



AUTUMN | May 2015

HOTLINE

Newsletter of the United Dairyfarmers of Victoria

Farmers must aim for continuous improvement

The two photos below highlight the power of social media and represent how quickly and far-reaching a campaign like this can have on an industry. If you have not seen these photos before, the one on the left was a social media campaign against the wool industry launched by the animal activist group People for the Ethical Treatment of Animals (PETA).

The photo depicts what PETA says is "normal" industry practice which leaves a lamb all bloodied after shearing. The photo on the right is the Australian agricultural community setting the facts straight and displays a shorn sheep, which is well looked after and cared for.

The aim of the PETA campaign was to reduce the demand on woollen garments, thus reducing the demand for wool with the long-term goal of stopping shearing and wool production. Without getting deeper into the debate, this highlights the ease a campaign like this can have on an agriculture industry and its markets, impacting our farm business sustainability and profitability.

With productivity improvement slowing in agriculture, it is imperative that we aim for continuous improvement in everything we do on farm, but this campaign highlights the importance for all of us to come together, united, to tackle such programs

that have the real threat of destabilising our industry, businesses and the social fabric of the rural communities we live in. It was fantastic to see all of agriculture come together as one, respond and set the record straight and stop PETA in their tracks.

Let's not be mistaken, PETA will back and try other campaigns. It is a well-resourced and funded organisation that can mobilise hundreds of thousands of members overnight. This raises the question of, "what does agriculture advocacy look like in the future"? What do we need to do to ensure that our voice is loud and clear?

The current debate within agricultural advocacy groups is currently underway with dairy farm members of the UDV and VFF to decide our future to ensure that it is bright and sustainable for many years to come for young farming families and their communities. Now is the time to have your support as a united dairy farming community.

Continuing on the theme of social licence to farm, I would like take this opportunity to thank all those members and stakeholders for your support and encouragement during the recent UDV conference. It was a great opportunity to come together and flesh out ideas and concerns that our industry faces and it highlights the need to work closely together to ensure a clear path forward for our dairy industry. I would also like to thank the UDV staff team of Vin, Yaelle, and Adele for all the work and effort leading up to and during the conference for their willingness to go above and beyond to ensure that it was a positive experience.

Adam Jenkins, UDV President

Inside this issue

How 'in kind provisions' really work

Plan for the season ahead

Onshore Gas a hot topic

Do you employ migrant labour?

UDV member wins planning fight

Employment obligations discussed



Have you heard of WFI Dairypol insurance?



wfi.com.au
1300 934 934



To see if our Dairypol Insurance is right for you, always consider the PDS from the product issuer, WFI (ABN 24 000 036 279 AFSL 241461).

How 'in kind provisions' to staff really work

You provide your staff with good wages, maybe a house, a ute, fuel, electricity and the list goes on. Sound familiar to your business? Sound like a good deal?

In most cases it is. But without compliant documentation you could be leaving your farm, your business, at risk of a hefty back pay claim.

Last year a well-known Australian company was at the receiving end of a back pay order amounting to several hundreds of thousands of dollars nationwide due to not paying statutory wages but providing 'in kind' provisions to make up for the shortfall.

So what do you need to do?

The good news is there are quite easy steps that you can take to account for many of the in kind benefits that are synonymous with agriculture, and to ensure you are complying with workplace relations legislation.

1. Ascertain the wages you need to pay based on employee classification within your modern award and hours of work required by the business, as a minimum. No matter how well the sums add up,

'freebies' in most circumstances will not be considered in lieu of statutory entitlements (ie. overtime).

2. Consult your award as far as permitted deductions are concerned or 'without keep'* for accommodation and meals. Do your research as this is strictly on an 'award by award' basis.
3. Seek financial advice in relation to in kind provisions incurring fringe benefits tax (FBT). For example if you are providing accommodation and are deemed 'remote' for FBT purposes you may be in a position to deduct the value of the property from the wages on offer.
4. With FBT considered, perhaps pay higher and deduct. With mutual consent in writing, you may be able to place financial consideration on the value of the in kind benefit (creating a financial 'buffer' in comparison to the award), and make lawful deductions.

5. Document what you have done and keep a record of the documentation. Gone are the days of a handshake deal. Obtain appropriate documentation that details terms of the package so that you are not exposed for underpayment claims. Under no circumstances should in kind provisions be verbally agreed*.

The VFF Workplace Relations Department is experienced when it comes to protecting your interests with documentation that informs your employee of the terms of the package. Call the Member Employment Advice Service on 1300 442 481 today and discuss how we can help your business sanction such arrangements.

**For information and guidance concerning 'with keep' employees call the VFF Workplace Relations Department.*

The information in this article is provided for guidance purposes only. It should not be viewed nor construed as legal advice. The VFF Workplace Relations Department cannot provide financial nor legal advice.

Plan for the season ahead

With only six weeks to go before the official announcement of the 2015/16 opening milk price, it is imperative that you really go through your business and understand your cost of production.

As identified through the UDV milk price structure investigation, there are over 40 elements to the milk price structure now. Far too complicated in my mind for the farm

business operator! Why is it that two farms with similar calving patterns and milk flow can have up to \$1kg/ms different in milk price just because of cow numbers? This is not very encouraging for new entrants to help grow our national milk pool.

We can't control the milk price, but we can put systems in place to ensure a more sustainable business structure.

Please don't take things for granted and please seek out official independent advice if you are unsure of what the opening milk price range means for your business. Seek advice if you are on a contract and ask the questions around your exposure with upside and down sides in milk price.



In 2014 UDV called for a review into the effectiveness of the BJD Test and Control Program (TCP3). A comprehensive review was conducted under the direction of the Department of Agriculture. The report was released last month and UDV held three information sessions for farmers to discuss the report's findings. A copy of the report is available at www.vff.org.au/BJDreview. Pictured: Robert and Marilyn Pell at the Kyabram session - who also happened to be celebrating their 40th wedding anniversary!

Onshore Gas a hot topic

NSW dairy farmer, Mark Harris spoke at two UDV Onshore Gas Farmer Forums about his experience of having a gas well on his dairy farm. The Forums were held to provide information to farmers about the issue of potential exploration and extraction of onshore gas in Victoria.

There is currently a Victorian Government imposed moratorium on the exploration and development of onshore gas until at least July 2016. Despite this the topic is still hotly debated by farmers who hold a wide range of views.

Marguerite White, the consultant responsible for the Dairy Australia report into potential interactions between onshore gas and dairy farming, also spoke at the forums.

Ms White spoke about the comprehensive research undertaken, investigating current practices, areas of concern and options for strengthening legislation and regulations in NSW, Queensland and Victoria.

A robust debate was held both in Timboon and Poowong, with questions on a wide range of topics such as concerns about water quality, treatment of produced water, effects on property values, and the economic impact of gas production in Victoria.

UDV is planning to continue the discussion at more Farmer Forums in the coming months.



Mark Harris and Adam Jenkins speaking at the Poowong Onshore Gas Farmer Forum

Further information can be found at the Dairy Australia website:
www.dairyaustralia.com.au/Environment-and-resources/Coal-Seam-Gas-mining.aspx.



Minister for Agriculture and Regional Development Jaala Pulford and UDV Vice-President Roma Britnell catching up at the RIRDC Rural Women's Awards.

Do you employ migrant labour?

University of Melbourne researcher Kulanthi Salgado is currently studying the attraction and retention of migrant workers on dairy farms. She would like to contact any dairy farmer who employs or is considering employing migrant labour to talk about their employment experiences.

The study overall is sponsored by Dairy Australia and aims to better understand the needs and issues of employers and migrant employees to ensure that retention of the migrant labour force is effective and successful.

If you are willing to share your views, or for further information please contact Kulanthi Salgado on 0430015001, or on email msalgado@student.unimelb.edu.au

UDV Member Employment Advice Service

The VFF Workplace Relations Department can help you understand the latest employment compliance issues. As a UDV member you will receive professional and timely advice from experts within the industry on issues such as:

- Award interpretation
- Leave entitlements
- Superannuation
- Employment Agreements
- Award rates
- Redundancy
- Discipline & termination of staff
- Discrimination & harassment
- Dealing with sick & injured staff
- Disputes & much more



Member Employment Advice Service

1300 442 481 



UDV Tailor Made Package

- Includes the Employment Starter Kit (ESKi)
 - Unlimited verbal tailored advice
- 4 hours p/a of tailored written advice on complex workplace relations matters
- Access to the VFF Industrial Association (VFFIA) when seeking legal representation
 - Specialist advice on Awards

Call 1300 442 481 to talk to the VFF Workplace Relations team

UDV member wins planning fight

Limiting productive agricultural land to build a dwelling on a small lot is a contentious issue for the farming sector. One UDV member took a local planning issue to VCAT and was successful in arguing for the protection of agricultural land.

The UDV member objected to a neighbour's proposal to subdivide farming zoned land into a 10 hectare block to build a house and farm an intensive beef weaner operation.

The Moyne Shire Council's Planning Officer recommended that the Council refuse the proposed subdivision as it did not comply with State and local planning controls for farming land.

Despite the Council Planner's recommendation, Moyne Shire decided to approve the dwelling. The VFF understands that a number of members found this decision a political one, with disregard to their own planning scheme objectives.

The UDV member appealed Moyne Council's approval to VCAT on the basis that allowing dwellings on small lots in a farming area would set an unwanted precedent.

The general concern of many members is that land use conflicts are bound to increase and impact existing farming enterprise as non-agricultural uses are allowed within productive agricultural land.

Like industrial zones around most of our cities, a farming area is akin to an industrial area in that there may be some amenity impacts associated with a farming operation.

Accordingly, the Farming Zone, which is the state rule for most agricultural land in Victoria, has the following purpose:

To ensure that non-agricultural uses, including dwellings, do not adversely affect the use of land for agriculture.

The argument of the UDV member that dwellings on small lots in the farming zone has the potential to create land use conflicts between agricultural and non-agricultural land owners was recognised as a significant issue by the VCAT member in making their judgement.

The proponent of the dwelling argued that the proposed dwelling on a 10.48 hectare block in Crossley would also be able to accommodate enhanced agricultural production. However, neither Council's Planning Officer nor VCAT were satisfied by this.

The Victorian Farmers Federation has a policy that:

The Victorian Planning Scheme must ensure that the primary function of agricultural land is preserved for food and fibre production.

Municipal Strategic Statements must prevent development incompatible with commercial agriculture.

Farm practices must not be impeded by the application of zoning or overlays.

Despite the Council decision to approve the dwelling on a small lot, the VFF is encouraged that the VCAT member in the decision recognised 'multiple lots less than 40ha has the potential to result to a proliferation of dwellings in the area with an adverse impact on the use of land for agriculture' and that often 'there can be no guarantee that it prevents future owners using the land primarily as a rural residential property with negligible enhancement of agricultural production'.

The subdivision of agricultural land is a complex issue and a difficult one to achieve consensus in views amongst the farming community.

However, an individual farmer fought a planning permit issue to VCAT on a matter of principal with his own time and based on his own research, and won. The case dealt with protecting agricultural land from non-agricultural uses, and sets an important guideline decision for VFF members.

By Emily Waters, VFF Senior Policy Adviser – Land Management



Employment obligations discussed

The early stages of 2015 has seen the VFF Workplace Relations Department travelling across the state, delivering employment panel discussions for UDV members and members of the dairy community.

These sessions have been very well-attended and with the support of the UDV and Australian Dairy Farmers, have seen a large amount of interaction with members concerning workplace relations issues that pose some challenges to business in times of tight workplace regulation.

Workplace relations laws and modern award requirements are always heavily discussed at these sessions; however the introduction of human resources advice, such as how to attract and retain staff gave audiences another dimension of staff engagement to consider.

In the north of the state, the Fair Work Ombudsman's *Victorian – Loddon/Elmore – Campaspe Workplace Compliance Campaign 2015* has brought dairy farmers attention to the necessity of possessing adequate documentation in order to sanction in kind provisions.

These workplace sessions along with the UDV Member Employment Advice Service fills an important gap in the dairy industry. Members are encouraged to maximise this opportunity your UDV membership provides and use these services.

There will be two more WR Panels in May in with workplace relations sessions to be held in Camperdown and Timboon.

Camperdown

When: 11.00am, Thursday 7 May
Where: Camperdown Golf Club, Lake Bullen Merri Road, Camperdown
Lunch provided

Timboon

When: 11.00am, Friday 8 May
Where: Timboon Golf Club, 29 Egan Street, Timboon
Lunch provided



John Mulvany presented a comparison of milk price data provided by Western Victorian milk processors at the recent Corangamite UDV Branch Milk Price Structure Review Session.



Ron Page of ADFC, Rhonda Henry of the Commonwealth Bank and Alice Pekin at the Corangamite UDV branch milk price structure review discussion.

Disclaimer: This publication is provided in good faith and as a guide only. It may be of assistance to you, but the VFF/UDV 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 consequence that may arise from you relying on any information in this publication.

United Dairyfarmers of Victoria
Farrer House 24-28 Collins Street Melbourne 3000 | ABN 67 079 980 304
Ph. 1300 882 833 | Fax. 03 9207 5500 | E-mail. vff@vff.org.au | www.vff.org.au