

Top 4

November 24th, 2023

Consultants gathered for the AAAC Outlook last week, here's our takeaways for on farm.

ON FARM SAFETY

Most incidents have the following aspects present. This is from on farm WorkSafe investigations. We've used the example of a vehicle to show what each actually means:

- Inadequate risk assessment (eg fatigue, speed)
- Lack of training (outline rules around speed limits, licence?, fatigue management- document this!)
- Lack of preventative maintenance (eg service, tyre checks)
- Lack of responsive action on previous issues (eg fixing broken brakes immediately)

EMPLOYMENT

Main challenges seen in ag:

- Managing a injured worker
- Are people paid correctly
- Termination

INJURED WORKER

Check Fairwork. WorkersComp rehab is available but approval takes time so be proactive with applying.

Key is early medical care and intervention- eg "I'm taking you to the doctor to get that checked out". Rather than "You should try to

get to a doctor this week". Ensure showing care and respect.

Legally, show training, safework practices, OHS policies.

PAY: check Fair Work, which has minimum entitlements. Then the Awards which is industry specific hours and pay. (check annually as changes). THEN HAVE A CONTRACT. Cannot 'contract' out of the Award and FairWork standards-eg lower overall pay- must be equal to or better than those terms.

Have a recording AND approval process for overtime/additional work.

TERMINATION

- A contract helps- needs KPIs and a job description
- Ensure termination reasons are lawful and reasonable- FairWork & Discrimination laws
- Regular discussion/meetings on performance
- Formal performance management processes
- Document all discussion
- Pay out all entitlements (leave etc)
- Demonstrate care, dignity, respect.
- Think about the value of a easy exit- eg payout to assist with moving costs to get them out of the farm house! Often helps with good will and reputation.

LIVESTOCK OUTLOOK

Live export has shifted from over 30% of WA turnoff to about 10%.

Sheep meat: exports currently at a 4yr high nationally. We're exporting 68% of sheepmeat processed.

China is our major market- 75% bigger than the next major markets (North America). China takes the low end cuts from nearly every lamb. And on China- 80% of our wool goes there too.

Middle East & North Africa are our most consistent meat market- should see airfreight lamb return as cold chain improves.

INDUSTRY VIEW

It might be a poor harvest, and grim future with sheep prices. BUT we're in a pretty good position for it after a good few years.

Since 2018, operating expenses have increased by 60%, mostly due to fertiliser and chemical costs. This is also due to a increase in plant investment per cropped hectare. (probably linked to increase profit margins due to good yields the last few years, and good sheep prices. Which means most people don't have big purchases on the horizon.

Land value has doubled, and farm sizes increased by about 15%. Equity has gone up by 10% on average, so most businesses have a 2 year buffer and don't need to chase cash (aka make drastic changes).
