

MEDIA RELEASE

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SPC ARDMONA PROVIDES THE FACTS ON WORKERS' ALLOWANCES

Recent claims that SPC Ardmona is a "union shop" or that the cause of its difficulties are because of "over generous" allowances and conditions to staff, are mistaken and need to be refuted by the facts.

These include:

- The total cost of allowances for all production staff at SPC Ardmona for the entire year of 2013 was \$116,467, which represents less than 0.1% of the business's cost of goods for the year.
- SPC Ardmona employees get 20 days annual leave, not nine weeks.

SPC Ardmona's Managing Director Peter Kelly said: "Our employees are aware of the critical and urgent need to transform our business and the majority have responded in practical and financial ways to lift productivity to help secure our long term in future in the Goulburn Valley.

"We have been assessing work practices for many months, and have made significant improvements in productivity."

Since 2011 32% of positions across the business have been made redundant.

In December 2013, 73 employees in the maintenance and trade function at SPC Ardmona, who had been previously advised their positions were under review, were made redundant, and the function outsourced to an external maintenance services provider.

Mr Kelly said: "We are doing our best to reduce all costs across the business, however the serious problems that have beset SPCA have not been because of labour costs and certainly not from the allowances, a fact borne out by the Productivity Commission's recent analysis.

"The business has been severely damaged in recent times by a 'perfect storm' created by external economic factors - the high Australian dollar, which appreciated more than 50% from 2009 to 2013, has both enabled the flood of cheap imported product to be sold in Australia below the cost of production here, and also decimated the company's export markets.

"In that period market share of private label canned fruit grew to 58% today, while SPC Ardmona canned fruit share declined to 33%. Our export market volumes declined by 90% in the past five years.

"The other major factors not of our making have been the dumping of cheap imported fruit and vegetable products into the Australian market from countries which do not have anything like the stringent safety, labour and environmental standards as we do; and the fact there are no, or very low tariffs imposed on imported fruit products from countries such as China and the EU while these same countries impose tariffs of up to 20% on average on SPC Ardmona products into their markets.

"We rely on the farming community for our fruit and vegetables and in recent years our growers have been hit by adverse weather conditions including frosts, drought and floods.

"Also, foreign competitors have been dumping their products in Australia and Australia has not been aggressively stamping this out - as New Zealand has done.

“We have also seen examples of imported Chinese-produced and processed fruit carrying lead levels which are twice the allowable standards in Australia – how do these products get into our markets without being tested and banned?”

FACTS:

Claim: SPC Ardmona employees get “over generous” allowances.

Fact: The total allowances paid to SPC production staff in 2013 was \$116,467, which represents less than 0.1% of the business’s cost of goods for the year.

Claim: There is a generous “wet” allowance of 58 cents per hour for cleaners

Fact: Zero (\$0.00) paid in 2013.

Claim: SPC Ardmona employees get nine weeks paid leave a year.

Fact: SPCA employees get 20 days annual leave.

Claim: a five-day Melbourne Cup long weekend.

Fact: Production staff accrue rostered days off (RDOs) during the year which SPCA requires them not to take during the peak season. Instead these RDOs are taken at the start of November, the optimum time for a plant shutdown to allow maintenance in preparation for the canning season from December to April. RDOs are not additional leave.

Claim: Sick leave is cashed out each year.

Fact: This was removed from the EBA in 2012.

Claim: Loading, or shift penalties are above the award.

Fact: SPCA’s are the same as industry standards and common to many Australian EBAs. Afternoon shift is at 20% and night shift at 30%.

Claim: Loadings on top of overtime.

Fact: Production workers do almost zero overtime.

Claim: Redundancy is in excess of the award.

Fact: This old condition was reduced in 2012 to a 52 week cap.

END

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