”. The evening was especially valuable in that we were able to network with the key policy makers and it was encouraging to hear from them how respected the work of the SA dairy industry in recent years has been. Thanks also go to Monique White, Amy Williams, our regional water representatives and our members contributing directly on various NRM committees. This NRM area is one that the SA dairy industry has done very well in and most people say it is because of the way we work co-operatively between PIRSA, EPA, NRM Boards, Dairy Companies, Conservation Department, Dairy Australia and DairySA.
- Finally, SADA is in discussion with government agencies on a possible project promoting the restoration of the Murray Swamps. We will work with our SADA members on the Swamps to develop the project. Hopefully through SADA we can both provide a framework to get a unified policy position from dairy farmers on the issue, and also SADA can use its “networking” to bring the various agencies together.



Allan Holmes with Ken Lyons

The evening of the launch of the state NRM Plan provided an excellent opportunity to network with the leaders in South Australia for all matters relating to Natural Resource Management including the Department CEO, Allan Holmes.

BIOSECURITY - THE ANNOUNCEMENT OF THE NEW “NATIONAL GENERAL SURVEILLANCE PROGRAM”

Adelaide was chosen for the launch of the new national program of ‘surveillance’ for exotic livestock diseases (5 June). The program will be presented via a “road show” around Australia over the coming months. The culmination of 6 years work by the Federal and the State Governments, this program is aimed at the “post-border” area and in particular how to pick up an outbreak of an exotic disease in a farming community in the most cost

effective way (understanding that state government budgets are getting tightened). When they talk of recognising “shared responsibilities” it means how industry can be more involved in implementation and funding. For most livestock industries biosecurity is a key to protecting overseas trade and therefore is extremely important.

When you consider a disease such as Foot and Mouth Disease (FMD,) because there is a lot known about how it can spread, you can estimate and graph the number of farms infected by the number of days since the initial outbreak. So, an important key to this program is to decide on the number of farms infected at the time the “alarm bell” is sounded. If an industry decides it wants to push back the time line then you have to speed up the on farm processes of recognition, notification and clinical investigation. Another feature of the new program is the suggestion that there be established a number of regions across Australia that cross the existing state borders. This is related to identifying the high-risk areas, “where there are large numbers of animals, proximity to ports and airports, and colder climates (FMD spreads faster in colder climates)”.

David Basham, Kevin Shiell, and Ken Lyons represented the dairy industry at this presentation. We were representing our members and the industry in general in order to have an input into determining the outcomes and standards being targeted, the level of funding we are prepared to pay and the operational conditions for the implementation.

In summary, while “biosecurity” covers pre-border, border, and post border protection this new draft program targets the “post border” area. We will keep our members informed as the policy development progresses for the program. But it is obvious that more work needs to be done in the early detection of an on-farm outbreak of an exotic disease. Congratulations to the Chief Veterinary Officer (CVO) for South Australia, Rob Rahaley, for his contribution to the program.

A common question is, “Has there been an outbreak of FMD in Australia?” Yes; but the last was way back in the 1890’s and because of the small number of stock in the country then it was eradicated.

On Friday 15 June, I read a report that there was an outbreak of FMD in Egypt. So this is expected to kill cattle (especially calves), buffalo, sheep and goats. It is worth noting that the outbreak in the UK in 2001 caused livestock and production losses worth \$19billion.

GRAHAM MIEGLICH

Rick Gladigau

It was with disbelief in the Charleston area on Wednesday 6th June as news filtered through of the tragic death of Graham Mieglich.

Graham dairy farmed in partnership with his brother John on the property they had taken over from their parents. The farm, being next to the main road between Charleston and Mt Torrens was always a stand out with its plentiful green feed all year round and well-managed cattle. Graham managed the dairy and the cows while John, having given up growing potatoes, managed the irrigation and pastures.

Graham was well known around the local area, a cheerful friendly guy, with a friendly wave to the passing cars and the school buses as they went by (unless they were going too fast!). He was an active member of the Mt Torrens and Districts Dairy Discussion Group, and he had a keen interest in what was happening in the dairy industry, as well as passing on his knowledge and being a part of discussions at dairy meetings. Graham will be sadly missed for his input, enthusiasm and friendly smile around the area and the local dairy community.

All at SADA would like to pass on our deepest sympathies to Graham's 3 children as well as John and Pam, Kathryn and Owen Rothe and families.

QUEENS BIRTHDAY HONOURS

Congratulations to the following South Australian recipients;

Emeritus Prof. Mary Barton for distinguished service to veterinary science

David Wotton for service to the Parliament and community of South Australia including environmental management

Don Blessing for service to the primary industry sector of South Australia

DAIRY BUSINESS OF THE YEAR

Earlier this month the finalists of the Westpac Australia Dairy Business of the Year were announced and this year they include SADA members Kym & Kate Bartlett and Warren & Jane Jacobs. The event continues to generate great interest and the associated field days are well supported.

SA DAIRY COMPANIES CREAM OFF THE NATIONAL DAIRY PRODUCT AWARDS

SA dairy companies continue to achieve critical acclaim for the quality of their produce. At the recent Dairy Industry Association of Australia Awards Tweedvale Milk took out gold with their traditional milk and double cream and most outstanding show exhibit. This is quite an achievement when you consider Tweedvale is a small family owned business in the Adelaide Hills, as there were 1000 entries over 107 categories competing from all over Australia. Other Adelaide Hills businesses such as B-d Farm Paris Creek and Woodside Cheese were also major winners.

Another great SA dairy industry success, also with lots of Grand Dairy Awards, is Alexandrina Cheese and SADA would like to thank Dan and Krystyna McCaul for hosting a tasting for the participants from around Australia and New Zealand that attended the ADF Meeting recently held in South Australia.

JAMES STACEY – SENATE CANDIDATE

James Stacey

As many of you may have seen in the media over the last few weeks I have been preselected by the South Australian National Party to run for the senate at next year's federal election.

At this stage I wish to continue as a board member representing the River and Lakes as I still believe I can strongly represent the Dairy Industry as well as working towards a successful senate campaign. I will step down as vice president of SADA at our AGM in August and I will be happy to support a keen board member in that role.

I believe we need strong representatives of the rural sector representing us in Canberra. We have all seen the growth and dominance of the big players in the grocery market. It is all well and good to go and lobby politicians but if they do not understand your issues well, the big players will continue to dominate and the less resourced and fragmented rural lobby will struggle to deliver an effective message. If I am successful I believe I will be of greater value to rural South Australia as a Senator than I currently am as a farmer.

GALA DINNER 2012

Saturday, 28th July 6.30pm

Langhorne Creek Football Clubrooms
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\$70 per person

Drinks and Canapés on Arrival
3 course Dinner
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james.stacey@nationals.org.au

THE NATIONALS for Regional SA

MANAGING IN FLOODS AND WET CONDITIONS

Extreme wet conditions are causing hardship for dairy farmers in several regions around Australia. In response, Dairy Australia has worked with industry to produce a range of information sheets to assist you manage the health and welfare of your cows during this challenging period.

Dairy Australia has a range of information sheets to help you manage the health and welfare of your cows in wet conditions:

<http://www.dairyaustralia.com.au/Animals-feed-and-environment/Environment/Extreme-weather/Managing-in-wet-conditions.aspx>

This is a paid advertisement

LEAVE CALCULATOR

Having an association with Chas Cini that can be accessed by SADA members is becoming more and more recognised as an important member benefit. Chas is able to provide expert advice on a range of employment issues, and as many of our dairies are expanding and employing more staff, this arrangement is becoming more important to members.

Chas has developed a Leave Calculator (Annual Leave, Carers Leave (formally known as Sick Leave), and Long Service Leave). The Leave Calculator is interactive so you need to feed in the data to get a result. It is a short and simple spreadsheet but it cannot be sent in the Update so to get a copy you have to call Jo at SADA to send it to you by email.

At the back of this Update (page 9 & 10), I have included two further reports from Chas Cini for your interest, **Wage increases from 1 July, 2012**, and another titled **Underpayments by contractors and prosecution by the Fair Work Ombudsman**.

SADA LEVY AND CAP FEES

SADA Levy fees will increase by 1.6% (which is the CPI for the March Quarter) from 2.472c (inc GST) per kilogram protein to 2.512c (inc GST) per kilogram protein. The CAP will also increase to \$1932 + 184 subscription (\$2116 total). If you have paid more than \$2103.62 in fees for the 2011/2012 financial year and would like a refund of the difference please contact Jo on 8293 2399 before October 2012.

DAIRY INDUSTRY CONTINUES TO SUPPORT THE ROYAL SHOW

The RAHS Dairy Promotions Committee met to plan for the coming Show back on Wednesday 30th May. I have included a report on this committee just to keep members aware of the work done behind the scenes by the many loyal, hard-working, and dedicated people. Committees of various shapes and purposes are a feature of country life and regional communities and they are so much a part of the RAHS and the show, more so than is found in urban



David Fechner

communities, for instance.

The members of the committee are David Fechner (Chairman), Bob Snewin (Secretary), Bob Butler, Judith Noble, Matthew Cleggett, Lyndon Cleggett and Ken Lyons.

The committee organises the running of the features such as the Exhibition Dairy, Dairy Day, Dairy Produce Hall, Yellow Brick Road, the Milk Bar and some aspects of Showing and the SADA/Wesfarmers BBQ.

SADA plays a role in managing the Dairy Australia sponsorship to the value of \$20,000 plus GST contributing to both the Exhibition Dairy and Dairy Day.

South Australia can be truly proud of the RAHS Show and the Board. We have been fortunate in having a Board and Management team that has had a vision for the future and is now a facility that serves Adelaide and South Australia in many ways. Recently I attended an Opera Performance in the Sheep Hall and it was great. Simply decked out with tables so you could bring your own nibbles and wine and enjoy the evening in style.

SA DAIRY AWARDS GALA DINNER



The South Australian Dairy Awards Gala Dinner will be held this year on Tuesday 14 August in the Ridley Pavilion at the Adelaide Showground. Cost of \$90pp for SADA, DIAA and RAHS members and \$100pp for Non-Members will include a 3 course meal, all drinks and entertainment which will be provided by “the Old Fella” Rod Gregory (of Australia’s got Talent fame). Bob Snewin will MC the event. This is the SA Event that showcases South Australia’s (and Australia’s) great and diverse range of dairy products and chocolates. Please consider attending and supporting your industry. Why not reward your family, friends and staff by organising a table at this dinner. A registration form is included with this Update. There are still some opportunities to sponsor this event. For more information on either attending the dinner or sponsoring it please call Jo on 8293 2399 or 0419 035 459.

Thank you to the following confirmed sponsors to date including Gold Sponsor – Dairy Australia, Silver Sponsors – Lion, Ecolab and Warrnambool Cheese and Butter, Bronze Sponsors – Wesfarmers Insurance, SAI Global and UDP, General Sponsors – DTS Food Laboratories and National DIAA Sponsor - Chr Hansen.

DAIRYSA INNOVATION DAY “POWERING UP THE ENGINE ROOM”

The DairySA Innovation Day, being held in Mount Gambier on 27 June, will this year focus on the engine room of every dairy operation—the people.

According to Dairy Innovation Day coordinator, Kylie Boston, the one thing all successful dairy businesses have in common is a team of happy, well-organised and enthused staff all working together. And after a decade of focusing on a range of important and innovative dairy topics, she says the committee thought it was time to look at the people who are the strength behind dairies.

“We’ve had quite a bit of farmer input into developing this year’s theme and topics,” she said. “We know it will be

beneficial to see what some dairying businesses are doing really well, and what all employers and managers could do to improve their relationship with staff and develop high performing teams and great environments employees are keen to work in.”

Speakers on the day will include specialist communications trainer, business consultant and executive coach, Kathy McKenzie. Kathy has a strong rural background and works with a large number of rural leadership programs throughout Australia where she applies her unparalleled talent in developing human potential.

Organisational psychologist, Kathryn McEwen, of Dakin McEwen and Coach Partners, will also be discussing how to assess and coach your team to reach its full potential, as well as how to restore things when they go wrong.

“Amongst others, we’ll be hearing from South Australian Agribusiness Consultant, Ken Solly, on the important topic of succession planning, and Victorian farm consultant, John Mulvany, who’ll be discussing work/life balance and how to achieve a healthier off-farm life,” Kylie said.

There will also be a session for newer industry entrants, employees or young farmers that will cover a range of popular topics from finance to time management to effective communication.

For more details, contact Kylie Boston on 0407 231 547 or email kylie.smc@bigpond.com.

What: 2012 DairySA Innovation Day
When: Wednesday, June 27, 2012
Where: The Barn Palais, Nelson Road, Mount Gambier

WAGE INCREASE 1ST JULY 2012

Chas Cini

Fair Work Australia (“FWA”) has the responsibility of setting wage rates for Federal Award employees. These increases take effect on 1st July each year.

FWA has handed down its decision for 2012 in relation to modern award minimum wages. From the first full pay period on or after 1 July 2012 the minimum weekly wages will increase by 2.9%, with commensurate increases in hourly rates on the basis of a 38 hour week.

The increases also apply to the minimum wages for junior employees, employees to whom training arrangements apply and employees with disability.

The changes to the Awards’ wage rates are not yet available but are expected to be made available soon. This decision means that **no fulltime adult employee** is to be paid less than the national minimum wage of \$606.40 per week or \$15.96 per hour.

Employees covered by Collective or Enterprise Agreements are subject to the terms of their Agreement most likely to have their wages adjusted by 2.9%. Agreements should be checked as a different adjustment may be specified. The casual loading will increase to of 23 per cent on 1st July 2012. If the employee is covered by a Collective or Enterprise Agreement the casual rate may be prescribed differently until 1st July 2014 when casual rates in both Awards and Agreements will be 25%.

There is no requirement for Employers to adjust the casual loading or the 2.9% until the 1st July 2012. When the new rates are available SADA will issue another Member Update.

Employers who are paying above award rates may absorb the increases either partly or fully.

UNDERPAYMENTS BY CONTRACTORS AND PROSECUTION BY THE FAIR WORK OMBUDSMAN

Chas Cini

When a person engages a contractor to provide him or her with labour, and the contractor underpays the employees engaged the principal may also be prosecuted.

Currently there is a claim against Coles alleging that it was “wilfully blind” to the exploitation of six Indian trolley collectors who worked up to 12 hours a day at four of its South Australian Supermarkets. It has been alleged that the trolley workers were underpaid a total of \$150,000 incurred over an eighteen month period.

The Fair Work Ombudsman has reportedly alleged that the contractors (who were actually the employers) were

underpaying their employees at a rate below the minimum wage rates. It is further alleged that Coles was aware because the prices that it paid to its contractors, should have indicated that there was undercutting of the minimum wage rates.

Companies face a maximum penalty of \$33,000 per breach and individuals who act as labour hire agencies are liable for penalties of \$6,600 each per breach.

It should be noted, that the penalties are per breach not per offence. If you engage labour through a third party (i.e. contractors or labour hire companies) and the rate being paid does not make provisions for the following:-

- a) Minimum adult wage - \$16.00 per hour for a full time adult as from the 1st July 2012 plus,
- b) 25% casual loading plus,
- c) 9% superannuation guarantee contributions plus,
- d) WorkCover levy and,
- e) Profit for the labour hire, company or contractor.

You need to be very suspicious of the arrangement and be alert that you may be liable for underpayments at the rate of \$16,000 per offence (if you are a sole trader or have a trustee arrangement). If you are incorporated (e.g. Pty Ltd) the penalty is \$33,000 per offence.


When engaging any contract labour for shearing, crutching, harvesting, seeding etc any arrangement whereby the labour hire rates are less than about \$25 per hour, you may wish to give serious consideration to the implications as underpayments can be sought for up to six years.

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SADA MEMBER DETAILS UPDATE FORM

Thank you to those members that have filled in this form but we would still like more responses as we believe that many of you would prefer to receive your Update and/or meeting notices by email rather than paper versions. So could you please fill in the form below indicating your preference and return by the methods listed. This is also a means to update our database to ensure that every one of you receives the most current dairy information.

SADA Member Details Update

Name:

Trading Name:

Home Address:

.....

Mailing Address (if different):

.....

Phone: Fax:

Mobile: Email:

Would you (the SADA Member) prefer to receive the following via Post or email:

“Dairy Update from SADA” Post Email

Meeting Notices Post Email

Other Information Post Email

Are there any family members or farm managers/employees that you would like to have receive the “Dairy Update from SADA” via email only?

Yes No

If Yes please list their names with their email address and mobile phone number (we may look at sending SMS alerts in the future).

Name:

Mobile: Email:

Name:

Mobile: Email:

Name:

Mobile: Email:

Please return via Post: U5 780 South Road GLANDORE 5037, Fax: 08 8293 8886 or Email: sada@sada.asn.au

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Good people to know.



DAIRY UPDATE FROM SADA

8 August 2012
PRESIDENT'S REPORT
David Basham – 0417 865 962

As many of you may have heard in the media, Australian Dairy Farmers' Ltd (ADF) has removed SADA as a member of ADF last week. The ADF claim that SADA have acted "prejudicially towards ADF". SADA denies any wrongdoing and have only been invoking our democratic right as a member to oppose the current proposed restructure to the ADF. SADA believe it is not in the long term interests of South Australian & Australian dairy farmers for the ADF to move to a small non representational board.

SADA will continue to look after SA dairy farmers' interests and we will redirect the membership fee of approximately \$30,000 each year into directly addressing national issues effecting SA dairy farmers.

I have spoken to the State Minister for Agriculture, Gail Gago and Primary Industry & Regions South Australia (PIRSA) senior staff about the situation. I have also written to the Federal Minister, Joe Ludwig and requested a meeting the next time he is available in Adelaide. I have also written to all the SA Senators and SA Members of House of Representatives that have dairy farms in their electorates

SADA is an organisation that has represented the interests of dairy farmers in South Australia for over 80 years and our intention is to continue to do the best we can for our members.

To protect the interests of our dairy farmer members in South Australia we will be discussing with Dairy Australia the option of becoming a Class B member of Dairy Australia to formalise our working relationship.

The Queensland Dairyfarmers Organisation has indicated to us similar concerns about the situation at ADF and we will continue to work closely with them on issues that are common to both organisation. We will also be discussing options on how to strengthen our working relationship with the National Farmers Federation.

On Tuesday 14th of August at 9.30am, SADA is holding its AGM. This year all members have a choice to attend in person or by teleconference. The details to dial in are later in the Update.

If you would like to discuss the issue of our expulsion with me please feel free to contact me personally on 0417865962 or by email at dbasham@bigpond.com.

SADA is also investigating being involved with the new Primary Producers Council (PPC) to strengthen our cross commodity involvement. The proposal is for all the commodities to form organisations similar to SADA to look after the commodity issues and PPC will look after the cross commodity issues. We are also investigating using the funding mechanism available to rural industries under State law to collect a levy similar to the levy that is currently collected on the NLIS tags. This will spread the cost of delivering the services of SADA across all dairy farmers in SA not just our current members. Under this funding mechanism, it is compulsory to pay the levy but individuals can claim back the levy at the end of each twelve months if they wish.

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Finally, I would like to thank an outgoing SADA Board member, Glenn Dohnt for his valued contribution to the SADA over the last few years. Glenn has also represented SADA at DairySA and he will continue to be part of the DairySA Board. I would also like to welcome two new Board members in Kate Bartlett representing the River & Lakes, replacing Glenn and John Hunt representing the South East who is filling a casual vacancy.

Disclaimer: This publication is provided in good faith and as a guide only, it may be of assistance to you, but SADA does not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

CEO'S REPORT

Discussion by SADA members this month has been dominated by the options and prices on offer by the companies. Thanks to the members and the companies for keeping the SADA posted on the changes so we can update our records and thereby keep our cash flow strong.

The other topic of conversation has been about the rising costs and the dreaded carbon tax that has contributed to reports of dairy farm electricity bills increasing by 30%. Grain prices are leading to dairies cutting back on their normal purchases. Wheat for example has gone from \$225 delivered a month ago to \$325 delivered today. Barley at \$300 delivered may be a better option.

So we are hearing members are discussing strategies on how to best cope with these challenging circumstances and we have decided to highlight what industry sees as some key messages. We are calling these seminars the "Tight Times" Seminars.

"TIGHT TIMES" SEMINARS

SADA and DairySA are well aware that the dairy farmers are doing it tough and have come together to sponsor two "Tight Times Seminars".

The first is to be held at the Myponga Football Club on Tuesday 28th August from 10.15am until 2.00pm.

The second to be held at the Blue lake Golf Club on Wednesday 29th August and again from 10.15am until 2.00pm. Contact Verity Ingham at DairySA to register. Phone 0428 660 127.

WATER ISSUES

Water planning issues across all dairy regionals remains a major focus of activity for SADA.

The SE WAP is finally coming together. The Eastern and Western Mt Lofty Ranges Plans are close to being finalised. SADA has an ongoing involvement in the development of these new Plans. We have hosted a visit to the dairy industry on the Swamps for Scott Ashby, CE of the Premier's Murray Darling Basin Plan Taskforce on Wednesday 11 August. This was followed by a meeting of Ken Lyons and Monique White with Scott Ashby and Ben Fee to look at funding options for the LMRIA. Then the possible involvement of SADA in assisting the development of a funding of a proposal targeting the needs of the Lower Murray Reclaimed Irrigation Area (LMRIA) was then discussed at a meeting in Murray Bridge chaired by Ex-Premier, Dean Brown. This meeting saw merit in SADA calling a further meeting of stakeholders in Murray Bridge.

Currently SADA is working towards a meeting to be held in Murray Bridge on the evening of Monday 20th August but we will notify our members in the LMRIA area as soon as we have the details confirmed.

Finally; there was agreement (arising from the visit to the region on 11 August) that SADA and Scott Ashby will also review the situation in the Lower lakes in the near future.

BAROSSA MID-NORTH CO-OP

SADA CEO, Ken Lyons, will be meeting with the Board of the Barossa Mid- North Co-op. on Thursday 9th August

INDUSTRIAL RELATIONS

Industrial Relations continue to be an area that SADA can play a supporting role for members, especially the larger dairies, with employed staff. The member access to Chas is well appreciated and we again have included a brief article by Chas and this time on the importance of keeping records.

Bad record keeping and underpayments by employers may cost the employer – Complaint led to \$350k back pay nightmare

In previous Updates we have provided details of Records that must be kept for usually up to 7 years. These include timebooks, leave records, payslip etc. We also recently provided the wage and allowance increases which came into effect on 1st July 2012 (included with this Update).

The Fair Work Ombudsman (FWO) acts against employers who fail to comply with record keeping obligations and paying the correct rates of wages.

A disgruntled employee, a random FWO Audit, or a claim by an employee for an underpayment of wages can potentially impact on the employer having to make good underpayments for up to 6 years.

A recent claim for underpayment of wages was reported in this State and resulted in the discovery that almost 400 workers had been systematically underpaid at one of the largest business services companies in the world, the Fair Work Ombudsman (FWO) has reported.

A payroll error resulted in 396 current and former employees of the Company, being underpaid over a two and a half year period.

The discovery was made following a complaint from a single worker, who contacted FWO to enquire about underpayment and non-payment of overtime. Deficiencies in the employer's record-keeping practices prevented Fair Work inspectors from accurately calculating outstanding entitlements for the worker. FWO issued a contravention letter to the company requiring it to ensure its compliance with workplace laws.

In response, a self-audit by the Employer revealed the extent of the inadvertent errors in applying overtime provisions between July 1, 2007 and December 31, 2009. The underpayments ranged from as little as \$8 to as much as \$5,200.

An Enforceable Undertaking was issued as an alternative to litigation. As part of the Enforceable Undertaking, the Company will make a \$40,000 donation to the Working Women's Centre in South Australia to assist with promoting the need for employer compliance with national workplace laws.

LINK TO COUNTRY HOUR INTERVIEW

If you are interested this is the link to several interviews regarding the expulsion of SADA from ADF. Interviewees include David Basham, Chris Griffin (ADF President) and Kerry Callow (ADF Board Member and President of the UDV).

<http://www.abc.net.au/rural/news/content/201208/s3558684.htm>

LAUNCHING OF AUSTRALIA'S FIRST ARTISAN CHEESE ACADEMY

On Wednesday 1 August Minister Gago launched the new Artisan Cheese Academy to be based in Adelaide. This is another important step for the South Australian Dairy industry, as the academy will offer the full range of technical and scientific training for students, and the general community, to learn the art of making both hard and soft artisan cheeses.

Congratulations to Kris Lloyd and her steering committee for bringing this project to completion. This is another step in positioning our State as a producer of fine food and wine.

The launch was an opportunity for our SA dairy industry to come together with the Minister and senior government advisors to progress industry matters.

SHOW TICKETS AND SHOW BBQ



SADA has again been given a limited number of tickets to attend the Adelaide Show from September 7 to 15. If you would like a couple of adult tickets (sorry no children's tickets available) please phone Jo on 8293 2399 or 0419 035 459 or email your request to sada@sada.asn.au Get in early as they are snapped up very quickly. Only 2 tickets per member please.



The SADA/Wesfarmers show BBQ will be held this year on Wednesday 12 September in the dairy cattle show arena behind the dairy sheds. So come along and have a great feed, we look forward to seeing you there at about 6.15pm.

SADA AGM

There has been a change of plan and the SADA AGM will now be held on Tuesday 14 August at 9.30am via tele conference. If any member wishes to be involved in this they can phone in on 1800 692 663 and when asked press 81440878#. The SADA Board meeting will now be held on Thursday 13 September from 10.00am in the SADA Office.

LEAVE CALCULATOR

Having an association with Chas Cini that can be accessed by SADA members is becoming more and more recognised as an important member benefit. Chas is able to provide expert advice on a range of employment issues, and as many of our dairies are expanding and employing more staff, this arrangement is becoming more important to members.

Chas has developed a Leave Calculator (Annual Leave, Carers Leave (formally known as Sick Leave), and Long Service Leave). The Leave Calculator is interactive so you need to feed in the data to get a result. It is a short and simple spreadsheet but it cannot be sent in the Update so to get a copy you have to call Jo at SADA to send it to you by email.

SADA CAP FEES

If you have paid more than \$2103.62 in fees for the 2011/2012 financial year and would like a refund of the difference please contact Jo on 8293 2399 before October 2012.

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SADA MEMBER DETAILS UPDATE FORM

If you haven't already updated your details could you please fill in and return the form below?

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Mailing Address (if different):

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Mobile: Email:

Would you (the SADA Member) prefer to receive the following via Post or email:

"Dairy Update from SADA" Post Email

Meeting Notices Post Email

Other Information Post Email

Are there any family members or farm managers/employees that you would like to have receive the "Dairy Update from SADA" via email only?

Yes No

If Yes please list their names with their email address and mobile phone number (we may look at sending SMS alerts in the future).

Name:

Mobile: Email:

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Good people to know.



DAIRY UPDATE FROM SADA

10 September 2012
PRESIDENT'S REPORT
David Basham – 0417 865 962

SADA is getting on with representing South Australian dairy farmers on local, state and now directly on federal issues. SADA is the only organisation that represents the South Australian dairy farmers in lobbying and advocacy. You may have read that Australian Dairy Farmers' Ltd (ADF) are intending to represent you, but they gave up that right when they removed SADA as a member leaving no organisation in South Australia that can have a voice around the ADF board table. Once they removed SADA that enabled them to move to their new constitution so farmers can be direct members of ADF. This does not apply to South Australian farmers, to be a direct member you need to be a member of your state organisation and following ADF removing SADA as member of ADF no South Australian dairy farmer can join ADF.

I would like to thank all of you that replied with your signature in support of SADA becoming a Group B member of Dairy Australia. We are still collecting signatures so please forward them as soon as possible as we need to forward them to Dairy Australia by the end of this week. Group B membership will require Dairy Australia to consult SADA on its strategic plan and give us an opportunity to have a representative on Dairy Australia board director selection panels. This is important to SA to keep a strong link with Dairy Australia.

SADA is continuing to investigate the option of joining the new proposed Primary Producers of SA (PPSA) that the former Premier Rob Kerrin is developing. To move this way we need to investigate the option of moving to fund SADA by a levy collected from all dairy farmers in SA to give great security to our income and allow us to help fund the PPSA. The SADA board will discuss this further at our board meeting next week and will then take it out to discuss with our members and dairy farmers in the state generally.

As I mentioned above SADA is getting on and representing its members, in the last two weeks we have been working on the Carbon Tax (you can help here, please refer to article on page 3), transport issues, water issues, animal health cost recovery, as well as the Dairy Australia application and the PPSA new organisation. It is our intent to continue to do our best at representing our members on all these and other important issues.

Finally, I would like to thank James Stacey for his support as Vice President of SADA for the last couple of years. James has stepped down from that role to concentrate on his bid to become a Senator for South Australia. I would also like to thank Nick Brokenshire for taking on the role as vice president and look forward to working more closely with him.

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CEO'S REPORT

Dairy farmers are doing it “tough” but they had the opportunity to toss around management options at the recent “Tough Times” seminars held at Myponga and Mt Gambier and co-hosted by DairySA and SADA. Due to the success, two more seminars are being planned for the Barossa and Murray Bridge. Perhaps the most encouraging sign going forward is the strengthening of the international dairy market but the timing and the extent of the recovery is yet to come clear. Rain is falling across the state which should provide a boost to the season. Homegrown grass and feed is the cheapest feed and thus the importance of the season.

SADA, and the other state dairy industry associations, continue to put pressure on the politicians to address the power of the supermarkets and to protect our Australian food producing industries. We at SADA have also been very active in taking the issue to the general public where there is a growing awareness by the consumers that the supermarket duopoly is limiting their longer term access to fresh Australian produce. This is not a fight we can give in on, but as shown by the recent breakout story on the social media, we can have great success so long as we are very smart on how we take on these powerful supermarkets.

It is now clear for all to see that the statements by Coles made to the public, and to the parliamentary milk enquires, that they would pay for the milk discounts and that the devaluation would not to be passed back down the chain was not true.

It is pleasing to see several of the dairy processors opting, through product innovation, to access the higher value end products in the domestic market in an effort to counter the supermarkets savage “devaluation” of our dairy product on the domestic market. The challenge is that when profit margins are squeezed there is less room for both processors and farmers to invest in new technology at the very time it is most needed.

MILK SUPPLY CONTRACTS

This year many dairy businesses in South Australia decided to change their milk company. By matching the farm production and cash flow requirements with the contracts on offer many people are today reporting that they have improved their farm gate milk price. The addition of Murray Goulburn, Parmalat and UDP in the Central Region of SA, has increased the competition for milk supply and thus appears to have put upward pressure on milk prices.

RIVER AND LAKES

While river flows in the Basin have improved in recent times, there are real concerns about the future of our dairy industry on the MDB in South Australia. Two key targets for our sustainability are the river height and the salinity levels in the lakes. Our industry needs security on these issues to justify further investment. So, through SADA, we have put a lot of lobbying and working with the SA government agencies to get an acceptable policy position to provide this sustainable future.

SADA would like to acknowledge the success in South Australia of achieving a “bi-partisan” approach to a united position in relation to the MDB Plan.

More recently we at SADA have been are working with both the SA and Federal governments to develop options for infrastructure funding for both the river and lakes farmers via a Water Industry Alliance (WIA) funding proposal.

Recently (20 August) SADA held an information night for dairy farmers on the Lower Murray Reclaimed Irrigation Areas (LMRIA), regional community leaders, and government agency people to discuss the Water Industry Alliance proposal. Special thanks to Scott Ashby and Ben Fee from the Premiers River Murray Response Group, and Andy Robert the CEO of the Water Industry Alliance for the presentations. Thank you also to the following community leaders for their participation on the night; Dean Brown, Michael Cutting, Darryl Webb, Caren Martin, David Palmer, Dean Lanyon, Kent Llewellyn, Les Martin and Richard Reedy, David Basham, James Stacey, Kate Bartlett, and Glenn Dohnt.

There can be no assurances that through this project we will be able to deliver a positive outcome; but if we can get the pricing levels per megalitre right, and with the flexibility we want on how the money can be spent, and providing this can be delivered within acceptable timeframes THIS IS AN OPPORTUNITY THAT OUR DAIRY INDUSTRY HAS DECIDED TO EMBRACE. This WIA project has to be an “industry led proposal” but as shown by the recent meeting arranged by SADA in Murray Bridge we are fortunate that our State government and their agencies from the Premier down are co-ordinated and right behind this funding application.

Thank you for all those who have provided feedback to Ben and myself on the development of the proposal in recent days. I meet with Ben Fee on Tuesday 4 August and we are proceeding with the proposal development that has now been funded. There is a possibility of showing the federal government people the situation below Lock One in the near future.

I was most encouraged to hear that several dairy farms in the region are considering joining SADA because of the work we are doing in seeking a future for the industry in the region. A lot of what SADA does is not that evident but work on issues like water security is right “in your face stuff”.

CONGRATULATIONS TO ALL THOSE WHO HELPED US TO RESIST THE BIOSECURITY LEVY

State governments are keen to build their income but the proposed “biosecurity levy” was going too far and eventually seen as unfair revenue gauging.

CARBON TAX

When milk prices go backwards as they have this year the cost price rises hurt the farm finances twice as much. For example; electricity charges are going through the roof and this is partly due to the Carbon Tax. Members can help us with real life case-study information. ***Please help us at SADA to highlight the consequences of this disastrous new tax on business by passing on to SADA your stories of how the record electricity price rises are impacting on your farm businesses.***

TRANSPORT REGULATIONS

If there is one single issue that a cross commodity association like the proposed Primary Producers SA (the replacement for SAFF) should have as its first priority it is transport regulations. This is an area that is simply frustrating all agricultural sectors because it should be easy to fix.

The big issues include licencing (especially tractors and staff), BW access, and compatibility with Victorian regulations.

SADA has been given a strong message from the members to meet with the Minister to raise the concerns, and get some action, and then report back.

EASTERN AND WESTERN MT LOFY RANGES WAP'S

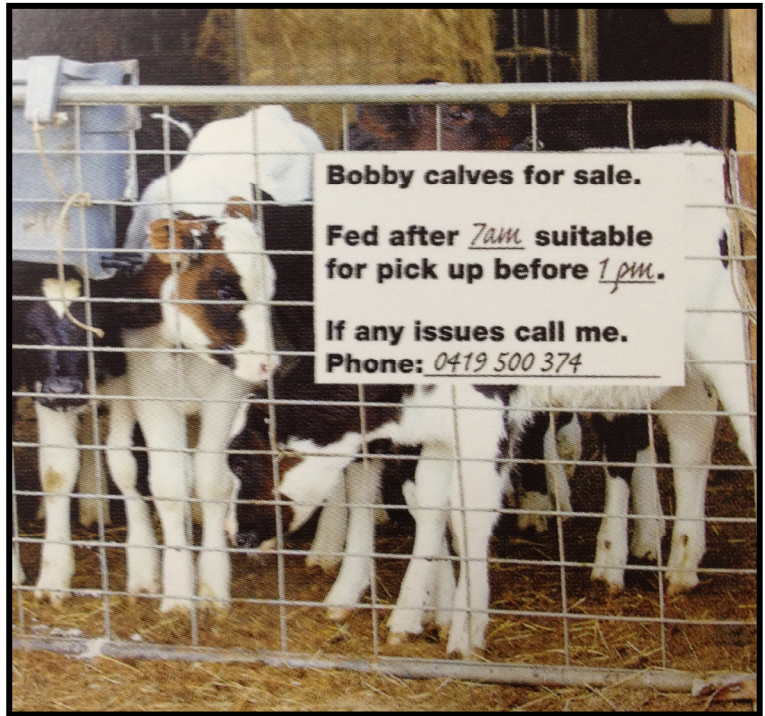
These Water Allocation Plans are due out this month and SADA will work through the implications with members and the government agencies.

DAIRYSA BOARD POSITIONS

Information is about to go to all dairy farmers inviting applications for the DairySA Board.

NEW LIVESTOCK REGULATIONS COVERS CALVES

Included in this SADA Update is the SADA Media Release on the new *SA Animal Welfare regulations 2012*. To help farmers comply Dairy Australia has developed signs (as shown in the photo) and we suggest every farmer has one. Dairy Australia is making them available free of cost and they can be ordered through the SADA Office.



ADELAIDE SHOW

SADA continues to be a great supporter of the Show. We appreciate the support by Lion for the Exhibition Dairy, Dairy Australia for Dairy



Day and Wesfarmers, Parmalat and Lee McKenzie's Cleland Veal for the Show BBQ that will be held on Wednesday 12 September in the dairy cattle show arena behind the dairy sheds. So come along and have a great feed, we look forward to seeing you there at about 6.15pm.

The SADA Board Members are on hand to talk to dairy farmers, and others, about any of the issues relating to dairy. In recent years we have signed on one or two new members to SADA and it would be great if this was to continue this year.

There was a great response to the free show tickets and subsequently we have none left. Enjoy your day out!

LEAVE CALCULATOR

Having an association with Chas Cini that can be accessed by SADA members is becoming more and more recognised as an important member benefit. Chas is able to provide expert advice on a range of employment issues, and as many of our dairies are expanding and employing more staff, this arrangement is becoming more important to members.

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SADA CAP FEES

If you have paid more than \$2103.62 in fees for the 2011/2012 financial year and would like a refund of the difference please contact Jo on 8293 2399 before October 2012.

MEMBER UPDATE PAY-SLIP TEMPLATE

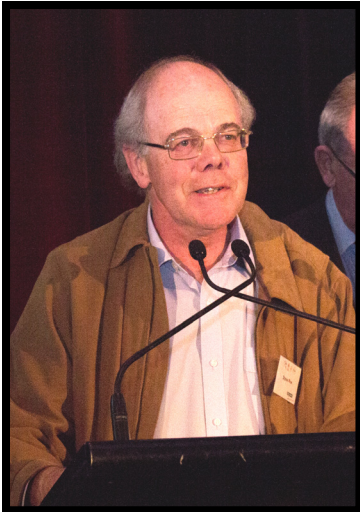
Chas Cini

Employers must issue pay slips to each employee within 1 working day of their pay day. It's best practice for these to be written in plain and simple English. The pay slip must be issued in electronic form or hard copy.

Employers must ensure that a pay slip is issued to an employee, even when they are on leave. Not sure what should be on a payslip? The Fair Work Ombudsman (“FWO”) has created a payslip template which can be accessed at <http://www.fairwork.gov.au/resources/templates/pages/Pay-slips-and-record-keeping.aspx>

Currently the FWO is conducting audits. We are aware that audits have included restaurants in the Gouger Street and North Adelaide areas and retail stores in the Murray Bridge area. The FWO can conduct random audits so this Update is intended to help members to make sure that their payslips are correct in case of an audit.

SA DAIRY AWARDS GALA DINNER



The SA Dairy Awards Gala Dinner was held on 14 August and was well supported by sponsors Dairy Australia, Lion, Ecolab, Warrnambool Cheese and Butter, Prime Super, Shamrock Foods, SAI Global, UDP, Wesfarmers, TAFESA, DTS Food Laboratories and DIAA National Sponsors Chr Hansen. As well, there were many contributors to the meal including Alexandrina Cheese, B-d Farm Paris Creek, Golden North, Lion, Mini Melts, Moo Yoghurt, Parmalat and the RA&HS. To all these companies SADA would like to say a big thank you for without this support the dairy manufacturers, big and small, would have no vehicle to showcase their products. Over 210 people attended including dairy farmers, political and industry leaders, sponsors and dairy and chocolate makers and their staff. The evening was MC'd by Bob Snewin and guests were entertained by funny man Rod Gregory “the Old Fella”.

Congratulations to all the Trophy winners who included Bracegirdles, Golden North, La Casa del Formaggio, Hindmarsh Valley Dairy, Jalna, Jindi and Lion.

Congratulations also to Steve Rice (former CEO of DASA, now retired) who was awarded the Brenton Higgins Award for exceptional service and contribution to the Australian Dairy Industry.

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Good people to know.



DAIRY UPDATE FROM SADA

25 October 2012
PRESIDENT'S REPORT
David Basham – 0417 865 962

GROUP B MEMBERSHIP OF DAIRY AUSTRALIA

I would like to thank all those farmers that supported SADA in its application to become a Group B member (industry organisation members) of Dairy Australia. We easily received the 100 signatures to support our application of Group A members (dairy farmer members) with over 100 from SA Farmers plus at least one from each other state. Our next step is to make sure we have enough votes to be endorsed at the Dairy Australia AGM at the end of November. To make this possible it is important that as many Group A members vote as possible, either in person or by proxy. To vote by proxy you need to appoint a person to vote on your behalf. The forms to do this will be circulated by Dairy Australia shortly. SADA would like to encourage you, if you are not able to attend, to appoint me as your proxy holder. If we are able to get the majority of South Australian dairy farmers to vote in support of our application it will go a long way to making our application successful.

The importance of becoming a group B member is to ensure that SA is consulted on the Strategic direction of Dairy Australia and so we are involved in the selection process of future Dairy Australia board members. SA farmers lost that link when Australian Dairy Farmers Ltd (ADF) removed SADA as a member of ADF. Please help us make sure the views of SA farmers continue to be heard by our national service body, Dairy Australia.

MILK PRICING

I was very pleased to hear that Murray Goulburn announced another step up last week. This is their second step up for the year. They have also adjusted their end of year forecast up as the world price for dairy products continues to rise. The latest Global Dairy Trade auction continued to rise with another increase of 1.8% on the trade weighted index of products sold. This movement and increasing world price continue to be positive for those supplying Export companies. The disappointing thing for those supplying domestic companies is that this year's contracts were written at the bottom of the market and it appears that unless the companies decide to match the export price rises those supplying the domestic market will be behind.

This makes no sense as the domestic market requires a flatter supply curve that is more expensive for farmers to deliver so there is a need for a premium to supply that flatter supply. This may be an effect of the milk price war, but the companies are the ones that can make pricing changes to farmers not the super-markets. The question that needs to be asked are the domestic milk companies hiding behind the supermarkets as the companies improve their bottom lines at the farmers expense. I would encourage farmers that supply the domestic companies to ask questions about why is their price so low.



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CEO's REPORT

Dairy Businesses around the world and in many regions in Australia are currently running at a loss. Hopefully, this will be a short term situation but the industry has responded by implementing the Tough Times Seminars across the country. SADA is well aware that farms currently carrying high debt are particularly stressed and need immediate support.

Nevertheless, while the big news stories of the dairy industry across Australia relate to battle with low milk prices and higher costs we are pleased to give our industry some good news. There are two major proposals being developed for our River and Lakes members. Just as the work SADA played in delivering benefits to members with the development of the water plan in the South East earlier this year, it is very pleasing that we are now part of progressing two major projects for the River and Lakes farmers. Also in the coming year, we at SADA are also planning to play a role supporting our members in the Eastern and Western Mt Lofty Ranges with those Water Allocation Plans.

TOUGH TIMES SEMINARS BEING DELIVERED ACROSS AUSTRALIA

The third of the Tough Times Seminars (jointly sponsored by DairySA and SADA) to be delivered in SA was held at Nuriootpa on 26 September. The program explored with the farmers ways of coping with lower milk returns and rising costs. In terms of the farm a key message was to make decisions as early as possible as doing nothing is not an option. Many farmers are saying that the first step is to ensure every farm has negotiated the best milk supply contract for that particular farm, as this is an area where a better price can have a big impact. The program also included information on the assistance that is available and the importance for the industry to have support networks.



Liz Cotton and Nerida Ewart – DairySA Extension Officers

INTRODUCING THE PEOPLE FROM THE RURAL FINANCIAL COUNSELLING SERVICE SA



Andrew Wilson and Grant Crittenden

Who do you talk with about Milk Prices and Increasing Production Costs?

During difficult conditions, it's important to have someone to talk with about how your dairy business is travelling.

A Rural Financial Counsellor can be a good sounding board for your ideas, and can help you assess different options available to you.

Have you been asking yourself any of these questions?

What is happening to my profitability with current milk prices and increasing production costs?

Am I going to have enough cash on hand when I need it to keep paying my bills?

Contact: Andrew (Adelaide) 0439 286 550, Grant (Murray Bridge) 0417 849 705, Deb Purvis (Mid North/Barossa) 0427 430 244 or Charlie Goode (South East) 0417 816 826 or call 1800 836 211

DAIRY BUSINESS OF THE YEAR FIELD DAY



Warren Jacobs

The finalists for the South Australia Region this year were Warren & Jane Jacobs and Kym & Kate Bartlett. The field day was held at the Jacob farm on 19th September.

These Dairy farm Business Competition field days have been very popular with our SA dairy farmers over the years because you get to have an in-depth look at the farm figures and with the help of Neil Lane try to account for why these farms are more profitable than the other farms in the region. But this time there was the added interest in how these farms were adjusting to the “tough times” (lower prices and rising costs). Perhaps the issue that generated the most focus was that of trying to produce as much feed on the farm and minimise the need for purchased fodder. This also involved finding ways to grow fodder outside the spring peak. On the day (middle of spring) the sight of bare paddocks being re-sown to specialty crops and pastures for out of season production was seen as unusual but perhaps “leading edge” for Mt Compass. Warren plans to grow deeper rooted perennial pastures such as chicory and Lucerne.

The use of the pivot to produce out of season feed was also of interest. A previous winner of the Award, James Stacey, who has an off-farm hay making business (so he has the equipment) said he is attempting to use his pivots to totally negate making any hay on his farm this year.

On a recent visit to the Barossa Region the season has been quite poor and many of the dairy farms are being forced into buying in feed and so many are now looking to reduce cow number and perhaps looking again at sex semen that can lead to faster herd growth in the coming years. This is a possible option (of reducing cows) when the debt is low as the bank will not be on your back. If the feed is going to be of lower quality then consider closely which cows will be most suited to the new harsher feed regime.

Warren appears to be still enjoying the challenge of running a dairy business and has a history of innovation and embracing change. Perhaps the most interesting question was, given that he has gone from around 200 cows to 800 and now back to 400, what number of cows does he now believe is the right number. His answer related to the lifestyle he and Jane were now seeking and this was a reminder that at the end of the day you, the farmer, has to decide the future and do not let the farm run you. That there are times to grow and times to downsize so you feel more comfortable with the business.

Warren mentioned that on leaving school he trained as a surveyor so when he came back onto the farm he found the TAFE Dairy Courses were most valuable. Mark Thompson (Dairy TAFE) attended the Field Day with Glenn Beath who has agreed to work part time in the TAFE Dairy Program. The inclusion of Glenn to the team comes at the very time dairy farmers in the central region are looking to TAFE for more programs in this region.



Glenn Beath and Mark Thompson

POSITIVE NEWS FOR RIVER AND LAKES DAIRIES

While the media is full of stories about the finalisation of the recommendation by the MDB Authority to the Minister and his presentation to the Parliament there has been two new initiatives that are generating great interest and giving hope to our SA dairy farmers on the river and the lakes. I am pleased to say SADA and our members are actively involved and supporting these two proposals.

The first proposal; is the Water Industry Alliance proposal that will facilitate a water buy back on terms that would support out industry to re-establish itself along the Murray Swamps. It is pleasing to report that negotiations are proceeding and we are expecting an outcome later this year. For those who attended the meeting in Murray Bridge meeting address by Scott Ashby the issues raised on how the money can be spent are some of the key negotiating issues.

The second proposal (and again another \$100m plus project); involves opening up the “narrows” between Lakes Alexandrina and Albert. The secret to this project success will be not only attracting significant Federal Funding but initiating co-operation between several State Government Agencies. Hopefully, we will have further positive news on this project in coming weeks.

STRATEGIC PLANNING FOR THE SA DAIRY INDUSTRY

The PIRSA Chief Executive, Ian Nightingale, has invited SADA to work with the state government to look at how we can achieve better alignment of government and industry policy and also to provide strategic input to those Commonwealth Government agencies which have responsibility for managing the various funding schemes.

The Commonwealth Government in 2008 announced **Caring for our Country** as its flagship natural resource management. The next phase from 2013/14 to 2017/18 will focus on both sustainable agriculture and sustainable environment. Almost one third of the \$2billion allocated under the sustainable agriculture stream. So we want to see that our state dairy industry is well represented in this funding process.

In addition, **the National Food Plan** green paper was released in July and this underpins the vision of Australia being a reliable, sustainable, productive and resilient supplier of nutritious affordable food. So here again PIRSA and SADA need to be singing from a similar page.

Finally, there is the South Australian Food Strategy 2010-2015 priorities and the recently announced **“Premium Food and Wine from our Clean Environment”** strategy for SA. The SA food and wine industry is worth over \$14billion and accounts for 36% of our total merchandise exports.

So this is another area SADA will be working on behalf of our industry.

CHOOSING YOUR WORKERS COMPENSATION INSURER FOR 2013 AND BEYOND

Recently the South Australian WorkCover Corporation awarded contracts for the provision of case management services to insurers Employers Mutual Limited and Gallagher Basset.

Dairy businesses will have received correspondence from WorkCover advising them of the change and asking them to nominate your preferred insurer if 2013.

SADA has a positive working relationship with Employers Mutual (we can provide a helping hand if there is a problem) and they have supported our industry through generous funding of Occupational Health and Welfare programs (Manuals and Seminars).

SADA would urge members to give consideration to giving their preference to EML in 2013 and beyond as your preferred claims management insurer.

ADELAIDE ROYAL SHOW

The Adelaide Show is regarded as one of the best Agricultural Shows in the country and it keeps getting bigger and better year after year. This year the Royal Adelaide Show achieved an important milestone - the highest number of competitive entries in the history of the Royal Adelaide Show.



L-R: Tehani Sleeman, Liam Bache, Damien Charles and Peter Miller from Wesfarmers, Vicki Miller and SADA Board Member John Hunt at the Show BBQ

It was a great credit to the Show Dairy Committee for the fine work in relation to planning the key dairy components including: the Exhibition Dairy, the Dairy Cattle Showing, the Dairy Day activities including the Celebrity Milk-Off, the Milk Bar, and the Wesfarmers/SADA Dairy BBQ.

The Show presents an ideal way for the South Australian Dairy Industry to show off our industry to metropolitan Adelaide.

During the Show the guest speaker at the Rural Media Breakfast was the Chair of "The Australian Year of the Farmer", Philip Bruem AM.

YEAR OF THE FARMER

Australian Year of the Farmer serves to remind everyone from both rural and urban centres, of the critical role of farming in Australia, the importance of food security and our dependence on the Australian farmers.

The Chairman of the program is Philip Bruem AM. Operating a family farm at Forbes NSW, he has a dairy connection as both a dairy farmer and as a previous Director and Deputy Chairman of the national dairy food processor, Dairy Farmers Co-operative. He was awarded Membership of the Order of Australia (AM) for service to the dairy industry and the community in 2010.



Philip Bruem and SADA's Jo Gilbert

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PASTORAL AWARD 2010

Minimum Engagement

The Pastoral Industry Award 2010 prescribes the minimum engagement periods for part time and casual employees.

A part-time employee cannot be engaged for a period of less than three consecutive hours. The award provision states;

Clause 10.3 (e) An employer is required to roster a part-time employee for a minimum of three consecutive hours on any shift.

The Award prescribes in Clause 10.4 (f) that casual employees will not be engaged on each occasion of less than three hours. The award provision states;

Clause 10.4 (f) On each occasion a casual employee, other than a casual pieceworker, is required to attend for work, casual employees are entitled to a minimum payment of three hours' work at the appropriate rate.

Any engagement of a shorter period than specified will require payment to be made for the respective minimum period whether worked or not.

If you have any concerns or comments regarding these provisions please contact SADA which is participating in a review of Modern Award provisions.

Animal Health Cost Recovery Review Reference Group

Communiqué

Issue 8: October 2012

The Animal Health Cost Recovery Review Reference Group held its eighth meeting in Adelaide on 15 October 2012.

Reference Group Report

The meeting focussed on reviewing the draft report of the reference group. The report, which includes an overview of livestock industries in South Australia, information about state and national bio-security activities, cost recovery design options, and observations and recommendations from the reference group, will be further refined out of session.

Feedback from industry reference group members will be considered during the weeks before the final meeting next month, at which time then report will be finalised.

Feedback and Communication

An email address has been set up for industry to communicate with the Chairman regarding activities of the reference group. If you have any questions, concerns or comments please email them to:

PIRSA.Animalhealthreview@sa.gov.au

The group will hold its final meeting on 20 November 2012.

The 2011-12 WorkCover SA Annual Report is now available, view at
<http://www.workcover.com/workcover/news-and-media/latest-news?c=11966>

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Good people to know.



DAIRY UPDATE FROM SADA

17 December 2012

PRESIDENT'S REPORT

David Basham – 0417 865 962



As most of you are aware, SADA was not successful in becoming a group B member of Dairy Australia. We received a large amount of support but there was a campaign run against us in the last week on what I believe was based on an unjustified fear of SADA having an out of balance voice within Dairy Australia. The sad thing is that argument actually delivered just that, an unfair voice with SA farmers not having a peak body that has a formal relationship with Dairy Australia that the rest of the farmers in the country have access to.

There has been a lot of talk about SA rejoining ADF. SADA did not ask to be removed. Yes, we had given notice as a protection against our financial commitment to ADF with the uncertainty of its structure, in a very similar way to ADF's long-term use of notice to cease being a member of NFF. The issue is that it is not up to SADA to rejoin at this point in time. The ADF have a motion on their books that states that SADA cannot reapply to be a member until the 1st of August 2013. There are further issues that also complicate our rejoining, that is that ADF would have to hold a Special General Meeting to recognise SA as a dairy region under their constitution. They would also need to make changes to their constitution to allow us to sit on the ADF National Council. For us to even consider placing an application, ADF needs to be serious about us being able to rejoin by changing the roadblocks that exist to our potential membership. Once this is achieved, the SADA Board can consider the value proposition of rejoining the ADF versus doing what we are currently doing and looking after our members at a local, State and National level.

The issues around National representation has consumed too much industry time but I would like to make it clear that SADA is working on many fronts, some of which I will list that I have been involved in during the last month.

- Bio-security cost recovery – the State government has been trying to have industry pay for more of what is spent on Animal Health. If we are successful this could stop a further \$300 - \$500 a year being passed on to SA Dairy farmer
- Primary Producers of SA – SADA is working closely with former SA Premier Rob Kerrin and other rural industry bodies to form a new cross commodity organisation to look after the needs of farmers in SA
- Animal Health Statements – nationally a form has been developed to disclose health related information to the purchaser of cattle. SADA lobbied hard to stop this form becoming compulsory as many wanted it to be. This form does not meet the needs of dairy farmers as things as simple as mastitis history is not included, so we did not want to add to your paper work unnecessarily. The only place it has been mandated by government is when cattle are purchased from Victoria.
- Public Consultation of Cattle Welfare Standards – new national standards are being developed to protect the welfare of livestock. We are preparing a submission for public consultation to make sure that farmers are not restricted by unintended side effects of any standards.
- Water plans – SE, Eastern & Western Mt Lofty Ranges, Murray Darling – water has been a big issue for a long time in all dairy regions and will continue to be so. SADA will continue to deal

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with government to protect SA dairy farmers in relation to water.

- Transport – B-double access, Tractor Licences – Simple issues such as access for B – doubles to all SA milk factories to minimise costs through the chain and continuing to seek better access on farms is our aim. Hopefully soon we may be able to get b-double access to the Parmalat factory at Clarence Gardens with the help of the Transport Minister. License to drive tractors of any size in Victoria are covered by an ordinary car licence. In SA any tractor over 4.5 tonnes including any attached implements or load need a heavy vehicle licence or an exemption attached to a car licence. We are lobbying to achieve the same standard in SA so that our farmers and their staff are not driving tractors unlicensed on the roads.

These are only some of the issues I have worked on in the last month and Ken and other SADA Board members have their own lists. We all do this to try and improve the plight of SA dairy farmers, we may not win every time but I believe SADA does win many of them because of the dedication of the SADA Board & staff.

**I would like to wish you all a Merry Christmas
and a prosperous New Year**



CEO's REPORT

As 2013 draws to a close, we acknowledge it has been a difficult year for the majority of dairy businesses. In fact across Australia and around the world, it has been a difficult year for brand dairy. The good news is that the indications are firming up that milk prices will begin to rise in the new-year and for many farmers their payment system will deliver higher returns in Autumn.

SADA would like to share with our members some of **the key issues SADA will be addressing in 2013** on behalf of our membership. We are keen to hear views of our members throughout the year but any feedback on the proposed program outlined in the Update for next year would be especially appreciated. Also it has been suggested we should conduct an **Awareness Survey of our members and see if members are reading the SADA Dairy Update and are aware of the performance of SADA**. So we have included a survey in this Update that you can fax or post back to SADA or you can complete the survey via email.

After a most difficult decade for our River and Lakes dairy industries, there is some very good news for securing a plan for the future management of the MDB and prospects for achieving funding for on farm infrastructure and restoration of Lake Albert.

So let us begin by celebrating the signing into law of the new MDB Plan on Thursday 22 November and the subsequent agreement by the Coalition to support the Plan.

SECURING A FUTURE FOR OUR RIVER AND LAKES DAIRY INDUSTRY

The SADA has been actively involved in negotiations to achieve a workable Plan for the MDB in order to give our industry the security to invest in the region going forward. Basically, the SADA position that had the support of our River and Lakes communities was to “bite the bullet and get started on a Plan”.

The incredible story was front page in the Advertiser on Wednesday 27 November but it came with the sad news that the “face” of the SA campaign to save the river, Henry Jones, has cancer. The headline read, “River saved, now Henry fights for his life”. We all acknowledge the inspirational leadership that this friend of the river has provided, and we also recognise that Henry was loved by everyone who knew him. Earlier this year SADA hosted a river cruise to the mouth of the Murray for leaders of both the Australian and New Zealand dairy industries and Henry Jones and Clem Mason told the story better than anyone. Henry himself in the Advertiser article repeated the SADA position by saying of the Plan, ***“I don’t know whether the plan is quite enough, but I honestly believe it is as far as we could possibly go without bugging everything and the plan being shut down altogether. We’ve pushed it as far as we can go and got the best outcome I think we could have achieved”.***

Just to recap, the confirmed target is 2750GL by 2019 and so far the government has recovered 1,577GL. There is an aspirational target to achieve more than this and the final Plan has an adjustment mechanism to allow for a +/-5% so the volume ultimately recovered could be anything between 2,210GL and 3,290GL. Additionally the government announced an extra \$1.8b for an extra 450GL of water for the environment to clinch SA support. SADA and our River and Lakes members will be keen to follow through on the details that hopefully will be resolved at the COAG Meeting of Ministers to be held on 7 December. In particular, there is infrastructure funding for on farm works and regional development (includes the Water Industry Alliance (WIA) project). The other major funding proposal is for the restoration of Lake Albert. Finally the members looking closely at funding options are keen not to be caught out by the way capital gains works and, as I write, the government hasn’t yet amended the Tax Law to resolve this matter.

LATE NEWS

In principle funding approval has been granted for the next round of on-farm projects of approximately \$4.4 million for laser levelling works in the LMRIA which equates to approximately 1,260 ha. While many irrigators may wish to commence work ASAP the individual irrigator projects will need to be assessed by the Commonwealth and this may take up to 3 months. For further information contact Michael Cutting, Natural Resources, SA Murray-Darling Basin on 0429 093 779

This is part of the Federal Governments allocation of \$100m for the upgrade of irrigation infrastructure in the Southern Murray Darling Basin. The projects will include laser levelling of paddocks, upgrading overhead irrigation, replacing flood irrigation, modernising drip irrigation systems and installing soil moisture monitoring and automation equipment.

The funding has been split between five organisations and businesses that include the SA MDB NRM Board and Waterfind for South Australia.

So while the region has seen significant exits from the industry, during the decade of drought, and the selling of water, there are those that believe the region, with some sensible partnerships with governments, can be restored to its former glory as one of the prime dairy regions of the country. There is a “steely resolve” by those remaining to make the reinvestment and the appearance of UDP has been a significant boost for the region.

Finally; it is now most appropriate to recognise, along with Henry Jones, those who have made very special contributions to our River and Lakes members and they include, Clem Mason, James Stacey (we all must consider James as the National Party Senator for SA), David Basham, Kate Bartlett, and Lesley Fischer. There

were those who gave SA such a “powerful voice” in, Karlene Maywald, Di Davidson and Dean Brown. Premier Wetherill provided a united approach from SA and this was supported by the Liberals and our new Senate candidate James Stacey. Scott Ashby, who argued the detail of the SA position, proved himself as a top negotiator.

WESTERN AND EASTERN MT LOFTY RANGES WATER PLANS

Records show that SADA has been participating in industry/government consultations over these Water Allocation Plans for around 8 years. It has been a long journey but rewarding for our members. During this time members have been kept up to-date through the SADA Newsletter and arranged numerous regional meetings for members. Some of the original proposals from government would have seriously threatened to future viability of many primary industries on the Fleurieu Peninsula and in Adelaide Hills.

Perhaps the biggest challenge came over the proposals relating to the management of the Fleurieu Swamps. We challenged the science and won significant changes. We rejected the proposal to ban construction of dams within 200 meters of a Fleurieu Swamp. We estimated that 25% to 40% of the Southern Fleurieu Peninsula could be upstream of, or within 200 meters of a Fleurieu Swamp (20,000 hectares). So clearly as our then report stated, “this would seriously

impinge upon the ability of Fleurieu landholders to continue viable farming operations”. To put the issue into context the area of the Southern Fleurieu Peninsula has been estimated to be around 114,500 hectares. The Gross food revenue that was about to be put at risk (over these Fleurieu Swamps) was then in 2005/06 estimated at \$526m. To make matters worse it was proposed that the landholders were going to be made to pay for the public benefit of protecting the biodiversity. Today we believe we have an outcome for this issue that is suitable for all the stakeholders and the environment.



David Basham with Ben Bruce

So what is the current state of play?

David Basham and Ken Lyons met with Minister Caica and Ben Bruce (the senior government officer) on Thursday 18th October to have an exchange of views.

Before finalising these regional Water Plans the government wants to doubly check it has all those wanting a water licence have in fact applied, and also wants to work through issues that any landholder may have with their proposed water licence. We also spoke about the extent to which metering is to be applied and if low flow bypasses were still an option for some situations. The strong message from the Minister is that the Plan should be practicable and reasonable in those situations where meters may be requested.

Subsequently David Basham and Ken Lyons met with Mike Fuller who is responsible for the water licencing. So far, the letters going to our members checking on the licence numbers are generating only 10% queries. But this may rise a little higher as some of the more complicated situations are being left to later. Each fortnight a batch of letters go out and this part of the work is expected to be completed by March 2013. The issue generating greatest debate in the community is that of the meters.



Mike Fuller with David Basham

They work well in other regions such as the SE and for the River but they are unsuitable for much of the Hills and Fleurieu. For example we know in the Barossa Plan (the very first regional WAP) that we have dairies where no-one can work out how there would be any value in installing meters and even after all this time (over 10 years) meters simply haven't been practical.

So the next important key will be to get this metering issue sorted as otherwise this will be a headache for everyone. So, Mike Fuller has agreed that the department will run some trials on properties with the assistance of both SADA and the Apple and Pear Association.

As we have mentioned on many previous occasions when reporting on the Western and Eastern Mt Lofty Ranges WAP development, every farm is different and will need to have individual treatment while under dairy farms, they will notice very little difference to how they operate today. For others, there may well be new requirements and these will need to be worked through. There is an opportunity for SADA to assist, and work directly with members, at the time this is being sorted with the government.

As with all regions there have been some SADA Members who have made considerable contribution over many years to; the industry government consultation process, helping with the preparation of the submissions and negotiations, informing fellow members etc. For the Western, Ian Williams has taken the lead with John Crompton, Robert Brokenshire and Derris Koch assisting. For the Eastern, Warren Jacobs has taken the lead and supported by James Stacey, David Basham, Rick Gladigau and Lee McKenzie.

WATER LICENSES

With the issuing of Water Licenses, it is essential that each farmer checks the offer that the Department makes before your license is issued. It is important that you check the allocations that you are being offered are reflective of your use, in particular that the split between surface water and ground water is correct (the department allocates surface water before ground water) or if you use spring fed dams, your allocation is big enough. If you have any questions or concerns contact SADA and we will help you address your issues but please act ASAP as it is easier to fix your issues in the 28 days after the offers by the Department are made.

TRANSPORT ISSUES

SADA is following up with the Department of Transport BW Access to Clarence Gardens and looking to follow in SA the recent change in Victoria legislation to allow all car licence holders drive tractors (any size on public roads). David Basham and Ken Lyons met with Transport Minister, Pat Conlon, on Tuesday 11 December and believe good progress has been made on both issues.

CRISIS PREPAREDNESS WORKSHOP

SADA hosted a Seminar on Crisis Preparedness on Monday 10th November with relevant industry groups and government agencies attending. The presentation was provided by Dairy Australia following a seminar in Gippsland and drawing on their recent experiences with a major bushfire.

Outcomes of the seminar will be collated and presented to SADA members early in the new year.

A key outcome was the need for dairy farms to be able to cope with extended power outages and how this could best be achieved. Both SADA and Dairy Australia are considering how they may assist with services to SA dairy farm businesses in the future.

WESFARMERS INSURANCE AND SADA CAPS

We share with WFI a common approach in that we put our customers (WFI) and members (SADA) first. We also aspire to be the best in our fields. To reinforce the relationship WFI will provide our members with caps that are jointly badged.

MILK AND CHEESE GOOD FOR THE HEART

Recently published Australian research has confirmed that the risk of developing metabolic syndrome (this is a cluster of conditions that increase the risk of heart disease, stroke and type2 diabetes) was about 60% lower in participants who had two serves of regular-fat dairy foods each day, compared to those who consumed less than one serve.

This was a study that went over 10 years, involved 1800 people, and is consistent with other international research about the benefit of regular fat dairy foods.

So the more we learn about milk (and milk components), the more we discover the health benefits, the more our industry needs work on how we can capture a "price premium" from consumers and pass some of this back to producers.

WORKCOVER SA CHANGES IN 2013

Chas Cini

We have attended WorkCover's Stakeholder Engagement Group and we have been advised that its current contract with Employers Mutual SA as the sole claims management agent will expire on 31 December 2012. As a result, WorkCover undertook a competitive tender process to select claims agents to commence from 1 January 2013.

Following this process, Employers Mutual SA and Gallagher Bassett Services Workers Compensation SA were chosen as the preferred claims management agents that would deliver the best return to work outcomes for the WorkCover Scheme.

WorkCover contacted all registered employers during September 2012, providing the opportunity to nominate their preferred claims agent for the 2013 calendar year.

All employers, injured workers and the claims agents will be notified in writing four to six weeks prior to the transfer date of who their claims agent is for 2013. Any employer who is moving to Gallagher Bassett will have their claims transferred in one of three groups (tranches). These transfers are scheduled to occur in early January, February and March 2013.

As the majority of registered employers have no claims, they will be notified by early December that they are in the January tranche. The remainder of employers will then be split between the February and March tranches and advised four to six weeks prior to these transfers. This is to ensure minimal disruption so that a high level of claims management services can be maintained through the transition process.

If any new claims are submitted for an employer who is transferring to Gallagher Bassett prior to the transition date, those claims will be managed by Employers Mutual until they are transferred.

May we also add that we have had the benefit of a good working relationship and a substantial grant from EML that has enabled us to produce the Farmers Guidebook in Occupational Health and Safety. Should you require, a hard copy is available from us.

FAIR WORK INFORMATION STATEMENT

Chas Cini

Since the 1st January 2010 the Fair Work Information Statement is to be provided to all new employees by the employer as soon as possible after the commencement of employment. We highly recommend that you post a copy of the Fair Work Information Statement near your timebooks so that current and new employees have access to it. This Statement can be downloaded at <http://www.fairwork.gov.au/FWISdocs/Fair-Work-Information-Statement.pdf>

FAIR WORK OMBUDSMAN'S AUDIT VISITS

Chas Cini

Currently the Fair Work Ombudsman is conducting audits in a number of industries and is likely to ask for copies of the following records:-

- Payslips for two pay periods.
- Copies of the time book for two selected pay periods.
- Hourly rate of pay
- Allowances
- Penalties (if applicable)
- Overtime rates
- Minimum engagement
- Record keeping practices
- Confirmation of the Fair Work Information Statement

The Fair Work Ombudsman will be seeking that all employers are complying with these provisions and we highly recommend that you refer to our previous updates which have shown the records that are needed to be kept and also, the requirements on payslips. If you don't have copies please contact us.

NATIONAL WORK RELATIONS EMPLOYER CHECK LIST

You can access a copy of this check list at: <http://www.fairwork.gov.au/Templatesformschecklists/National-Workplace-Relations-Employer-Checklist.pdf>

WORK, HEALTH AND SAFETY BILL 2001 (SA)

We have mentioned in past updates that the Federal Government has been attempting to harmonise Australia's State OHS Laws. Whilst most States have not proceeded South Australia's legislation has passed and will come into effect on the 1st January 2013 with a likely transition period for business. The key variations to the laws will be in the areas of the control test, self incrimination, union right of entry and, strata ownership.

CHRISTMAS GREETINGS FROM SADA

The SADA Board, staff, and our affiliated business partners, wish you and your family a happy and merry Christmas.

The SADA Office will be officially closed from Friday 21 December to Monday 7 January but Ken Lyons (0419 037 569) and Jo Gilbert (0419 035 459) are contactable on their mobiles for emergencies.



KEY STRATEGIES FOR THE SADA BUSINESS PLAN FOR 2013

It has become a tradition that the SADA Board at the final December Board meeting to consider the SADA Business Plan for the coming year and communicate the key points to members.

INDUSTRY PROMOTION

- Consider **the establishment of a South Australian Dairy Industry Fund** (similar to the Victorian dairy industry, Gardiner Foundation). The fund can provide financial support for both SADA and DairySA projects. A further benefit is we would have a Fund to put proceeds from the sale of industry/government assets at relatively short notice. Many dairy farmers in SA believe that there are benefits to dairy farming in Victoria (lower cost of production, more state government financial support, a greater capacity for investment in projects supporting the future development of the Victorian dairy industry because of the existence of the Gardiner Foundation). A key role of the proposed new SA dairy fund would be to improve the profitability of dairying in SA.
- There is a planned **re-development of the dairy facilities at the RAHS at Wayville**. David Basham and Lyndon Cleggett are on the Show Dairy Promotions Committee and will lead the dairy industry input into the re-development.
- **Bushfire Crisis Preparedness**. It is planned to bring together all relevant industry groups and government agencies to prepare for the coming bushfire season in SA. This is a Dairy Australia program that has been successfully run in Gippsland.

REPRESENTATION AT THE STATE AND REGIONAL LEVEL

- **Water Allocation Planning**. This is the area that most SADA members are seeking support from SADA. It is our number one priority. SADA, and our regional water committees, are working with the key departmental people currently developing the plans, SADA then plans to help members with issues as the plans are progressing through the implementation phase. It is expected that this issue would account for a significant amount of SADA time and resources for most of the 2013 year.
- **SADA is involved in seeking Federal funding** for both the River Swamps from the \$240m Water Industry Alliance (WIA) Program and for infrastructure works to improve the water quality in Lake Albert. Of the original \$110m for infrastructure, funding for SA only, \$14m has been spent and we are arguing that the money spent on improving farm viability rather than being lost to the State.
- **State Election in 2014**: SADA to lobby the political parties in the lead-up to the State Election.
- **SADA is supporting the option of a Primary Industry Council (PIC) for South Australia**.
- **Biosecurity Levy**: This issue is moving to resolution but is indicative that without SADA there would have been a new charge to be charged only to south Australian dairy businesses. Also as the PIRSA Animal Health budget based on the industry paying needs to be reviewed.
- **Tractor Driving Licences**. Seeking transitional arrangements (issuing of a licence on request) leading to new legislation endorsing anyone with a SA car licence to drive any size tractors.

POLITICAL REPRESENTATION AT THE NATIONAL LEVEL

- **Re-structuring of national dairy industry bodies**: The national level issues are being dominated not by real industry issues but by re-structuring of industry bodies and the need for SADA to build new relationships. These include;
 - ❖ ADF and ADIC. The latest development is the request by the ADIC that SADA and ADF enter into mediation.
 - ❖ A **review of the structure and constitution of Dairy Australia** has been initiated.
 - ❖ **National dairy calf trial to be conducted in SA**. Coles and Dairy Australia with the assistance of SADA are planning a calf management trial in SA.
-

- ❖ **SA to contribute to the national review of livestock reporting:** As the States move towards a national approach to reporting interstate stock movements SADA wants to ensure our members are not disadvantaged compared to Victorian dairy businesses. There have been suggestions that there be higher standards of reporting for bringing cattle into SA than going the other way.
- ❖ **SADA to contribute to the development of other national policies:** Issues to include;
 1. MDB Plan Guidelines and implementation
 2. Land transport regulations
 3. Cattle welfare standards
 4. National Election 2013

SERVICES TO MEMBERS

- **Assisting members directly with the implementation of the Eastern and Western Mt Lofty Ranges Water Allocation Plans.**
- **Regional Meetings:** We need several large meetings early in the year to inform members of the opportunity to move to the Primary Industry Funding Scheme (PIFS)

ADMINISTRATION OF THE SADA BUSINESS

- The SADA Board has decided to look into the Primary Industry Funding Proposal as a replacement to the current membership model. If supported by the SADA membership implementation of the new funding model is programmed to be introduced in 2013.
- The paving around the Emerson Centre is to be replaced in 2013.

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