# MODEL FOR DETERMINATION

# OF

# STANDARD PRICE (S A)

Applicable for the Period Commencing

1st July, 1989

Next full costed review due 1st July, 1992

# MODEL FARM - CAPITAL VALUES

Revisions applicable as from 1st July, 1989

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1. Land: base value to be $60,000 (fixed for three years to 30th June, 1992) (10 acres at $6,000 per acre).

2. Site Work: roads etc. base value to be $41,723 (to be indexed each six months by CPI - SA) - with full quotation review March 1992 for period commencing 1st July, 1992.

3. Sheds and Equipment:

   a) All values to be updated each six months by building component CPI or CPI - SA as follows:

      July review-based on March Index
      Jan review-based on Sept Index

   b) Full quotations to be called for in March 1992 for period commencing 1st July, 1992.

   c) Base values 1st July, 1989:

| | | |
|---|---|---|
| Growing Sheds | - per shed | 107,637 |
| Insulation | - per shed | 8,311 |
| Equipment | - per shed | 61,804 |
| Ancillary Plant | | 45,475 |

4. Summary of Adjusted Values:

| | | | $ |
|---|---|---|---|
| a) | Land | | $60,000 |
| b) | Site Work and Roads (roads $16,000) | | 41,723 |
| c) | Shedding - 2 x 107,637 | | 215,274 |
| d) | Insulation - 2 x 8,311 | | 16,622 |
| e) | Equipment - 2 x 61,804 | = 123,608 | |
| | Ancillary Plant | 45,475 | |
| | Total Equipment | | 169,083 |

## CASH COSTS

Revisions applicable as from 1st July, 1989

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1. Labour:

To be updated each six months by Average Weekly Earnings Statistics for 'adult males - total earnings - SA' for owners component, casual farm hand hourly rate for casual component. January reviews to be based on September quarter, July reviews based on March quarter.

a) Owner operator labour

| | |
|---|---|
| Average weekly earnings as at March 1989 | 521.00 per week |
| All males, SA | 557.00 |
| Add loading of 7% | $28,988 |
| Per annum | |

b) Casual labour based on 90 hours per batch at $8.662 per hour (March 1989). Based on 5.49 BPA $4,278

2. Litter Material:

Material supplied and paid for by processor. Figure to be calculated per bird based on actual usage for two years at actual cost.

To be adjusted each six months by CPI - SA. Base figure for 1 July, 1989.

| | |
|---|---|
| Paper | 0.11¢/bird |
| Litter | 2.30¢/bird |
| | 2.41¢ |

Throughput of 310,642 birds $7,486

3. Brooding:

Material supplied and paid for by processor. Base figure to be calcluated on a per bird basis on assessment of actual cost for twelve months, to be adjusted each six months by CPI - SA. Base figure 1st July, 1989 - 1.8¢/bird.

Throughput of 310,642 $5,592

4. Repairs and Maintenance:

Calculated as 1.677% of value of roads, sheds, growing equipment and ancillary plant.

Value as at 1st July, 1989 $6,993

5. Sanitation:

Based on .5¢/bird. Throughput of 310,642 $1,553

6. Miscellaneous Costs:

Base values to be updated each six months by CPI - SA. January reviews based on September quarter and July reviews on March quarter.

| Item | 1.7.89 Base Value |
|---|---|
| Rates (Mt Barker) | 992 |
| Insurance (include W/Comp) | 3,000 |
| Vehicle (8,000 km @ 35.4¢) | 2,832 |
| Tractor | 575 |
| Electricity (note 1) | 7,759 |
| Water (71¢ x 486 kl x 5.49) | 1,894 |
| Other Administration (phone 394, bank chgs 167, office exp 114, other 628) | 1,303 |
| Miscellaneous | 1,788 |
| TOTAL | $20,143 |

Note 1:

Electricity Calculation:

| | |
|---|---|
| Units per batch | 12,500 |
| Total used @ 5.49 | 68,625 |
| Units per quarter | 17,156 |

Cost Factors

| | |
|---|---|
| 1,500 @ 17.55 | 263.25 |
| 3,000 @ 14.50 | 435.00 |
| night rate on (1/3 of 17,156) @ 8.26 | 472.36 |
| balance 6,938 @ 10.87 | 754.16 |
| supply | 15.00 |
| cost per quarter | 1,939.77 |
| cost per annum | 7,759 |

## CALCULATION OF RETURN ON WORKING CAPITAL

Revisions applicable as from 1st July, 1989

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| Summary of Costs | | $ |
|---|---|---|
| Labour | | 33,143 |
| Litter Material (paid by processor) | | - |
| Gas (paid by processor) | | - |
| Repairs and Maintenance | | 6,993 |
| Sanitation | | 1,553 |
| Miscellaneous Cash Costs | | 20,143 |
| | TOTAL | $61,847 |

| | |
|---|---|
| Batch Rate 5.49 | |
| Cash Costs per batch | 11,265 |
| Average working capital | 5,632 |
| | |
| Standard Overdraft rate (adjusted) | 18% |
| Return on Working Capital | $1,014 |

[redacted]aft rate to be revised each six months based on prior six
[redacted] to 31 December for July review and 30 June for January review
[redacted]e base lending rate adjusted by 2.5 percentage margin to allow
[redacted]owers actual borrowing rates.

## CALCULATION OF RETURN ON WORKING CAPITAL

Revisions applicable as from 1st July, 1989

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| Summary of Costs | | $ |
|---|---|---|
| Labour | | 33,143 |
| Litter Material (paid by processor) | | - |
| Gas (paid by processor) | | - |
| Repairs and Maintenance | | 6,993 |
| Sanitation | | 1,553 |
| Miscellaneous Cash Costs | | 20,143 |
| | TOTAL | $61,847 |

| | |
|---|---|
| Batch Rate 5.49 | |
| Cash Costs per batch | 11,265 |
| Average working capital | 5,632 |
| | |
| Standard Overdraft rate (adjusted) | 18% |
| Return on Working Capital | $1,014 |

Overdraft rate to be revised each six months based on prior six months to 31 December for July review and 30 June for January review average base lending rate adjusted by 2.5 percentage margin to allow for growers actual borrowing rates.

CALCULATION OF RETURN ON INVESTED CAPITAL

Revisions applicable as from 1st July, 1989

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1. Rate of Return:

   a) Land - a 'lease value' of 4.0% of valuation has been determined and is fixed for three years until 30th June, 1992.

   b) Other Assets - an 'inflation discounted risk adjusted' rate of 7.7% has been determined. Rate based on five year average of the fifteen year bond rate, less five year average CPI, plus 1.5% risk factor, and is fixed for three years until 30th June, 1992.

2. Invested Capital: land shall receive a rate of return based on the full determined value. The amortisation levels for improvements are as follows:

   a) Site works shall be at full value.

   b) Shedding and Equipment shall be at 50% expended life

   c) Insulation shall be at 50% expended life

Summary of Invested Capital:

| | | | |
|---|---|---|---|
| a) | Land | 100% of 60,000 | $60,000 |
| b) | Improvements - Site work | 41,723 | 41,723 |
| | Shedding | 50% of 215,274 | 107,637 |
| | Insulation | 50% of 16,622 | 8,311 |
| | Equipment | 50% of 169,083 | 84,541 |
| | Total Value of Improvements | | $242,212 |

3. Return on Invested Capital:

   a. Land

| | |
|---|---|
| Rate of Return | 4.0% |
| Value of Capital | $60,000 |
| Return for Land | $2,400 |

b. Other

| | |
|---|---|
| Rate of return | 7.7% |
| Value of Capital | $242,212 |
| Return on Improvements | $18,650 |

c. Total Return on Investment $21,050

## CALCULATION OF DEPRECIATION

Revisions applicable as from 1st July, 1989

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1. Rates of Depreciation: to remain unchanged for three years until 30th June, 1992.

| | |
|---|---|
| Insulation | 6.7% |
| Plant & Equipment | 10.0% |
| Roof | 6.7% |
| Buildings | 4.0% |
| Cladding | 8.3% |

2. Depreciable Values: to be calculated annually as at 1st July and adjusted annually on revised values for buildings, plant and equipment:

| | | |
|---|---|---|
| Insulation | $16,622 | |
| Plant & Equipment | $169,083 | (Incl $7,553 for ancillary plant bldg) |
| Roof | $39,124 | |
| Buildings | $165,671 | |
| Cladding | $10,480 | |

3. Depreciation Allowance:

| | |
|---|---|
| Insulation | $1,114 |
| Plant & Equipment | $16,455 |
| Roof | $2,621 |
| Buildings | $6,627 |
| Cladding | $870 |
| | $27,687 |

## CALCULATION OF THROUGHPUT

Revisions applicable as from 1st July, 1989

Density and batch rate: productivity will be established using the following densities and batch rates.

| | Density | Batch Rate |
|---|---|---|
| Commencement of 1 July 1989 agreement | .53 | 5.49 |
| Review on 1 January 1990 | .53 | 5.49 |
| Review on 1 July 1990 to 30 June 1991 | .53 | 5.61 |

Agreed to fix productivity criteria until such time as the parties agree to adopt an actual three year average industry criteria based on model farm size and actual industry weighted average pick up density and batch rate for each year from which a simple industry three year average pick up density and batch rate will be determined.

## DETERMINATION OF STANDARD

Revisions applicable as from 1st July, 1989

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1. Summary of Model Costs:

| | $ |
|---|---|
| Labour | 33,266 |
| Sanitation | 1,553 |
| Miscellaneous cash costs | 20,143 |
| Repairs and Maintenance | 6,993 |
| Return on working capital | 1,014 |
| Return on invested capital | 21,050 |
| Depreciation | 27,687 |
| TOTAL GROWER COSTS | $111,706 |

2. Throughput: throughput per annum is 310,642 birds (30,000 : .53 x 5.49).

3. Model Price: $= \frac{111,706 \times 100}{310,642}$

Growing Fee = 35.95¢ per bird

Add allowances for costs currently paid by processor on behalf of grower:

| | |
|---|---|
| Litter | 2.41 |
| Brooding | 1.80 |
| TOTAL FEE | 40.17 ¢ per bird |

4. Standard Price: after consideration of the Model Price for growing costs and other relevant criteria, the Committee on the 8th December, 1989, determined a standard growing fee for the period commencing 1st July, 1989 of 35.95¢ per bird plus allowances of 4.21¢ to arrive at a total fee of 40.17¢ per bird.

## LAND

4 Ha. minimum with suitable 3 ph power and mains water, within 40 kms. of the processing plant and acceptable to Local Council planning approval guidelines.

## SITE LEVELLING

Prepare sites for two sheds each 114m x 12.2m. Loading areas front and rear each 30m x 25m with roadways from Govt. road to rear loading area. Roadways and platform loading areas to be prepared for 40 tonne + capacity.

1. Two shed sites each 115m x 13.2
(500mm excess all round shed structure)

= 115 x 132m
= 1518 sq.m. x 2
= 3036 sq.m.

2.(a)Loading areas 30 x 25m
= 750 sq.m. x 2
= 1500 sq.m.

(b)Roads + 175 x 6m = 1050 sq.m.
114 x 6m = 684 sq.m.

Total Area of Roads and Loading Areas = 3234 sq.m.

## ETSA SERVICE

1. Provide 100 amp service from ETSA point underground to alternator shed (200m) terminating at main distribution board.

2. Provide 3 ph service from main distribution board underground to control rooms of each shed (total 165 m)

Install to ETSA specifications and SAA wiring rules.
Trenched and filled, cable in conduit.

2/..

WATER RETICULATION

Pipework from boundary to cooling system tank 200m of 32mm Class 12 PVC reducing to 25mm Class 12 PVC to medication tank each shed and tap at each control room.
Pipework in trench and backfilled.

| | | |
|---|---|---|
| 200m | 32mm | Class 12 |
| 105m | 25mm | Class 12 |

Fittings and taps

GAS RETICULATION

Pipework, two regulators, trenching and backfill from tank to control rooms, distance 100m.

SHEDDING

Specifications for one fully controlled environment, cross flow ventilated shed of 114m x 12.2m (1390 sq.m.) 30 bays @ 3.8m.
Sited within 40 kms. of Adelaide.

FOOTINGS

Holes to be sunk 600mm in diameter and 1.2m deep filled with 20 m.p.a. concrete.

TRUSSES

Clear span webbed trusses of 40mm galv. structural pipe, top and bottom, webbing of 20mm galv. tube.
Bolted to supporting columns of 150mm Universal Beam of 14.4kg./metre.

TIMBER

All purlins and girts of hardwood (100mm x 50mm). Purlins at 1200mm centres. Sidewall timbers to be placed one directly above and below the inlet and exhaust cowlings, one on top of concrete subwall and one midspan. End wall spacings similar but with one extra girt near the top of the columns. Trims to be fixed at appropriate centres to take 4.5mm hardiflex internal wall cladding.

3/..

CLADDING (EXTERNAL)

Roof and exterior wall cladding of .47mm galv. Custom Orb fixed with 62mm galv. roofing nails. 355mm galv. ridge capping and barge capping to be fixed.

CLADDING (INTERNAL)

Internal cladding of 4.5mm Hardiflex from roof to top of subwall.

COWLINGS AND SHUTTERS

Inlet and exhaust walls to have timber framing to support their respective cowlings. Inlet opening of 625mm wide covered internally with 12.5mm x 12.5mm x 1.4 gauge birdwire fixed top and bottom. Inlet and exhaust cowlings and airflow control shutters to be fabricated of pressed galv. sheeting and to be supplied by the Grower. Exhaust cowlings to be fitted by the Grower. Inlet cowling and shutters to be fixed by the builder who will supply all fasteners required, along with hinges and shutter control mechanisms.

CEMENT WORK

1. Concrete subwall 300mm high x 150mm wide trenched 150mm into the ground is to surround both side and both end walls (reinforced 3Y12 rods).

2. Door seal of 3.6m x 3.0m x 150mm reinforced with mesh to be provided at each door.

3. Silo pad 5m x 3m x 300mm slab reinforced with mesh.

4. Control room floor of 100mm concrete 4.2m x 3.0m reinforced with F62 mesh.

CONTROL ROOM

Control room of 4.2m x 3.0m with 40mm galv. tube posts. Girts of 100mm x 50mm hardwood, trims where required.
100 x 50mm purlins fixed to 150 x 50 hardwood top plates. External cladding of galv. Custom Orb. Internal walls clad with 4.5mm Hardiflex. Insulated with 2" f.g. and sisalation under the roof and 2" f.g. in the wall cavity.
Doors, one exterior (lockable), one interior of .47 galv. steel sheeting outside and Hardiflex inside.

DOORS

Two swinging doors each end 1850 x 3100mm, constructed of galv. square tubing clad externally with galv. flat iron and internally with 4.5mm Hardiflex and insulated with 2" f.g., locked top and bottom and centre. All carried in a steel door frame to minimise light access. Flashed at the top.

STORM WATER DISPOSAL

125mm galv. D gutter to both sides of the shed.
3 x 100mm downpipes each side.

* N.B. Quoted price to be itemised under the following headings:-

Footings
Trusses
Timber
Control Rooms, Doors
Hardiflex
Roofing & wall cladding (external)
Gutter, downpipes
Concrete work
Erection

Insulation to be supplied by the Grower, but to be fixed by the builder. Cost to be included in erection.

INSULATION

- 730 grade sisalation and 2" fibreglass to cover roof.
  Area 1473 sq.m.

- 2" f.g. in wall cavity.
  Area 473 sq.m.

- Delivery to site 60kms.

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## EQUIPMENT

### SILOS

1 x 24 tonne twin compartment or
2 x 12 tonne single cell steel silos
3mm gauge cone and sides
Aluminium camlocks on delivery tubes
Exhaust tubes to ground level
Inspection manhole
Ladder
Diaphragm plate to suit Choretime x auger
Shut off butterflies to each compartment
Painted in heavy duty aluminium paint
Delivered to site 60kms.
Crane hire
Installation on prepared pad

### FEEDERS & X AUGER

3 line Choretime or equivalent feeders to suit 114m x 12.2m shed
4 pans per tube length
Choretime or equivalent Cross auger with drop tubes, hoppers, silo boot and associated strapping and connections
Brooder switches/control pans
6 x 30m electrical leads for control pans
Central winches and mounting plates
Main cable and support cables and associated hooks and clamps
Freight to Adelaide
Makita 6013BR electric drill
Delivery to farm site 60kms.
Installation

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ELECTRICAL

- Supply and installation of main distribution board. Connection of 100amp service and service run to sheds.
- Connection of service run to control panel in control room.
- Supply and installation of auto sequencer control panel with group fan fusing and back-up protection for sequencer failure and board fuse failure.
- Alarms for high/low temperature and power failure.
- Supply of light control dimmers, two lighting runs in shed with 60w globes at 3m centres with switches and fuse protection.
- Connection of 23 exhaust fans to control panel including overload protection and emergency power supply.
- Supply three power outlets and switches at end of shed for ½ HP feeder motors and one outlet and switch at opposite end for 3/4 HP X auger motor, including fuse protection.
- Installation of thermostats and sensor in shed.
- Connection of two wildcat heaters to control panel.
- Installation of light and power point in control room and security light outside.
- Connection of three HP fogging pump to main control board including switch and overload protection. Distance pump to board 3m.
- Connection of alternator mains failure control (control supplied) and main power feed from alternator into main distribution board.
- Connection of common alarm system from control room underground to alternator shed and alarm siren, continuing to farm residence underground a further 200m. Connection to house alarm.
- All internal shed wiring in conduit.
- Installed to ETSA specifications and SAA wiring rules.

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## MEDICATION TANK & STAND

- 500 gallon (2,200 litre) fibreglass tank including freight to site 60kms.
- 4.3m steel fabricated tank stand with ladder, cold galvanised, to support the above tank.
- Freight to site 60kms.
- Concrete pad and hold down bolts.
- Float valve for tank.
- Erection.

## FANS

- 23 3/4 HP three phase, six pole single speed 920/940 R.P.M. fans with 630mm fan blades.
- Including mounting brackets and mounting plates.
- Delivery to site 60kms.
- Plus non-electrical installation.

## HEATERS

- 2 x 'Wildcat' LPG Hot air heaters, Model 410/2
- In wall installation
- Hoses
- Spares - 1 control unit
- - 1 sail switch
- - 2 electrodes
- Gas union fittings to suit
- Delivery to site 60kms.

FOGGERS

(2 SHEDS)

- 3 Three phase Grundfos CR2-150 pump for two sheds
- 4000 gal. galv. iron tank
- 245 saddles
- 245 SF2 tips
- PVC pipe class 16 82 lengths 20mm.
- class 16 13 lengths 25mm.
- class 16 1 length 40mm.

sundry PVC fittings, elbows etc.

- taps 4 x 20mm.
- 1 x 40mm.
- Pressure gauge
- Relief valve
- End-line release valves (4)
- Float valve (20mm)
- In-line filters (2)
- Support cable (228m)
- Straps (228)
- Plus installation

WATERERS

- 183 Rainbow automatic drinkers including bells, valves, tubing and lanyards and saddles.
- Freight to site 60kms.
- 78 lengths 20mm PVC Class 9
- 2 lengths 32mm PVC Class 9
- 4 End line drain taps
- 1 Gate valve
- Installation

BUILDING FEE

- Actual Mt. Barker District Council.

## DRAINAGE

15m 200mm PVC stormwater pipe installed under floor across shed at midpoint prior to site works.
Associated siteworks and levelling outside of shed area to ensure drainage of stormwater from immediate shed area.

## SUNDRIES

- Brooding curtains, pulleys, lanyards, winches etc.
- Masonite surrounds.
- Shed divisions.
- Gas tank barriers.

## SUNDRY PLANT

### ALTERNATOR

- 80 KVA alternator : 415/240 volts, 44Kw with solid state regulator, powered by 6 cylinder diesel engine; mounted on channel section skid base.
- Mains failure control
- Change over contractors
- Residual silencer
- Flexible stainless steel exhaust system
- Resilient mounts
- 2 x 12v starting batteries and cradles
- 500 litre fuel tank and stand
- Mounting of control boxes on wall
- Delivery to site 60kms.
- Installation (non-electrical)

### ALTERNATOR SHED

- 6m x 3m steel framed shed
- Concrete floor 150mm thick, including mesh and site levelling
- Suitably ventilated
- Lights and power points installed

### GRADER BLADE

- Three point linkage 6 foot angle and tilt adjustable medium duty grader blade with jockey wheel.

### TRACTOR

- 35HP, ten years old diesel tractor with front end loader.

## MACHINERY SHED

- 12m x 6m
- Site levelling
- Concrete floor (8 cub.metres concrete, mesh and labour)
- Wiring underground to shed, 6 power points, 4 fluoros, connector box, trenching and back-fill
- Windows
- Lockable sliding doors and tracks

## WATER TANK

- 4000 gal. galv.iron water tank
- 240 volt pressure pump

## BROOM

- Three point linkage, PTO driven rotary broom with 1.8m fixed angle broom head

## TOOLS & EQUIPMENT

- Welder, grinder, drill, compressor, hand feed cart, mower, sundry tools, set of spanners, sockets, screwdrivers, pliers, hammers etc.

PLAN OF FARM OF TWO SHEDS OF 1390 sq.m EACH. (NOT TO SCALE).

A ALTERNATOR SHED
B WATER STORAGE
C GAS TANK
D SILO
E MEDICATION TANK
F CONTROL ROOM
G FOGGING PUMP