

Food Security

TODAY'S CHALLENGE - TOMORROW'S MARKET



AMIC's 2011 Meat Industry Conference

Over 340 delegates registered for various components of AMIC's 2011 Meat Industry Conference held at the RACV Royal Pines on the Gold Coast, August 24 and 25.

The keynote speaker was John Durkan, Director of Merchandise for Coles Supermarkets. Invited international speakers included Dr Richard Raymond, former Under-Secretary with the United States Department of Agriculture speaking on food safety trends in the US, Mr Vincent Lo, Head of Group Development for Greater China, National Australia Bank - Beijing on the opportunities and challenges in China - his catch phrase "everything is possible in China - nothing is easy." Dr John Ackerman travelled from Jakarta, Indonesia to talk on developments in this significant export market for carton meat products.

92 people participated in the Conference golf tournament, another 21 went fishing. There were 27 exhibition booths and the whole event attracted 24 very supportive sponsors - all in all an excellent networking opportunity for anyone in the meat industry looking to buy, sell or influence the red meat processing sector in Australia. Copies of available papers are online on the AMIC website as are links to photographs of the Conference.



Keynote Speaker

John Durkan, Director Merchandise - Coles Supermarkets was keynote speaker at the AMIC 2011 Meat Industry Conference sponsored by Rabobank. John gave a well received presentation on the current retail strategy behind Coles Fresh Food grocery business.



Rabobank



As the country's second largest retailer with 740 stores, over 100,000 employees and around 13 million customer transactions weekly, the Conference heard that the hormone-free beef strategy was part of a bigger agenda which was about the provenance of food, the quality of food and customers trusting where their food came from. This had been translated into areas such as sow stall-free pork, free range eggs, and even into grocery lines like non-use of food colouring - all customer driven. John indicated the company had enjoyed double digit growth since its decision to implement its no HGP policy in January. He indicated he would like to think one day Coles would only purchase 100% Australian pork.

Thank you to our Main Sponsors

 **MAERSK LINE**

HAMBURG SÜD



THANK YOU TO OUR NATIONAL SAUSAGE KING SPONSORS



AMIC's 2011 Meat Industry Conference

Brian James named "Maersk Distinguished Australian of the Year for 2011"

 **MAERSK LINE** Brian James, currently a Director of T&R Pastoral in Murray Bridge, was named Maersk Distinguished Australian of the Year for 2011. Sponsored by Maersk Australia, the award has been in place since 1993 and was introduced to recognise outstanding service as an individual to both the ideals and objectives of the Trade Council and to the long term success and viability of the Australian red meat export industry.

Brian entered the meat industry in 1961 taking on a junior position in the administrative side of the Metropolitan and Export Abattoirs Board (MEAB) in Adelaide in an era when government had a big investment in meat processing in Australia.

A Vietnam vet, on return from military duty he returned to the meat industry and rose to become Operations Manager and then Assistant General Manager of the South Australia Meat Corporation's facilities at Gepps Cross in Adelaide. In the 1980s he headed to the East Coast succeeding the late Keith Gooley as General Manager of Northern Cooperative Meat Company in Casino and stayed for 13 years before his current position. For many of these years he was Chairman of the

New South Wales Country Meatworks Association, a key influential industry group during the era when many country towns in New South Wales had Council meatworks.

Brian has been a tireless contributor on behalf of the industry and in recent time has represented South Australia on the AMIC National Export Lamb, Sheep & Goat Council, is a member of the Australian Processor Corporation, represents AMIC on EMIAC, the AUS-MEAT Standards and Language Committee (AMIL&SC), the AQIS Charges Committee, and has been a very active member of the AMIC/AQIS Ministerial Task Force on meat inspection reform from its outset. He is also an elected Director of the Australian Meat Processor Corporation (AMPC). We congratulate Brian James on this esteemed award.



L-R: Gary Burrige (Chair-APC), Brian James (T&R Pastoral Co) 2011 Distinguished Australian of the Year and MC Sharyn Ghidella (Channel 7 news presenter)

Income Tax Adjustment 2011/12 - PAYG

In June 2011, through its newsletters, AMIC sent out the new wage rates sheets to all members for the increases operative from 1st July 2011. Around this time the Australian Taxation Office (ATO) released the latest 'Pay as you go (PAYG) withholding' tax tables.

The ATO Weekly Tax Tables show a different rate to the tax rate in the AMIC wage sheets.

Whilst it was already known that the Flood Levy of 0.5% came in at taxable income of \$50,000 pa., the wage rates amounts in the wage sheets were well below this threshold.

The ATO has now advised that the new tax tables they published for 2011/12 incorporate an increase in the amount of Low Income Tax Offset (LITO) through regular pays during the year from 50% to 70%.

In addition, the Medicare Levy threshold has increased.

Unless you have already done so, it is recommended that you obtain a current copy of the 2011/12 PAYG tax tables from the ATO, either online at their website - www.ato.gov.au or from any post office or tax office.

Members EFTPOS Deal with CBA – Update

Tap into faster sales with Contactless

As a member of AMIC you get special rates on EFTPOS facilities from Commonwealth Bank, including a free upgrade to contactless payments.

Contactless is an innovative payment technology that can cut the time taken to process payments of up to \$100. Customers can simply tap their MasterCard® PayPass™ or Visa payWave card against the reader and go. No signature or PIN needed. There are some great benefits to merchants including cutting customer queue times, increasing staff efficiency and increasing your impulse sales.

To find out more or upgrade your terminal, call our dedicated support team 24 hours a day 7 days a week on 1800 022 966.

Partnering with

CommonwealthBank 

Important information: Not available to all customers. MasterCard and the MasterCard Brand Mark are registered trademarks of MasterCard International Incorporated. PayPass is a trademark of MasterCard International Incorporated. Commonwealth Bank of Australia ABN 48 123 123 124

INDUSTRIAL RELATIONS

Final defunct meat awards terminated – 15 years or more in the making

Introduction

This article is relevant reading for AMIC members in all sectors of the meat industry – retail/wholesale, smallgoods and processing.

Let us first explain the heading.

When the Meat Industry Award 2010 was made by Fair Work Australia it replaced a number of meat awards that once applied to meat industry employers. These awards/instruments have now just recently all been terminated. Indeed, Fair Work Australia (FWA) is in the process of terminating thousands of awards/instruments that were replaced by the 122 Modern Awards. Seeing these meat awards have been terminated, we thought it may be timely to very briefly recount what has happened over the last 15 years pertaining to industrial awards in the meat industry. One could fill three or more books but space dictates a short synopsis.



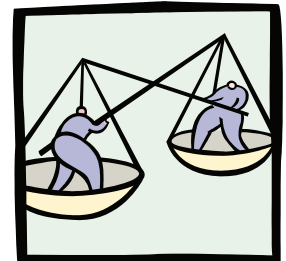
The last 15 years

We will summarise in point form.

1. In 1995 the meat industry – especially processing – was not a happy industry. AMIC had spent a lot of money on an exhausting Meat Industry Inquiry conducted by the Australian Industrial Relations Commission (AIRC). The Inquiry was set up because of the disastrous industrial history in the meat industry at the time, especially in Victoria. The Inquiry Bench, presided over by the then President of the AIRC, handed down a decision in 1992 and made a host of recommendations including that the meat industry (federally) should be regulated by three flexible federal minimum rates awards namely for retail, smallgoods and processing. It asked that the main employer and employee bodies (AMIC and AMIEU) negotiate and agree on the recommendations (over 70 in all).
2. Negotiations between AMIC and the AMIEU occurred over a period but came to nothing. The AMIEU appeared hell bent on retaining nearly everything in all the various awards at the time. This included the precious tallies in processing, lack of flexibility for the industry, restricted ordinary hours, stiff penalties and general lack of flexibility for the industry, all of which was the whole rationale of the Meat Industry Inquiry.
3. AMIC did make application to the AIRC in late 1995 for three simplified awards. The AIRC balked but the AMIEU

did agree to have three simplified awards (as long as, said the AMIEU, money and other conditions were not reduced in any way). In other words change the words but not the result. So that's how the three 1996 awards came into existence and were gladly ratified by the AIRC.

4. Between 1996 and 1998 AMIC managed to have about 40 of the federal meat awards terminated, which was a necessary step for what it had planned.
5. In the last days of 1996, the Howard Government succeeded in enacting the Workplace Relations Act 1996 (replacing the 1988 legislation) and this paved the way for some direct action. AMIC bided its time and in the first half of 1997 and, after strategy planning, made application to the AIRC to hear argument on freeing up the awards including the removal of tallies and expanded span of ordinary hours and some reduced penalties etc. The arbitration of the cases, some by Full Benches, lasted nearly three years and the AMIEU resisted almost every step of the way.
6. By 2000/2001 AMIC had succeeded in obtaining three simplified and flexible meat industry awards for processing, retail/wholesale and smallgoods. Tallies were eliminated from processing, retail ordinary hours were over seven days, penalties were reduced for weekend ordinary hours, facilitative clauses were put in place for the industry, leave entitlements clarified. The key Meat Industry inquiry recommendations had finally been implemented.
7. Then the Rudd/Gillard Government, when it came to power in 2007, dismantled the WorkChoices legislation of the Howard government and enacted the Fair Work Act 2009 which is what we still have now. It's anything but fair as we have found out but the Act gave the AIRC the power to make the Modern Awards that are now in place including the Meat Industry Award 2010.
8. In obtaining the Meat Industry Award 2010, AMIC had to fight not only the AMIEU but other unions that tried to divvy up the industry i.e. retail butchers to the retail award, processing to manufacturing, drivers to the transport award, clerks to the clerks award etc. They were all unsuccessful.



Continued Page 4

INDUSTRIAL RELATIONS

9. AMIC took advantage of the 1996 Howard legislation to push change through the award system. Not many other organisations did and their members suffered when the AIRC was making the Modern Awards and they are still suffering. AMIC simply said to the AIRC in the modern award process that 'we have simplified the awards back in 2001 and all the AIRC has to do is take them and convert them into one meat industry award.' The AIRC agreed. We had been substantially successful in putting a fence around the industry and maintaining minimum standards.

Let's return to the comments under the *Introduction* heading above where we stated that Fair Work Australia has terminated the remaining meat awards. There is not one federal award/instrument remaining with tallies. The retail/wholesale provisions of the Meat Industry Award 2010 are far more advantageous to AMIC members than any of the other meat retail awards it replaced or indeed the Modern General Retail Award 2010 covering shops other than butcher shops.

A short 15 years.

Meat Industry Award 2010 & Fair Work Act 2009

The Meat Industry Award 2010 (MIA 2010) commenced on 1 January 2010. It applies to retailers/wholesalers, manufacturers and processers Australia wide with the exception of sole traders/partnerships in WA. The federal Fair Work Act 2009 commenced on 1 July 2009.



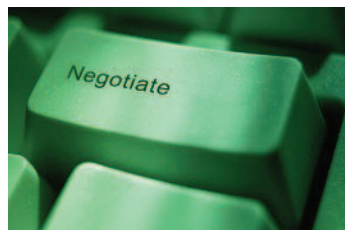
Both the MIA 2010 and the Act are subject to review in 2012.

The MIA 2010 review

As with most of the 122 Modern Awards, the MIA 2010's clauses may be divided up into two distinct groupings. There are those clauses that are standard to all Modern Awards i.e. *award flexibility, dispute resolution, redundancy, transitional provisions* etc. The second group are those clauses generic to the meat industry i.e. *categories of employment, classifications, hours, wage levels, penalties, shift work* etc.

The standard clauses were decided by the Tribunal to be standard to all the Modern Awards. Unless the Tribunal decides to vary the standards or the Federal Labor Government instructs the Tribunal otherwise, it will be hard to alter these clauses in the 2012 review on a one off basis. No doubt there will be argument (and AMIC will perhaps join the argument) that clauses such as the individual flexibility clauses in the awards fall well short of providing the flexibility needed at the enterprise level. The ACTU, as usual, will argue against – in effect, arguing against the public interest. Any outcome of such a debate is difficult to predict.

Concerning the meat industry generic clauses, there is very little that AMIC lost in argument before the Tribunal when the MIA 2010 was made. This needs to be contrasted with other industry groups that lost out badly because of (in our opinion) lack of strategy. That does not mean to say we will not be arguing for some changes. There are some clauses in the Award that need to be tidied up in the 2012 review and we will detail those to members later in the year. As



for other clauses, we intend to obtain feedback from members before the end of 2011 to ascertain an overall position. Any changes we seek will need to be backed up by evidence.

The Fair Work Act 2009 review

There has been a considerable amount of comment of late concerning the greater need for workplace flexibility. Even the Productivity Commission and the Governor of the Reserve Bank have weighed into the argument. Business generally is now on a roll, publicly criticising aspects of the Fair Work Act 2009 and its negative affect on productivity growth and lack of flexibility. Industry Groups that had a foot in the door and good access to the Rudd government, are singing the same tune as business generally, concerning lack of flexibility.

While AMIC was reasonably contented the way the MIA 2010 turned out (see above) the Fair Work Act 2009 does not appear 'business friendly' for larger enterprises. It is much too restrictive. As we have commented before - after Howard's WorkChoices the pendulum was always going to swing substantially in the other direction for unions and that is what has happened and what was planned.

With the Fair Work Act 2009, the unions, being the type of beast they are, send organisers out to the larger enterprises to sign up members, get access to lunch and meal rooms, demand higher and costlier conditions, organise ballots for protected industrial action, are given near automatic rights at the bargaining table, promise employees they will be better off – all this generally without regard to the balance sheet of the enterprise and certainly with no regard to the need for flexibility at the workplace because the last thing a union wants is flexibility for the individual at the workplace.



As we speed towards 2012, AMIC's position –with the help of members - will be clarified as to any submissions that need to be made in the review of the Fair Work Act 2009.

Want a point of difference?

Capitalise on the growing value added chicken market and position yourself as a one-stop-shop. The Australian poultry market is worth over \$2.5 billion each year, with research showing families eat chicken 2.4 times each week.

Intergrate Lenard's products into your current butcher shop



Become a shopping destination in your local area with Lenard's huge range of irresistible chicken products, and a brand that's known and loved by families across Australia.

Why Choose Lenard's

- 23 years of retailing excellence and innovation
- Over 150 products to display and sell
- National & Local marketing support
- Outstanding franchise owner support
- Integration of your current meat products into one comprehensive electronic point of sales system

To find out more contact
Amanda Fish
Ph: 0434 600 470

Carbon Price Implications for the Refrigerant Industry

In 2003 the Ozone Protection and Synthetic Greenhouse Gas Management Act required the refrigerant industry to progressively reduce the emission of high-GWP HFC's. This required those involved to capture gasses and replace where possible high GWP with other gasses.

The current proposal for Carbon Tax impacts on the industry with an increase in the tax which applies in addition to the work which has been done under the above Act. It is argued that the Carbon Tax will have little effect except to add to the cost of replacement refrigerant.

Refrigeration systems are designed to operate on a particular system. It is generally not

possible to effectively change refrigerants.

New equipment can obviously be developed for lower GWP products but higher GWP products cannot be switched over.

It follows that when refrigerant has to be replaced it must be with the original type and therefore the addition of a tax has little to do with these decisions. The so called "price signals" fail.

At a carbon price of \$20 per tonne the additional tax on a kilo of R134a will be \$28 and on R404a will be \$77 per tonne.

There is no reason to apply this Carbon Tax to these products to achieve change.

Late Superannuation Payments

The issue of late payment of superannuation has been raised by some members.

Superannuation must be paid not later than 28 days after the quarter finishes.

The superannuation fund will accept the payment at any time after this even though it is late.

Technically any payment after the 28 days must go to the Tax Office and they may apply

a penalty to the employer before paying the superannuation to the fund.

A late payment should be reported by the superannuation fund to the tax office.

However, if you are late in making the payment and you receive a tax audit after the 28 days, the late superannuation payment must be paid to the Tax Office.

AMIST Super Performance:

July 2010 to June 2011

Another twelve months of extremely pleasing returns. Our newer investment options, Capital Stable and High Growth, have also settled down with very promising results.



OPTION	AMIST Super	AMIST Pension*
Secure	4.8%	5.5%
Capital Stable	6.6%	7.5%
Balanced	9.7%	10.5%
Growth	11.6%	12.9%
High Growth	14.6%	15.8%

* AMIST Pension earnings are not subject to tax. Past performance is no indication of future performance.

AMIST SUPER 
AUSTRALIAN MEAT INDUSTRY SUPERANNUATION TRUST

New and Enhanced Products from Rollex

Rollex supplies leading food packaging, weighing and labeling solutions for retail outlets, especially supermarkets and butchers.

With the combination of Bizerba weigh/labelers and Gruppo Fabbri's Elixia wrapping machines, Rollex are uniquely placed to provide European quality and flexibility to their customers. The product range can satisfy a single retail scale requirement, through to complex wrapping/weighing/labeling machines for a large supermarket chain.

The Bizerba retail scale range has recently been enhanced by the advanced "K" class PC based scale which offers technology allowing advanced advertising, queuing, and customer loyalty functions.

The Elixia wrapper has established itself as the perfect auto wrapper for small - medium packing operations, with its small footprint and low entry level cost. On price and performance it is the best value machine available.

With office and warehouse facilities in Brisbane, Sydney and Melbourne and agents in Perth and Adelaide, Rollex offers a truly national presence.

A brand new addition to the Rollex product range is the Toshiba "Touch to Cook" recipe kiosk for butchers/fish shops. This product offers the retailer another tool to help their customers with menu decisions.

Rollex are contactable on 1300 943 947 or www.rollex.com.au

Rollex
AUSTRALIA PTY LIMITED

JMD Ross Insurance Report

The general insurance industry in Australia has suffered from increasing weather related claims and increasing claim costs. This inevitably leads to higher premiums or limitations on cover provided.

JMD Ross recommends the following steps be considered to combat this impending situation:

- Devote quality time to risk & insurance matters.
- Reduce premiums possibly by reviewing your levels of cover and excesses.
- Increase emphasis on loss control & communicate this to your insurer.
- Review premium funding options, such as paying by instalments or in a lump sum
- Make sure if you have a good claims record, that your insurer recognises this when setting premiums and allowing discounts
- Most of all, select your broker with some care, making sure your broker has the skills & services that are necessary in a changing insurance market - and understands your business.

Many AMIC members have already arranged their insurances through JMD Ross Insurance Brokers and should call Graeme Fitton for assistance on 1800 240 123, or 02 9478 0809, or even email him at gfitton@jmdross.com.au

Even if you are not presently with JMD Ross, why not call Graeme anyway for advice?

JMD ROSS
Insurance Brokers Pty Ltd

NEED RAZOR SHARP KNIVES?



**Nirey electric knife sharpeners really work.
WE GUARANTEE IT!**

Every skilled butcher knows how vital well-sharpened knives are. They're not only much safer to use, but by holding their edge longer, make cutting, trimming and filleting quicker and easier, while retaining moisture in the meat.

Get the easy-to-use sharpener that will save you money and time, and help make a safer working environment.

Now used by thousands of Butchers throughout Australia!

Commercial KE-280 \$456⁵⁰ RRP

Features a patented, angle controlled cushion contact system, which produces razor sharp knives and polished edges in seconds

DESIGNED FOR CONTINUOUS COMMERCIAL USE

Available from:

QUEENSLAND - SHARPEDGE Brisbane 07 3200 7187 | VADALS Brisbane 07 3907 7878 | BUTCHERS SUPPLIES Toowoomba 07 4569 7399 | CQ BUTCHERS & CATERING SUPPLIES Mackay 07 4957 6888 | SVENDSEN BUTCHERS SUPPLIES Cairns 07 4035 7333 | EKO SOLUTIONS Bundaberg 07 4131 6100
NEW SOUTH WALES - NEILD & CO PTY LTD 1800 643 589 | VICTORIA - SCHWARZ 03 8586 6000
TASMANIA - WARE BROS CUTLERY 03 6234 2286 | SOUTH AUSTRALIA & NTH TERRITORY - MASTER BUTCHERS CO-OPERATIVE LTD 08 8262 5433 | WESTERN AUSTRALIA - MBL FOOD SERVICE 08 9334 9600

ORDER YOURS TODAY!
For your nearest store,
Call 1300 650 656
Visit totalknifecare.com.au
Email info@totalknifecare.com.au

TKC
TOTAL KNIFE CARE
ON THE CUTTING EDGE

AUSTRALIAN IMPORTER TOTAL KNIFE CARE Call 1300 650 656 for Retailer Enquiries