

the Australian Cane Farmer

QSL explores new pricing options

Queensland Sugar, in conjunction with the milling companies it services, will offer a new range of tools for pricing sugar it markets from the 2008 season.

There will be additional pricing pools that will be available to the mills and which they could offer to their growers.

Instead of the single pricing pool as has been offered in the past, QSL will offer a greater choice in both in-season and longer term pricing options for which specific tonnage can be committed.

These will provide a wider choice of risk management methodologies and payment timings.

QSL will also offer a seasonal pool which will not need the specific tonnage commitment of the more specific price pool options.

As time to get information out and make choices for the 2008 season is very tight, it is expected that information relating to these new pricing options will be sent to mills quickly.

A more detailed description of the actual pricing options is expected to be provided in the next couple of weeks.

ACFA Chairman Ross Walker applauded the progress made to enable farmers to price some of the sugar from their cane.

"Farmers have always been dependent on factors out of their control and have done their best to mitigate this," he said.

"However this development provides an element of choice and control and is a first step in the right direction.

"Farmers and mills have always been in a revenue sharing arrangement - each doing their bit along the value chain until the proceeds of sales are shared.

"In recent years, through hasty and ill-conceived deregulation, this system has been skewed badly against the farmer, whereby mills have locked farmers into long-term contracts with no guarantee of a final price or even a base price.

Farmers have been forced to revenue share in a controlled environment, watching helplessly while mills have been able to add to their share through independent futures and currency trading.

Instead of suffering the worst of both worlds, farmers now have a glimpse of being able to manage their revenue according to their own business requirements.

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The Australian Cane Farmer,
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Breaking News

In this issue of the Australian Cane Farmer we hear from Dr Tim Flannery, Australian of the Year on setting biofuel targets.

Farmers can also learn about a new website designed to help them irrigate their crops.

ACFA Chairman Ross Walker talks about the effect deregulation has had on farmers pricing their crops.



Leading farmers into the future

Cane farmers hurt by poor planning



By ACFA.
Chairman
Ross Walker.

In the last edition, I wrote about the lack of planning and foresight displayed by QCGO, ASMC and the Queensland Government in relation to the implementation of the deregulation surrounding the single desk.

Farmers were repeatedly told nothing would change and they would not be disadvantaged. There were some naïve enough to believe this rhetoric. ACFA strongly supported the single desk selling concept for export raws with greater flexibility and price risk management for both farmers and millers.

The following discussion is not about the single desk but about the transition after legislation was repealed. ACFA did not sign the original Heads of Agreement for reasons that are well known.

Behind closed-doors discussions occurred between the Queensland Government, QCGO and ASMC for eighteen months prior to the extensive legislative changes that came into effect on January 1 2006, one would have expected a fair and smooth transition.

After the changes, millers were given

sole ownership of the sugar produced and were able to hedge sugar pricing for up to five years ahead when prices were at a very high level. Because farmers did not own the sugar, it is far more complicated for them to manage and lock in prices.

Millers who contract QSL to sell their physical sugar must have contracts in place. Farmers must in turn have contracts (Cane Supply Agreements) to supply cane to millers.

When the changes were made, contracts between QSL, millers and farmers were totally inadequate and QCGO (a signatory and supporter of the changes) and millers failed to provide the mechanism to allow farmers to price ahead. QSL was also unable to lock in prices because of a failure of stakeholders to commit and put the structures in place.

The cost to farmers has been huge.

Many millers were able to lock in prices over \$400 per tonne of sugar and even up to \$500 per tonne of sugar for part of the 2007 crop. For example, farmers in Mackay Sugar were given an opportunity to lock in at above average prices on the quantity Mackay Sugar priced and the vast majority did so and locked in the maximum tonnage possible.

The 2007 price estimate by QSL is currently between \$260-\$280 per tonne of sugar. The lost value between a possible projected price of \$280 per tonne of sugar and \$400 per tonne of

sugar equates to over \$10.50 per tonne of cane at 13.5 CCS for the 2007 season.

The vast majority of farmers were unable to lock in even a part of their production.

Farmers can clearly see the lost opportunity because of QCGO's failure to represent the very people who pay levies to them. QCGO supported the system in place for the 2007 season. It has unfortunately also had a profoundly negative effect for farmers. Being in the tent at all costs has been costly to farmers.

Farmers have been badly let down by QCGO, millers and the Queensland Government and the disarray displayed is unforgivable. The behind closed door discussion has been to farmers' detriment.

Prior to implementing this stage of deregulation the Queensland Government should have ensured that the board of QSL had implemented a risk management policy and suitable financial products to allow individual mills and farmers to hedge their price.

They should also have ensured that mills passed on this facility in contracts with farmers. ACFA flagged this concern during contract negotiations at the time but the level of interest was appallingly void. In absence of these assurances, QSL was left in the hands of stakeholders who failed to ensure the proper mitigation of risk along the value chain.

Only a select few knew what was happening and they have failed yet again to protect farmers' interests. They must be made accountable for their actions.

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Mr Cassava Sows the Seeds

Australian farmers are being enticed into growing a feedstock that produces high quality and high-yield starch for the production of ethanol, with little toil and trouble.

The case for the cassava plant was presented to attendees of the Ethanol 2007 Conference in Melbourne by a man known throughout the biofuels industry as "Mr Cassava."

Klanarong Sriroth, director of the Cassava and Starch Technology Research Unit at Kasetsart University in Bangkok, is so impressed with his product that he has recommended cassava as a better feedstock for ethanol than molasses.

Inviting Australians to jump on board the cassava bandwagon, Sriroth extolled the plant's remarkable qualities.

"It's a plant that is extremely easy to care for," he said. "It can be planted anywhere that sugar cane is grown, and thrives in degraded land covered with grass and weeds.

"After cassava is planted, there is less weed in the area. And once the plants are fully grown nothing can compete because of the plant's natural defensive action."

Sriroth was referring to the fact that most cassava varieties contain hydrocyanic acid, a cyanide substance which protects the plants from insects.

"Cassava growers in Thailand don't use insecticides, there is no need," he said.

It might sound too good to be true, but cassava is virtually a feedstock that you can plant and forget about.

Unlike sugar cane, cassava can be harvested year round in the dryer areas of Thailand. Sriroth used his country as a model, but conceded more technology-advanced countries like Australia could speed up the production process.

Sriroth said Thailand produced 20 tonnes of cassava roots per hectare because it relied on natural rainfall to irrigate the crop.

"With advanced irrigation systems in place, that figure could increase to 90 tonnes per hectare," he said.

Sriroth said six kilograms of cassava root, when dried, produced 2.5 kg of chips. This, he said, produced one litre of 99.5 percent ethanol after a simple conversion process.

In an earlier session at the biofuels conference, Sriroth told delegates that Thailand launched its Ethanol and Biofuels Program in 2000 for energy security and for the substitution of gasoline.

One of the key targets was to get rid of the toxic gasoline agent MTBE, forever. Another was to have all gasoline in Thailand mixed with ethanol by the start of 2008.

But because of a number of factors,

including the fluctuating price of feedstock molasses, expectations were not met.

Sriroth said cassava farmers were approached in 2005 to consider ethanol production, and he had strongly recommended to his government that cassava was the way to go.

China Banks on Cassava
It's worth noting that China is considering large-scale ethanol production from cassava, starting in about three years when production costs drop.

The country's leading ethanol-producing company, Henen Tianguan Enterprise Group, has an ambitious target.

General Manager Du Fengguang says the aim is to significantly reduce the cost in the next three years.

"Although this will not be an easy task, there must be a price drop to make the industry commercially feasible," he said.

China produced 700,000 tonnes of cassava-based ethanol in 2006, consuming about 5.6 million tonnes of fresh cassava. The company has developed a cassava production base in the Southeast Asian country of Laos, and is expected to yield 50,000 hectares of crop within three to five years.

The general manager said cassava could not be successfully grown in
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Flannery wants biofuels target set

Australian of the Year Tim Flannery saved his best for last at the Ethanol 2007 Conference in Melbourne.

The keynote speaker addressed about 150 delegates attending the Gala Dinner in the Crown Casino complex. He spoke at length about climate change, a subject he once referred to as “the greatest crisis facing humanity.”

The professor, author, environmentalist, scientist and explorer gave dire warnings about the effects of climate change, before being roundly applauded when he called for the banning of imported fossil fuels by the year 2020.

Earlier he referred to a report by British economist Nicholas Stern concerning the cost of battling climate change, from the cheapest to the most expensive.

“Of course, the cheapest measure is a better and more efficient use of the energy that we have,” Flannery said. “Get rid of the V8 and get a smaller car. That's an example of an efficient gain. That's the cheapest way forward.”

Hydrogen for transport was listed as the most

expensive path to take.

In between, were the regrowing of tropical forests and renewable fuels.

“Biomass technologies are right in there as one of the most cost-effective ways of addressing climate change,” he told the delegates.

“Your industry has a whole basket of technologies. Non-cellulosic ethanol is just one of those ways of turning biomass into something useful, like transport fuels.

Our greatest friend is going to be increased efficiency. Biofuels are going to go together to give us the big savings we need to address climate change in any meaningful manner.”

Flannery said he had travelled around the world in recent months and had heard concerns raised by the ethanol industry.

They are:

Evaluation of ways to stop burning fossil fuels in corn crop harvesting.

The growing 'food versus fuel' debate is becoming all too prevalent.

“Once these issues have been addressed, there will be a much easier path forward for your industry,” he said.

“I really hope that in the not-too-distant future we'll be fueling up using biofuels, rather than fossil fuels, at pumps all around Australia.”

Flannery told the dinner guests that governments should be setting targets for us to enter this new energy economy.

“I would love to see our government set a target, something like by 2020 or 2025, when we will not be importing fossil fuels into this country, so we'll start growing our own fuels.”

Story originally printed Biofuels Australasia Magazine July/August 2007, written by Ian Thomson.

Mr Cassava Sows the Seeds

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many parts of China because of unsuitable weather conditions.

“Currently, cultivation is on a small scale,” he said. “This has caused us to consider other countries.”

The company currently uses 60 percent wheat, 20 percent corn, 10 percent cassava and 10 percent sweet potato to produce fuel ethanol, and rice is also being evaluated as a raw material.

Last year it produced 470,000 tonnes of ethanol, accounting for 35.34 percent of China's total ethanol output.

Story originally printed Biofuels Australasia Magazine July/August 2007, written by Ian Thomson.

Irrigation facts at the click of a mouse

A new website will make it easier for farmers to obtain detailed information about water trading and irrigation standards anywhere in Australia.

Minister for Agriculture, Fisheries and Forestry, Peter McGauran, said the Federal Government had provided \$300,000 to the Australian National Committee on Irrigation and Drainage (ANCID) to develop the website www.irrigate.net.au Australia's Gateway to Irrigation Information.

"Farmers and interested community members will be able to easily source information on a wide range of irrigation topics," Mr McGauran said.

"These include basic facts and figures about irrigation, irrigation best practice, innovation and technology, case studies, water trading and water policy, standards and regulations and research.

"The website will put you in touch with more than 400 pages linking to over 1000 relevant and useful web pages."

ACFA Chairman Ross Walker said the website would be useful to farmers suffering the effects of the drought.

"Some sectors of the sugar industry are still reeling from the effects of Australia's worst ever drought and this website will give farmers access

to information that will allow them to maximise their water allocation," said Mr Walker.

"However, most farmers will have a inadequate supply of water this season and while no one can plan for a drought, cane farmers, particularly throughout Queensland, have been the victim of bad planning from the Beattie Government."

"Urban use often takes priority over agricultural use and unfortunately, due to the lack of adequate infrastructure, farmers will continue to bear the brunt of poor Government planning for some time to come," said Mr Walker.

Frosted cane threatens farmers in New South Wales

After being battered by droughts, floods and disease recently, cane farmers may be wondering what Mother Nature has left in her bag of tricks.

Farmers in New South Wales found out when they were subjected to another lesser known but equally damaging weather phenomenon known as frost.

Frost's public relations aren't as good as other sugar industry pests but according to New South Wales cane farmer, David Clift, it has the ability to cripple entire farms.

"I grow about 15,000 tonnes of cane and 100 per cent of that is frosted to some extent," he said.

According to David the frost first struck on Monday July 16 but temperatures continued to plunge on the following Thursday and Friday nights doing further damage to crops.

"Those who had seen frost before knew we had a major problem

"There are about 350,000 to 500,000 tonnes of frosted cane in our area."

Unseasonably wet weather and lagging throughput at Broadwater Mill has compounded the problem.

"We should be close to 1/3 or 2/5 of our crop off but we've only got a quarter off," said Mr Clift.

"The concern is now is purely how we will remove the rest of the crop from the paddock.

"If we don't get the frosted cane off in a reasonable amount of time it will be lost to the industry," he said.

That in itself is creating problems as harvesting contractors decide whether to aid those with frosted cane or remain loyal to their groups.

"There were some individuals that did shift their harvesters early but some harvesting groups were very reluctant to," said Mr Clift.

In spite of this, the biggest problems could still be on their way with many farmers facing the grim task of disposing cane that unfit for milling.

"We're scratching our head as to the right sort of decisions to come up with," he said.

Better sugar yields with Bentonite



JCU Postgraduate Earth and Environmental Sciences student, Anna Satje, is researching ways to improve farm profitability and industry performance.

Queensland produces 95 per cent of Australia's raw sugar and provides employment in regional areas, however in recent years the sugar industry has been under pressure to improve efficiency, reduce costs and become more environmentally sustainable.

JCU Postgraduate Earth and Environmental Sciences student, Anna Satje, is researching ways to improve farm profitability and industry performance by enhancing the ability of tropical soils to retain nutrients, thus potentially improving fertiliser use and efficiency, increasing sugar yields, and reducing the environmentally detrimental aspects of fertiliser application.

Ms Satje, a recipient of a three-year Sugar Research and Development Corporation (SRDC) grant, has been working for the past 12 months on the idea of using bentonite (a mixture of high activity clays) to enhance the productivity of highly weathered tropical sugarcane-growing soils.

"It's known that declining fertility in soils leads to declining sugar yields, and in order to lift the yield significant amounts of fertilisers are required," she said.

"However fertiliser-use efficiency is often low on these soils due to large losses of nutrient cations via leaching, and this raises questions about the economic and environmental sustainability of this type of production system."

Ms Satje said her study aims to assess whether the application of high activity clays (HAC/Bentonite) in permanent bed systems will be a profitable and environmentally beneficial means of enhancing sugarcane productivity on soils with low cation exchange capacity (CEC) soils, i.e. a low ability to store and supply nutrients.

CEC refers to a soil's ability to hold

positively the charged ions such as calcium, magnesium, and potassium, sodium, hydrogen and aluminium in an exchangeable form.

As the cations calcium, magnesium and potassium are important plant nutrients, the capacity of a soil to retain and supply cations is directly linked to fertility and agricultural productivity, she said.

"The low CEC of tropical soils is essentially a consequence of our tropical climate under which our soils have been subjected to long periods of intense weathering which has left them with a clay mineralogy which has a low capacity to adsorb cations."

"When considering CEC, a distinction is made between those clay minerals that have a constant surface charge and those that possess a variable pH-dependent charge."

Clay minerals that have a noteworthy constant surface charge are commonly referred to as high activity clays.

High activity clays are particularly important as these lend soils a high CEC; their net negative surface charge is counterbalanced by cations in the soil solution, she said.

BSES calls for Grower Director nominations

Call for nominations for election as a Grower Director at 23 October 2007 Annual General Meeting

Election of a Grower Director

The Constitution of BSES Limited provides that at the Annual General Meeting of the Company to be held on Tuesday 23 October 2007, one of the current Grower Directors will retire, and having retired is eligible for re-election. Grower Members may also nominate to the Company a person (or themselves) to stand for the election of one (1) Grower Director at the 23 October 2007 Annual General Meeting.

Duties of Directors

BSES Limited is a company limited by guarantee and incorporated under the Corporations Act 2001. A short summary of the duties of a company director at common law and under the Corporations Act may be obtained by Grower Members considering nominating by contacting the Company Secretary at the address set out below or by ringing BSES on 07 3331 3333.

Who may nominate

Under the Constitution, to be eligible for election as a Grower Director a person must be a Grower Member or a director of a Grower Member at the time of their appointment as a Director. The Corporations Act also requires a person to give their written consent to act as a director of a company governed by the Corporations Act prior to being appointed as a director.

How to nominate

Grower Members wishing to nominate to stand for the election to be held at the 23 October 2007 Annual General Meeting must write to

The Company Secretary,
BSES Limited,
PO Box 86,
Indooroopilly, QLD 4068.

To notify BSES of their nomination, setting out their full name and address, and stating that if elected they consent to act as a Director of BSES Limited. Grower Members nominating may (optional) also include a short precise of not more than 100 words of their background and experience for distribution by the Company to Grower Members with the Notice of Meeting for the 23 October 2007 Annual General Meeting and advice of holding the election.

When must nominations be received by

Only nominations by Grower Members received by BSES at the above postal address by 5pm on Monday 17 September 2007 will be accepted.

Travel projects focus on hands-on learning

Sugarcane growers are a hands-on bunch.

Most would prefer to learn by kicking ideas around in a paddock, rather than reading about it in a journal.

Or at least, that is the thinking behind the SRDC travel and learning opportunity projects and it seems to be paying off.

Growers aren't the only ones who have benefited from the Traveling and Learning Opportunity (TLOP) initiative.

In fact in the last five years more than 100 travel and learning opportunity projects have helped men and women from all sectors of the value chain 'get aboard the bus'.

Growers represent the largest group to benefit.

Almost half of all projects have involved growers or grower groups, while researchers have been involved in about one third of all TLOPs.

Acting SRDC Executive Director Robert Troedson said the Corporation was keen to make sure the program was hitting the mark and recently commissioned an external review of SRDC's TLOP investments.

"We were encouraged by the results of the review, and are pleased to see that on the whole these projects are helping industry to learn and share ideas," he said.

Tours and conferences are clearly the most popular forms of learning opportunity, while others have brought in guest speakers or provided training.

The review found that TLOPs are successful in expanding participants' horizons by exposing them to new ideas or ways of thinking and that the projects have helped to build networks often amongst the participants in the projects as well as with others outside the region or industry.

Recently returned from a DPI and F tour of cane farms in southern Queensland and New South Wales, 11

growers from the Far North had their eyes opened to different sugarcane farming systems.

Since their return, members of the group have been busy making changes to the way they farm.

Robert Brooks has adopted a 2m dual row controlled traffic system on his family farm but they use conventional planting openers which disturb the soil.

Since the trip they have bought a second-hand billet planter and are converting it to plant dual rows through double disc openers.

This system will avoid the use of tillage and they will plant directly into legumes which were grown on pre-prepared GPS beds.

They also recognised the need to generate income from fallow crops as many NSW growers do from soybeans.

The weather in the north is not suitable for harvesting summer soybean crops so they are considering growing 16 hectares of maize in the winter as soon as the first cane is cut.

DPI&F have provided them with agronomic and gross margin information and will provide a planter for the exercise.

David and Paul Cecchi are also interested in growing a cash crop in the fallow and are looking at growing maize to sell locally to Yamagishi eggs.

They were also interested in the practice of spraying urea over trash to speed up its breakdown and will use the networks they established with the southern farmers to get more information.

Warren Mitchell has had 1.8m dual row controlled traffic for six years but since the trip is looking into 2m row spacing on 800mm centres.

He is looking into how well the present day harvester will cope but will need to wait until the season starts to investigate further.

Cleaning Solution adds sparkle to mills

Nick Stipis was impressed with the sprayer presentation at the Tropical City Group presentation and says he will now research alternatives to their antiquated set up for improved efficiency, cost savings and opportunities to increase yields.

The TLOP participants now have FEAT on their computers and recognise its value.

A DPI&F staff member has been through the program one-on-one with most of the participants and they have seen first hand where savings can be made (e.g. reduced nitrogen application after a legume crop).

“We are also looking forward to hearing about the lessons learned by growers, millers and researchers who SRDC has supported to attend the ISSCT conference in South Africa,” Dr Troedson said.

“For example, travel to ISSCT and associated visits will help Australian researchers and millers to investigate alternative technologies in the manufacture of sugar and sugar co-products.”

Dr Troedson said that while the review was notably favourable, SRDC welcomed the feedback on ways the TLOP program could be improved.

“SRDC is particularly mindful of the need to encourage TLOP participants to share their experiences and recommendations with industry so they can work together to action these where appropriate,” he said.

To find out more about SRDC's investments in TLOPs visit the 'Our Research' page of the SRDC website.

Have a great idea for a TLOP?

As the benefits of TLOPs are increasingly recognised by industry, competition for the limited amount of annual funding offered by SRDC increases.

Bianca Boseley, SRDC's Investment Manager responsible for TLOPs advises those interested in applying for TLOP funding to discuss their ideas with her, or any other SRDC Investment Manager before

sending in their proposal.

“This funding is competitive, which means your idea needs to be well thought out and easily understood by someone not involved in the project,” she said.

“Your proposal will be judged on the quality of your ideas and the potential impact on the industry, not on your writing style.

“However it is important to remember that the more clearly you describe what your project is about, the better your chance of success will be. It always pays to have someone else (maybe a friend, partner or colleague) read over your application just to make sure you haven't missed anything important.

“TLOP proposals are assessed against two criteria. The first looks at how attractive your proposal is (is it likely to result in benefits to the industry), while the second looks at the likelihood of your project being successful,” she said.

SRDC currently has a call for project proposals for TLOPs to be undertaken in the 2008 calendar year.

For more information, visit the 'Apply' page of the SRDC website: www.srdc.gov.au, or contact Bianca Boseley on 07 3225 9415 or via email bboseley@srdc.gov.au

Cleaning solution adds sparkle to mills

Research undertaken by SRI@QUT and funded by SRDC promises to simplify the cleaning of evaporators in sugar mills saving time and money.

Cleaning evaporators is a significant disruption for sugar mills. While the approach taken differs from mill to mill, the usual procedure often involves a two or three-step process which is labour intensive and time consuming.

Dr Bill Doherty, who has been leading the project, said that the development and testing of different types of cleaning solutions has resulted in a one-step procedure
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Cleaning Solution adds sparkle to mills



Before and after. Showing the difference a good clean can make research into a solution for cleaning the evaporators in sugar mills will help the industry save time and money.

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that is cheap, convenient, effective and fast.

“Over the last year, the new solutions have been on trial at the Tableland and Mulgrave Mills,” Dr Doherty said.

“The new formulation will mean cost and time savings for industry,” he said.

“Mills should be able to extend the time between cleaning stops typically from 14 to 18 days.”

The new formulation has the added benefit of reducing

the down time needed for chemical cleaning of the evaporators.

Over the life of the crushing season, the project team estimate that the new solution will help boost production of sugar by 310 tonnes and molasses by 464 tonnes each year for an average size mill.

For mill workers, the new formulation also offers improved workplace health and safety.

All up, the results of this project are great news for the performance of mills and for the industry in general.

Ethanol Is Feeding Hot Market for Farmland

While much of the nation worries about a slumping real estate market, people in Midwestern farm country are experiencing exactly the opposite.

Take, for instance, the farm here nearly 80 acres of corn and soybeans off a gravel road in a universe of corn and soybeans that sold for \$10,000 an acre at auction this spring, a price that astonished even the auctioneer.

“If they had seen that day, they would have never believed it,” Penny Layman said of her sister and brother-in-law, who paid \$32,000 for the entire spread in 1962 and whose deaths led to the sale.

Skyrocketing farmland prices, particularly in states like

Illinois, Iowa and Nebraska, giddy with the promise of corn-based ethanol, are stirring new optimism among established farmers.

But for younger farmers, already rare in this graying profession, and for small farmers with dreams of expanding and grabbing a piece of the ethanol craze, the news is oddly grim.

The higher prices feel out of reach.

In central Illinois, prime farmland is selling for about \$5,000 an acre on average, up from just over \$3,000 an acre five years ago, a study showed.

By Monica Davey in DeKalb, Illinois.

The Better Manager Series...Managing Underperformance Part 2

Article provided by McKays Consulting, a division of McKays Solicitors

Welcome to the July edition of our McKays Consulting 2007 "Better Manager" Series.

This is the second article of a two-part series on Managing under-performance in WorkChoices workplaces in Queensland.

The June newsletter introduced "Managing under-performance", and the following common mistakes made by employers:

That redundancy is not employee performance management; and When managing for underperformance, take care to not unlawfully dismiss.

In this article we overview: Which employers are affected by fair dismissal laws under WorkChoices; and

The requirements of fair dismissal laws.

We will also overview some recent case law that gives useful guidance on how the AIRC is interpreting the WorkChoices fair dismissal legislation.

Which employers are affected by fair dismissal laws under WorkChoices?

Under WorkChoices, fair dismissal laws do not apply for:

Seasonal workers

Employees engaged under a contract for a specified period or

specified task

Employees on probation

Casual employees engaged for a short period

Trainees

Non-award employees whose annual remuneration exceeds the prescribed amount (currently \$98,200.00)

Small business employers with fewer than 100 employees

Employees who have served less than 6 months employment with the employer

Employees made redundant for genuine operational reasons.

The requirements of fair dismissal laws

An employer subject to fair dismissal laws must give both procedural and substantive fairness to its employees.

Procedural fairness is where the process by which an employer was dismissed is fair.

Usually this will mean that the employer is:

1. Given feedback about the areas of underperformance so he/she knows what improvement is needed; and

2. Is given reasonable opportunity

to formally respond to the allegations of underperformance before disciplinary action is taken.

Substantive fairness means that the employer made a right decision on the facts before it.

An employer that does not give both procedural and substantive fairness when dismissing an employee has unfairly dismissed the employee.

Helpful recent cases

Fair Dismissal laws do not apply to a dismissal in the qualifying period

- An employee was summarily dismissed after the employer read a provocative newspaper article about the employee

- The claim by the employee was dismissed because the employee had not completed the 6 months qualifying period of employment *Peter Doran v Surf Coast Shire Council* (22 February 2007)

Consistency in communicating and enforcing workplace policy is important

- A employee was dismissed after repeatedly breaching computer and email policy

- On appeal, the employer successfully defended the employee's claim for unfair dismissal by proving:

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The Better Manager Series...Managing Underperformance Part 2

Article provided by McKays Consulting, a division of McKays Solicitors

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- It had warned its employees of consequences of breaching policies

- The employee had repeatedly breached employer's policies
Queensland Rail v M. Wake (19 October 2006)

Compare the outcome of this case, where the employer's policies were not enforced as consistently.

Dismissed employee reinstated despite breach of email policy

- Employee was dismissed after employer found pornographic material on his laptop

- Senior managers had previously condoned the sending of pornography by email

- On appeal, Commission found:

- The email policy had been breached;

- Nonetheless, the employee had been unfairly dismissed and ordered his reinstatement.

- The termination was unfair in circumstances where the employer had been inconsistent in upholding its email policy by failing to treat all employees equally for similar conduct.

- The employee was reinstated to the workplace.

Budlong v NCR Australia Pty

Limited (3 November 2006)

The employer in the former case had gone to great lengths to alert its employees that breaching email policy would lead to dismissal, whereas the employer in the latter case did not.

Qualifying period is different from probationary period

- Employee Bank Manager dismissed after 5 months employment

- Employment contract stated 3 month probationary period

- Employment contract did not refer to a qualifying period

- Employee claims dismissal was harsh, unjust or unreasonable

- Commission dismissed employee's application because employee had not completed qualifying period (6 months)

- Commission pointed out distinction between probationary period and qualifying period
Simon Nelson v Westpac Banking Corporation (22 March 2007)

Casual employment doesn't count towards qualifying period

- Casual employee of 4 months accepts full time position

- Employee dismissed 3 months later, having worked total of 7 months

- Employee claims dismissal was

unfair

- Employer argued employee had not completed 6 months qualifying period and therefore could not claim such relief

- Employer successful

- Commission found that qualifying period commenced when employee started full time position

Denis Mate Erceg v AGC Industries Pty Ltd (22 May 2007)

We hope that this newsletter will be of assistance to you and your business.

If you would like further advice about fair dismissal laws under WorkChoices or about managing under-performing employees, please contact us.

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The information contained in the newsletter should not be relied upon without first consulting us and obtaining specific advice.

What's going on in the sugar regions?

Innisfail Regional Report

Weather-wise, there was a little bit of disruption to harvesting and crush procedures in the past few weeks with a little bit of wet weather coming through.

It looks as though it will be a disappointing for the crush season.

Planting is continuing, and is in full swing.

Tonnages per hectare are a little below average, possibly due to the weather earlier in year and after effects of Cyclone Larry. However, the good side of it is that CCS is up a lot better than it was last year, being around the 12 mark.

Johnstone Shire's budget has just been handed down and Johnstone Shire has received another blow with a hefty increase in rates.

In most cases, they have risen by 15 per cent, and in most areas 3 to 4 per cent.

John Blanckensee
ACFA Northern Director

Herbert Regional Report

Total cane crushed to date is 919,294 tonnes with the best performing varieties being Q200 and Q135 with an average CCS of 13.5

The overall average CCS for the district is:

Macknade 13.03CCS
Victoria 13.07CCS

There was a small amount of rainfall during the past month and at the moment we have a change in the weather with showers being forecast.

With planting still underway, we hope that the rainfall will be minimal.

I attended a drum muster presentation last month and wish to congratulate all those people who received an award for their work in recycling used

chemical containers.

It shows how much we care about our environment.

On Friday, 3rd August, I was present and also spoke on behalf of ACFA at a public meeting in the Herbert on agricultural land buyout risks to mills and jobs.

At the end of the day, no blame can be laid on farmers who want to exit the industry.

Our farmers can no longer afford to work all year for little or no return.

They have had to absorb significant cost increases and as one farmer put it, "the tunnel is not getting shorter - it is getting longer and darker."

A national inquiry into the state of agriculture in Australia is long overdue.

Carol Mackee
ACFA Herbert Director

Burdekin Regional Report

Weekly crushing figures for week 4 of the harvest are as follows:

Invicta: 128,649 (Season to date: 383,290)

Pioneer: 53,417 (Season to date:198,450)

Kalamia: 63,990 (Season to date:193,911)

Inkerman: 87,190(Season to date:261,029)

...giving a weekly crush total overall of 333,246 (Season to date: 1,036,680) from a district estimate of 8.12 million tonnes.

Season to date CCS for Invicta stands at 13.33; Pioneer, 13.39; Kalamia, 13.60; Inkerman, 13.53.

There have been further delays and stoppages due to mill breakdown recorded in week 4, causing difficulties and delays for farmers and harvesting contractors.

It is to be hoped that these will be effectively resolved so that the harvest does not continue to be further disrupted during the remainder of the season.

BSES and BPS continue regular air sampling/spore trapping throughout the Burdekin with a further 6

What's going on in the sugar regions?

samples testing positive.

To date, no disease has been found on cane plants in the district although growers need to be vigilant in looking for any sign in their crop.

Meetings were held to update farmers on the latest smut findings and Dr Barry Croft, Leader of the BSES Biosecurity Group was a guest speaker.

Issues covered included:

Expanding the spore trapping program;

Strategic inspection of smut-susceptible early plant cane;

Further investigation into wind directions at positive smut recording sites;

Farm hygiene for contractors and what effect smut will have on harvesting schedules.

An increased volume of seed cane for smut-resistant varieties is available this year.

Elections are currently underway for a new BPS Board and results were announced at the AGM on 28th August.

Groups of growers and BPS have met with Paul Smith (Boar Busters-07-40688732) and Merv Pyott (Burdekin Shire) regarding the feral pig problem in the Burdekin and programs of baiting and/or trapping are available to growers by contacting either Merv or Paul.

Regional and Community Projects announced for the Burdekin district include:

\$472,760 to Burdekin Productivity Services to demonstrate precision agriculture and encourage controlled traffic systems, thereby enhancing productivity, profitability and sustainability benefits;

A further \$670,000 to Davco Farming to extract ground water from two areas identified as at serious risk of salinity from the rising water table and

demonstrate the sustainable use of water otherwise unsuitable for irrigation under a management regime that provides for increased yields on sodic soils;

And a \$2 million grant to SRDC will fast track the development and release of new plant varieties for use across all sugar producing regions.

BSES and Burdekin farmers welcome the appointment of Evan Shannon to the new position of Extension Leader for the region Burdekin North and the transfer of the Mechanisation Group from Bundaberg to Brandon later this year and the significant savings that BSES have achieved through its recent restructure.

Margaret Mennzel
ACFA Burdekin Director

Central Regional Report

Harvester operators are experiencing good conditions with the six mills as at August 12 having crushed in excess of 2.18 million tonnes cane.

The season estimate is 10 million tonnes. Mackay Sugar and Proserpine are reporting a good throughput while Plane Creek has reported some delays.

CCS is rising strongly helped by cold sunny days and weekly results are 12.92 for Proserpine, 13.45 for Plane Creek and PRS 13.36 for Mackay Sugar.

Varieties recording high CCS are Q185 and Q209 in Plane Creek; Q205, Q185 and Q157 in Proserpine and Q208, Q205, Q209 and Q121 in Mackay Sugar.

Proserpine is reporting impressive results on cogeneration output and the furfural project is progressing well.

Planting is progressing well and Mackay Sugar is subsidising imports of smut resistant KQ228 from the Burdekin. Mackay Sugar will pay 50% of the cost up to \$50,000.

Mackay Sugar has developed a network of an initial 6 GPS Base stations throughout the area.

Regional Reports

The concept of a community network means that entry cost to individuals wishing to adopt the new technology will be decreased thereby encouraging the uptake of guidance technology.

The establishment and location of further base stations will depend on future demand.

Ross Walker
ACFA Central Region Director

Southern Regional Report

Frosted cane has become an issue.

Not having been seen this severe for years, many younger growers are having to call on the "old-timers" for advice on how to handle frosted cane. The advice that a well watered crop is the best insurance against frost has not been well received by growers whose irrigation dried up in March last year.

Sugar contents have either jumped or crashed with this frosting and predicting which is not an exact science.

Recent conservation with Maryborough Mill administration has raised a few questions as to how we, as farmers, may not have been taking as much interest in our regulations as we should.

We should all make ourselves aware of how our terminals are managed and should look towards keeping ownership by the people who will be most affected by management decisions.

Some shareholders are perhaps offended by offers from buyers but as deregulation of everything continues, careful scrutiny and talking to your mates about these offers is one way to settle your own position on the matter.

Many people you know will have had share portfolios for some time and are able to discuss their experiences.

This will be one of the topics for discussion at the

Southern Region after harvest gathering.

Mike Hetherington
ACFA Southern Region Director

New South Wales Report

Weather conditions have remained dry which has been excellent for the harvesting of the 2007 crop, however, with the dry weather frosts have been a major problem in all three mill sites.

Whilst Condong and Harwood have been affected by the frost (some areas severely), Broadwater Mill area was severely frosted on the 19th and 20th July with up to minus 6.3 degrees C.

There has been severe crop damage including all the hearts and most eyes killed to the ground.

About 3000+ ha have been affected which has led to 100,000 tonnes of extra cane being nominated for harvest.

A lot of cane will have to be slashed off or sent for cow feed due to its immaturity.

Extra bins have been allocated for frost affected groups and down river harvesters are also helping out.

We are unsure of how long the frost affected cane will last, compounded by the fact of immature one-year-old cane with no sugar.

This has led to most up river farmers now having no planting material.

Wayne Rodgers
ACFA New South Wales Director

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ACFA services

Publications:

The Australian CaneFarmer - published eleven months per year.
Australian Sugarcane - the leading R&D publication - Bimonthly.

Representation: ACFA has a proven record of fighting for farmers where others have either given up or not begun.

Branch Network & Local

Representation: Make use of your local ACFA branch, call your local director or visit www.acfa.com.au.

Corporate services: World sugar news, Market information, Politics, Local sugar related news, Wage & industrial relations, information Environmental

matters Water issues.

Industry surveillance: ACFA is constantly monitoring matters relevant to canefarmers.

Insurance: General insurance - ACFA insurance is the market leader. It has the largest share of cane farm general insurance in Qld & Australia:

- Crop insurance
- Life insurance & personal accident insurance - ACFA insurance provides life & personal accident insurance via AON and Australian Casualty & Life.
- Financial planning - ACFA members have access to AON financial planners.

Pays: For a low fee, ACFA members have access to an automated pays service.