

Introducing Scott Boyle, Regional Manager Prime Super

Recently the secretary had the pleasure of meeting Scott Boyle, Regional Manager, NSW for Prime Super. It seems that not only was Scott an expert in superannuation but he has also spent many years working in the wool and farming industries. Included in this is a stint at Kondinin group. Along with being a wealth of information re super, from his past life he has retained lots of useful information; some of it about sheep. Below are some interesting facts he sent through recently.

Did you know...?

(Scott had a quick look at a couple of books that were written by the Kondinin Group called "Shear Sense" and "Yards N Yakka". There is an article in there called "For sheep, it's a trauma".)

A few facts in the article that are not well known include the following;

- Energy requirements by recently shorn sheep increase by 30-50%.
- A sheep locked up for 24 hours or more off feed changes the flora in the rumen and can take up to 6-7 days before appetite returns.
- Sheep can be trained to work or run better in yards and sheds that are normally

stressful by rewarding them onto good feed from their first shearing.

- Hypocalcaemia is more prevalent around shearing time as they can have rapid decreases in blood calcium levels. Particularly young sheep of green pastures.
- A sheep's memory lasts on average about 12 months.
- Sheep are a mob animal and like to see the rear or another sheep in front of them.
- Sheep don't like their own shadow in front of them.
- Sheep don't like to go into or see dark in front of them, but like to go into a lighter area.
- Sheep like to walk up slopes and hills more than down.
- Sheep prefer to walk into the wind than against it.

There is the popular fact that the most stressful thing you can do is leave them alone in a pen. Scott also remembers a comment either by his father or a neighbour about the intelligence of sheep. Something along the lines "Sheep are intelligent. They really know how to pi*\$% of a farmer (or shearer)" This comment was usually after an episode of sheep being dumb!"

Scott knows of a farmer in WA who had about 100 "pet" sheep that he would dip his finger into molasses and let them suck his finger while shearing.

Another story he remembers from a farmer in WA was about another farmer near Esperance who in the first year thought the belt type "VE" machines for drenching young wethers were great. Not so great for the second year, when he couldn't get the sheep to enter the machine at all. Turns out in the first year, the animals were dropped into a dipping plunge! "I wouldn't go back either!!" Scott said.

(dollar for dollar) as a result of the GFC. This year they've decided to make reduction permanent and save an estimated \$840 million dollars in the next four years.

A two year freeze on indexation of the income threshold for the co-contribution. This means the current thresholds of \$31,920 and \$61,920 will remain in place until 2011-12.

Of course these changes are not a done deal. The majority of the super changes (and a few others) are contingent on the passing of the government's 40% Resources Super Profits Tax plan which has drawn opposition from many quarters. And if media reports are anything to go by, there's likely to be a showdown on the new tax in the coming months with the government committed to implementing it and the opposition (and not surprisingly the mining companies) just as committed to defeating it.

We'll all need to watch this space to see how the events of the next few months unfold and what impact they're likely to have on our superannuation system.

For more information about this article or any other topics please email Rod Stewart (rstewart@primesuper.com.au).

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Postal Address

PO Box 1143
Manly NSW 1655

Contact

M 0412 600 586 F 02 9400 9083
E secretary@scaa.org.au



The Shearing Contractors' Association of Australia

Superannuation and the Federal Budget 2010

Federal Treasurer Wayne Swan delivered his third budget on 11 May 2010. As promised, the budget was 'no-frills' and if anyone was hoping to find some 'pre-election sweeteners' in it, it is likely that they would have been disappointed.

Instead the Treasurer argued that this budget was about positioning the government as fiscally responsible and reducing the large budget deficit as quickly as possible.

But the 'no-frills' budget did include some (mostly positive) changes to super. According to Mr Swan, these changes will "boost national savings, support investment and help give Australians the financial security they deserve in retirement."

So just what changes to the super system is the government proposing?

The positives

An increase in the Super Guarantee from 9% to 12% by 2020. According to the Treasurer, for a 30 year old on an average income, this will equate to an extra \$108,000 in retirement.

An extension of Super Guarantee age from 70 to 75. This means anyone working past age 70, will be entitled super employer funded super until they reach age 75.

A refund of the 15% contributions tax to low income earners who earn less than \$37,000. This could potentially mean an extra payment of \$500 a year, paid into your super account.

An increase in the concessional contributions cap for people aged over 50 to \$50,000 for superannuation balances under \$500,000. This will hopefully allow for older Australians with small accounts to save more.

The not-so-positives

A permanent reduction to the co-contribution matching rate. Last year the government announced it would temporarily reduce the co-contribution matching rate from 150% (where you received \$1.50 for every \$1.00 you contributed to your super) to 100%



10,000 attend North Tuppall Station 'Shearing of the Rams'

There was a traffic jam in the New South Wales Riverina town of Tucumwal over the first weekend in June when more than 10,000 people turned out to visit North Tuppall Station to catch a glimpse of the historical 72 Stand Shearing Shed Re-enactment of Tom Robert's painting Shearing of the Rams. The event was organised by Sports Shear Australia to raise money to help send the National Shearing and Woolhandling teams to compete in the Golden Shears Championships in Wales next month.

Not since 1910 has all 72 stands of this iconic shearing shed been put to use. The event was also an opportunity to recognise the 125 years of competition shearing in Australia. The logistics of the occasion required more than 250 volunteers consisting of 72 blade/machine shearers and 80 wool staff plus over 100 management and support personnel to shear the 5000 sheep in two days.

The crowd who range from dignitaries and school children through to many old hands who had seen a lot of shearing in their time, were all impressed by the historical experience.

The SCAA would like to applaud the Sports Shear organisers and thank the Atkinson Family, and SCAA members Mark and Lisa Baldwin along with David and Cherri Kemp for their contributions.

Award changes - July 1, 2010

The Pastoral Award 2010 rates of pay will change on 1 July 2010.

From this date, the Flock rate of shearing will change to \$253.42 per hundred and with few exceptions all shearers across Australia will be paid this one rate of pay. In addition, all Payscales, Transitional Awards and State (Queensland) Awards will cease and be replaced by the "modern" Pastoral Award 2010. This new rate will result in the contract price of shearing to increase by approximately 8%.

Why is the increase so large?

The Award rates of pay are increasing for two reasons:

- Fairwork Australia announced on 2 June that the Australian Minimum Wage (AMW) would increase by \$26.00 per week. This change accounts for a little more than half of the overall 8% increase.
- The conversion of the Pastoral Award from a 40-hour-a-week Award to a 38-hour-a-week Award, will account for just under half of the total increase.

In light of the foreseeable negative reaction from woolgrower clients, it is worth remembering that the industry has not had a wage increase since October 2008, 21 months ago. Therefore the increase is a little more than 2% per year plus a 4% 'conversion' or productivity cost, to move to a 38 hour week in line with all other industries across Australia.

Why is it different to what was discussed all year?

We have been aware that rates would change at this time since the Transitional Provisions were implemented in November 2009. However since this announcement, the draft Awards were released with no information

that they were subject to a Minimum Wage decision that would come into effect on 1 July rather than the 'traditional' start date of 1 October each year.

Other important notes

The "Conditions" of the PASTORAL AWARD 2010 came into effect on 1 January 2010 however with the exception of the 'Travel Allowance' (which changed to \$0.74/km each way from this date), the other rate increases were delayed as a result of the "Transitional Provisions" which allowed wool growers to plan for the impact of a conversion from 40 hours to 38 hours and subsequent cost increases.

Rates of Pay up until 1 July 2009: Employers are to continue to pay workers under the same Award / Payscale rates of pay that they were operating under up until the 31st December 2009. In other words, if you were paying under the 'Payscale' on 31 Dec 09, you will continue to do so but increase traveling to \$0.74/km. Likewise, if you were paying under the 'Transitional Award', continue to do so but increase traveling to \$0.74/km. Same goes for State Award. That said, remember it is only the rates of pay that have been delayed; all workers in all states, now work under the conditions of the PASTORAL AWARD 2010 i.e. a 38 hour week. See below for details of Awards and further explanations of 'why'.

For those of you on email, Please ignore DRAFT rates that were sent out on the 19/5/10 and 7/3/10 that stated that the shearing rate would be \$242.11. These rates were the calculations related to only the conversion to the 38 hour week without the \$26.00 Minimum Wage increase. I apologise for any confusion or inconvenience this information caused.

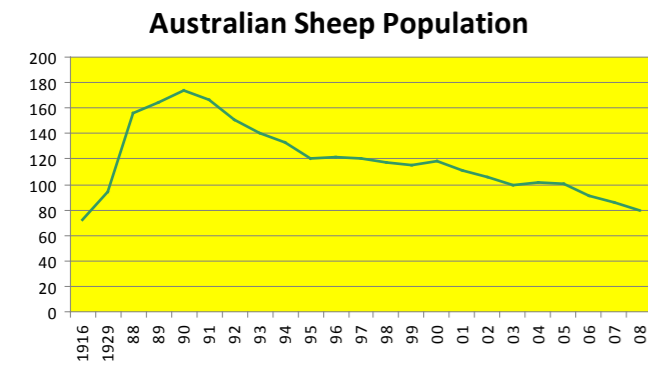
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Shearharvest 2010 Conference Information

During the two days of SHEARHARVEST 2010 seminars, many of the industry's issues were discussed. One of the topics was "The Demand for Shearing into the Future". Below are some relevant statistics that were discussed.

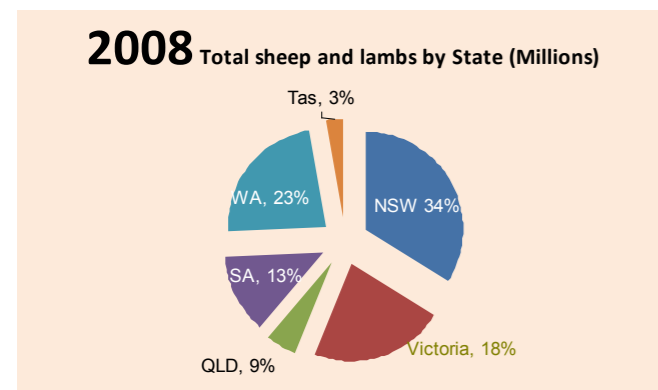
Sheep Population Statistics

Australian Sheep Population



Australian Sheep Population by state.

The split has remained relatively stable over the past 20 years

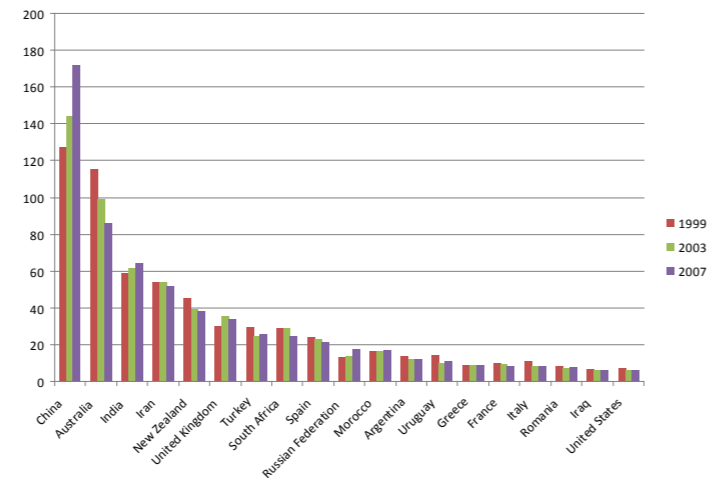


Australian supply and use of mutton and lamb

	Slaughtering	Average weight	Production	Exports	Apparent Consumption
	'000	kg	kt	kt	kt
2007	21154	20.7	439.0	192.6	246.5

Global Sheep Population

(Yes you are not the only one that assumed that Australia was the biggest owner of sheep.) Note that China's has grown by more than 25% in the last 10 years.



World mutton and lamb production, by country

	1999	2007
	kt	kt
China*	1 335	2 600
Australia	629	692
New Zealand	518	573
United Kingdom	392	330
Spain	221	225
Russian Federation	124	140
France	132	95
United States	113	83
Italy	70	59
Romania	54	57
Argentina	45	52
Uruguay	51	32
Ukraine	15	8
Total	7 343	8 893

*Note China's growth

World mutton and lamb production, by country

	2007
	kt
China	2 600
Australia	692
New Zealand	573
United Kingdom	330
Spain	225
Russian Federation	140
France	95
United States	83
Italy	59
Romania	57
Argentina	52
Uruguay	32
Ukraine	8
Total	8 893

Volume of trade in sheep meat, by selected countries

	2007
	kt
Exports	
Australia	321
New Zealand	420
Imports	
France	129
– from Australia	1
– from New Zealand	33
Germany	39
– from Australia	1
– from New Zealand	32
Saudi Arabia	61
– from Australia	25
– from New Zealand	21
United Kingdom	114
– from Australia	13
– from New Zealand	85
United States	94
– from Australia	73
– from New Zealand	21

Rate Changes (from "Award Changes" page 1)

The table below shows the changes in the Award rates as a result of the \$26.00 minimum wage decision and the conversion of the Award to a 38 hour a week award. Please note that the overall effect on the contract price (total labour cost) to shear a sheep will be close to 8% given the weighted average of the increase below.

A laminated copy of the new Modern Award rates will be sent to you and in the coming weeks full versions of the Modern Award will be sent once the final updates have been published. Alternatively you can download this information from the SCAA website www.scaa.org.au

Pastoral Award Changes	Rates at 1 October		Rates at 1 July 2010 Modern Award	Change since 1 October 2008			
	Transition Award	Payscale		Vs Transitional		Vs Payscale	
Flock sheep (per hundred)	\$233.82	\$235.59	\$253.42	\$19.60	8.4%	\$17.83	7.6%
Crutching at sheds (per hundred)	\$67.81	\$68.32	\$73.42	\$5.61	8.3%	\$5.10	7.5%
Shed Hands (per run)	\$43.62	\$42.81	\$47.23	\$3.61	8.3%	\$4.42	10.3%
Woolpressers (per run)	\$46.03	\$44.87	\$48.18	\$2.15	4.7%	\$3.31	7.4%
Cooks (per hour)	\$24.32	\$24.54	\$25.38	\$1.06	4.4%	\$0.84	3.4%
Woolclasser2 day rate	\$216.09	\$216.09	\$225.24	\$9.15	4.2%	\$9.15	4.2%
Weighted Average increase to contract price					8.0%		8.0%