

Brownes Milk Supply Agreement Complaint & Dispute handling register

Period 1 May 2025 - 30 April 2026

Date	Nature of dispute	Parties	Key items	Time taken to resolve	Mediation Conducted (Y/N)	Arbitration conducted (Y/N)	Current / ongoing / resolved	Outcome
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Brownes Responsibilities

56 Report on disputes

(1) For the purposes of this section:

- (a) the first reporting period is the period beginning on 1 January 2020 and ending on 30 April 2020; and
- (b) a later reporting period is a period of 12 months beginning on 1 May in a year.

(2) A processor who is a party to a milk supply agreement must prepare a report for the first reporting period, and each later reporting period, stating the following:

- (a) the number of disputes arising under or in connection with the agreement that were the subject of a mediation that commenced or ended in the reporting period;
- (b) information about the nature of the disputes referred to in paragraph (a);
- (c) the number of mediations conducted in the reporting period to resolve the disputes referred to in paragraph (a) and the average time taken to resolve the disputes;
- (d) information about the outcome of the disputes referred to in paragraph (a);
- (e) the number of disputes arising under or in connection with the agreement that were the subject of an arbitration that commenced or ended in the reporting period;
- (f) information about the nature of the disputes referred to in paragraph (e);
- (g) the number of arbitrations conducted in the reporting period to resolve the disputes referred to in paragraph (e) and the average time taken to resolve the disputes;
- (h) information about the outcome of the disputes referred to in paragraph (e).



APPENDIX C

FARM SUPPLY MANUAL

Updated 1 July 2026

1. Introduction

At Brownes, we value the essential role our farmers play in delivering high-quality, fresh dairy to Western Australia and beyond. This manual sets out the key standards, requirements, and services that guide our partnership. It covers everything from milk quality, payment procedures, and safety audits, to animal welfare, environmental sustainability, and tanker access. Our goal is to support you with clear expectations, useful tools like the MADCAP Portal, and fair, transparent practices that help both your farm and Brownes thrive. Together, let's continue to grow a strong, safe, and sustainable dairy future.



2. Auditing and compliance with standards

Milk will only be collected from premises that comply with the requirements as set out in this Farm Supply Manual and always maintain compliance with the relevant state and federal legislation.

The Food standards code requires suppliers of raw milk to a dairy processor, to control the potential food safety hazards by implementing a documented *Food Safety Program* that is regularly maintained. Food standards code (4.2.4) contains more information on the requirements of the Food Safety Program.

All suppliers will be audited for compliance to the requirements set out in the Farm Supply Manual on a biannual basis as a minimum. Depending on the results from this audit, Brownes may require a more frequent audit schedule to be completed.

All suppliers must ensure that all of its employees and contractors understand the standards as detailed in the Farm Supply Manual.

Brownes may make the decision to stop collecting milk because of a critical non-conformance. In these circumstances, written notice will be provided to the Supplier detailing the reasons for the non-conformance and the corrective actions that need to be completed prior to collection recommencing. The supplier will then need to provide evidence of effective corrective action and the premises may need to be revisited prior to collection recommencing.

The farm audits conducted by Brownes will cover all areas as detailed in this Farm Supply Manual, including food safety, the safety of people, environmental impact, animal welfare and modern slavery.

During audits and other visits by Brownes or our nominated representatives, non-conformances will be categorised into three categories;

- Minor non-conformance – No immediate risk of food safety or the safety of people or any other area covered within the Farm Supply Manual.
- Major non-conformance – May lead to the supply of an unacceptable quality of milk or presents a risk to the health and safety of people or is considered a significant risk in any other area covered under this Farm Supply Manual.
- Critical non-conformance – Presents an imminent and serious risk to food safety or quality of milk and/or the health and safety of people. Or is considered an imminent and serious risk in any other area covered under this Farm Supply Manual.



3. Milk and Payment

Brownes will pay Suppliers electronically for the previous month's supply, into nominated bank accounts on the last working day on or before the 15th of the month. A record of the milk payment in the form of a monthly statement will be posted or emailed to the supplier's nominated address on or after that date.

To assist with cash flow, Brownes can, if requested by the Supplier, make a payment to the Suppliers of approximately 30% of the Supplier's monthly estimated milk payment on the 1st working day after the 1st of the month. This payment is calculated by reference to the first 10 days' supply of the previous month.

Milk Income Estimates (as described below) for the season can also be provided to Suppliers if requested. Any changes to banking details and other Supplier information must be notified in writing.

Note: Changes to bank account details must be accompanied by a copy of a bank statement or deposit slip or other document that proves the ownership of the account.

For changes to bank accounts or farm ownership, Brownes will require:

- If the farm is in joint ownership, all joint owners to sign;
- If the farm is owned by a partnership, all partners to sign;
- If the farm is owned by a trust, all trustees to sign;
- If the farm is owned by a company, a director or a duly authorized signatory on behalf of the company to sign; and
- If there is a share farming arrangement in place on the farm, all parties to sign.

If an attorney is to sign an instruction or notice they must provide to Brownes the power of attorney under which they have been provided authority to sign. They will also be required to confirm to Brownes' satisfaction that the power has not been revoked.

The Supplier must provide to Brownes any instructions to change its personal information (including bank accounts) in writing before the end of the month to which the payment relates.

A monthly statement will be provided at the beginning of the month detailing payment for the previous months Milk in the form of a Recipient Created Tax Invoice and Recipient Created Adjustment Note, this statement will include: Base price and Litres supplied Quality and Component Adjustments, Charges and Other Adjustments and Loans and Advances along with daily collection records in volume, components and quality measures and Industry Levies.

To access Brownes supplier compliance documents, please visit below link or contact us directly.

<https://brownesdairy.com.au/supplier-compliance-documents/>

4. Milk Testing

Brownes or any of its employees or agents shall have the right to test Milk supplied by the Supplier at any time for any of the following:

- contamination (being the presence of antibiotics or blood);
- dilution; and
- fat, protein, total plate count, somatic cell count, thermoduric or other tests as required from time to time.

There are various tests that are applied to raw milk including:

i) Somatic Cell Count (SCC)

measures the number of white blood cells in milk, which is essentially measuring the level of infection in the udder. These cells are called somatic cells and can be referred to as SCC. Mastitis is an infection of the udder, and both ICCCs and BMCC can be used to monitor the level of mastitis infections in a herd.

ii) Total Plate Count (TPC)

measures the total number of bacteria present per millilitre of milk. Bacterial contamination of milk is the main cause of milk and product spoilage. For pasteurised milk to achieve the "Use By" date, it is necessary to start with a clean raw product.

iii) Thermoduric Bacteria (Thermo)

The test is designed to detect heat resistant types of bacteria in milk. The milk sample is pasteurised so that only the heat-resistant bacteria remain, then the sample is plated and incubated for 72 hours (three days). This means that the test result is available three days after a Supplier's milk sample arrives at the testing laboratory. As thermoduric bacteria can survive pasteurisation and product processing, they could cause spoilage in dairy products, resulting in a reduced shelf life.

Milk quality premiums or deductions apply as per the Seasonal Pricing Letter.

- SCC tests are conducted by an independent accredited laboratory (currently Farm West)
- TPC and Bactoscan tests are conducted internally at Brownes at various times throughout the month.
- Thermoduric tests are conducted internally at Brownes at various times throughout the month.
- SCC monthly average is calculated using a "normalised average" where a daily result that is more than one standard deviation from the mean (simple average) gets excluded from average calculation as it is assumed "abnormal".

The Supplier retains the right to independently test for TPC, should there be a significant issue with TPC results from Brownes.

5. Supplier Services

◆ MADCAP Portal

The MADCAP Portal represents a valuable web based tool to assist our Suppliers to manage their business. The Supplier can access milk supply and quality data, graphs, comparative data and financial information online at

<https://brownesdairy.contecgroup.co.nz/>

Brownes can, if practical for Brownes to do so and authorised by the Supplier, grant access to a Supplier's individual farm data to the Supplier's agent.

◆ Milk Results and Statements

Brownes provides written daily milk tanker delivery dockets containing volume of collection, SCC, TPC, Thermo results, milk collection temperature and componentry, Brownes will also provide regular SMS notification of milk quality data (including fat, protein and Somatic Cell Count data and weekly Bacto and Thermo-duric count data) upon receipt of those results from the laboratory.

6. Herd Testing Incentive

Brownes recognises the importance of testing individual cows to assist decision making around milk production and quality. As set out in the Seasonal Pricing letter, the Herd Testing Rebate provides Suppliers with a rebate being the lower of 30% of the actual cost of herd testing per cow tested, or \$3.50 per cow tested, subject to Brownes being satisfied that the herd testing costs have actually been incurred.



7. Milk Quality Standards



◆ Milk Temperature Quality

Milk cooling is a key component to ensuring Brownes Dairy continues to produce high quality milk products and gains access to markets locally and internationally. Milk cooling and storage equipment must be properly installed, maintained and tested.

Milk should be cooled to $<5^{\circ}\text{C}$ within 3 hours and 30 minutes from start of milking and be maintained below $<4^{\circ}\text{C}$ temperature until collection. To make sure this is achieved the set point of the vat should be $<3.5^{\circ}\text{C}$. The milk temperature should be checked and recorded annually. The temperature of the milk will be measured on every collection. Milk may not be collected if it is over 5°C .

For suppliers located in the Northcliffe or Great Southern farming areas, the maximum collection temperature is 3.5°C . This is to ensure that the milk can be transported to our Balcatta or Brunswick facilities within the required temperature.

The supplier must immediately notify Brownes of any quality problems which may make the milk unsuitable for collection (including but not limited to milk which does not meet the temperature requirements set out above, dilution or contamination of milk). The supplier must dispose of any rejected milk in accordance with local council and other regulatory environmental guidelines.

A record of milking completion times is clearly displayed in the transaction zone for the driver to complete a time/temperature assessment before collecting the milk. If the milk is over the required maximum temperature and the milk completion times is not displayed then the milk may not be collected.

Milking times to be updated daily to clearly communicate the actual cups on and cups off times for

◆ Milk Contamination

If the Supplier notifies Brownes in advance of collection of the contaminated milk, then Brownes will not collect the milk, and Brownes will reimburse the Supplier for **one consignment only** of contaminated milk in each 12 month rolling period, on the terms set out in the Seasonal Pricing Letter.

Conversely, if the Supplier supplies Brownes with contaminated milk, then Brownes will not pay for the contaminated milk. In addition, if the contaminated milk also contaminates other milk in the tanker into which the milk has been collected, then the Supplier will also be charged for any other milk in that tanker, plus any reasonable costs incurred by Brownes in disposing of the entire contaminated milk load and any other reasonable associated costs, on the terms set out in the Seasonal Pricing Letter (APPENDIX B).

◆ Colostrum

Brownes does not collect colostrum or any other material intended for feeding calves. The Supplier must keep colostrum segregated from the milk supplied to Brownes and label vats used to store milk or colostrum intended for feeding calves as 'Not for collection'. The label must be positioned directly above the outlet valve on the vat for such time as the vat is used to store milk or colostrum intended for feeding calves.

Colostrum should be kept separate from normal milk in the main collection vat for a period of 8 milkings (i.e. 4 days from calving). Cows need to be carefully stripped prior to inclusion of their milk in the main vat to ensure no colostrum enters the Brownes processing chain.

7. Milk Quality Standards (cont.)



◆ Milk cooling and storage equipment

Control of temperature and the environment is critical to the safe control of milk storage and quality. Regular servicing, upkeep and ensuring effectiveness of the vat, refrigeration and hot water is critical.

Suppliers must ensure;

- Milk is stored in a vat that meets Australian Standard 1187 (1996) "Refrigerated Milk Tanks" and only supply Brownes with milk from that vat.
- The milk cooling and storage equipment are serviced inline with the manufacturers guidelines or annually, whichever is the greater.
- The vat is sealed to ensure that no pests or foreign matter can enter and is intact and has no leaks.
- The vat outlet should be well maintained, not leaking and have an end cap in place when not connected.
- The vat controls, inspection hatches and surrounds are kept clean for operation and inspection.
- The external parts of the vat must be cleaned regularly, including the vat lid to avoid dirt, dust cobwebs or any milk residues build up.
- Any ladder is safe and well maintained for the driver to perform inspection.
- All rubber ware, including inflations must be regularly inspected and replaced if needed.
- Relevant vents are clear and in good working order.
- The vat thermometer must be working and accurate to within 0.5°C, the readout measurement should be in degrees. Vat thermometer should be calibrated annually or inline with the



8. Transaction Zone Standards



◆ Transaction Zone (vat area/room)

The Transaction zone is where Farmer, Transport Provider and Brownes Dairy interact, this area should demonstrate a high standard of hygiene, and control in areas of chemical handling & storage, be a safe work environment for all parties, safe food controls and have good operational practices. The Transaction zone needs to be controlled and be in good order at all times. The supplier is responsible for providing a safe working environment for the tanker driver to collect the milk.

Milk tanker drivers have a very important role in assessing the milk to be collected, following correct sampling procedures, and are required to enter the property under the control of the Supplier.

Suppliers must ensure;

- The transaction zone structure is sound, well maintained.
- The transaction zone is tidy with no waste or other items that are not directly needed for the operation of the equipment.
- The transaction zone walls, ceilings, and floors are to be cleaned washed down and sanitised regularly.
- The transaction zone / vat room must have sufficient lighting to ensure the safe collection of milk at all times of the day. We recommend a minimum of two lights internally and one light externally.
- The light switch is located at the tanker driver entry to the transaction zone or the lights are operated by a sensor.
- The floor must be level, clean and well drained, safe from trip/ slip hazards.
- All access doors should be easily opened.
- The transaction zone / vat room is only used for the purpose of milk storage and collection.
- Only chemical drums in use for the vat cleaning to be in the transaction zone.
- All electrical components in the transaction zone are safe and compliant to relevant standards.
- The external surfaces of the plant piping and rubber ware must be clean and fit for handling.
- There is a hose for use in the vat room for cleaning the vat and surrounds.
- Access to the transaction zone must be kept clean to eliminate contamination of the tanker hose.
- A water tap to be available inside or outside the vat room for use by drivers.
- **Clear communication is provided with instructions relevant to the dairy and equipment operations.**
- **Milking times to be updated daily to clearly communicate the actual cups on and cups off times for that day.**

9. Supplier Meetings and Communications

Brownes will, where reasonably practicable for it to do so, host Supplier meetings to keep Suppliers informed on business progress and the market situation and to provide an opportunity for Suppliers and management to meet. It is expected that Brownes will host meetings twice a year.

Brownes may communicate with Suppliers, including via Milk Income Estimates (an estimate of income based on Seasonal Pricing and forecasted volumes), Milk Statements (statements provided from MADCAP detailing amounts to be paid based on supply for a given period), Tanker Dockets (statements provided by the milk collection tanker detailing the date of collection, volume of milk, milk temperature and time of collection), email and internet access. Suggestions to improve communications are welcome and can be made by contacting the Milk Supply Manager.

Brownes may also conduct meetings from time to time as needs arise.

10. Records and Your Privacy

Brownes will keep records of Suppliers' supply history and payments for a period consistent with current tax office requirements. All records (including test results) are treated as accurate unless it can be proved to Brownes that the records are inaccurate or defective in some way.

Brownes will collect, use, store and disclose Suppliers' information, and where appropriate allow its related bodies corporate to use that information for:

- Business purposes;
- Collating its financial information;
- Meeting its legal obligations;
- Research;
- Administering its relationship with you; and
- For other purposes relating to the dairy industry.

All information is kept at appropriate premises by, or on behalf of, Brownes. Suppliers can access and correct their information by contacting the Milk Supply Manager.

11. Working Relationship

Brownes understands that it has a positive, working relationship with Suppliers. The relationship should be based on mutual respect and dignity, to promote a safe, positive and pleasant working environment for all. Brownes does not tolerate behaviour which constitutes intimidation, harassment, or which is offensive or abusive or which otherwise contributes to an unsafe working environment.

In turn Brownes' policies prohibit its employees from engaging in behaviour which constitutes intimidation, harassment, or which is offensive or abusive or which otherwise contributes to an unsafe working environment.

12. Animal Health and Welfare

Brownes Dairy believe that Animal Welfare is vital to all stakeholders of the dairy industry including, farmers, customers and processors. Brownes Dairy strongly supports the use of good animal management practices and requires suppliers to adopt high animal welfare standards.

Brownes Dairy supports the Australian dairy industry position on animal welfare. More information about the Dairy Australia animal welfare standards can be found at the below link.

<https://www.dairyaustralia.com.au/animals/health-and-welfare>

The Australian Dairy Farmers' Animal Health and Welfare Policy Advisory Group (PAG), comprising producer representatives from each state dairy farmer organisation, sets policy direction on animal health and welfare for the Australian dairy sector. Some recent policies directed by the Animal Health and Welfare Policy Advisory Group include:

- Phasing out calving induction by 2022
- Provision of pain relief for all calves during disbudding, which must occur under the age of 2 months
- No euthanasia of calves by blunt force trauma
- No tail docking.

13. Environment

Brownes is committed to understanding all environmental impacts in the Supply Chain and identifying the key areas for improvement. Suppliers should be able to show responsible practices and continuous improvement around environmental management. This includes Suppliers finding solutions to reduce both water and energy consumption, minimising waste and finding ways to reduce their GHG emissions.

Farmers should ensure that the practices on farm minimise environmental impact and contribute to the protection of natural habitats and to the conservation of biodiversity and soil health. Waste must be handled responsibly, kept to a minimum and disposed of safely. Reuse and recycling practices at farm level are a key part of sustainable dairy farming practices. Some key areas of focus are detailed below.

- All chemicals and plant protection products are stored, used and disposed of safely to avoid cross contamination and damage to the environment. All refrigerants used for milk storage are approved, managed and disposed of to ensure minimal environmental impact.
- Biodiversity on farm land must be assessed and conserved. Farming practices encourage and enhance biodiversity and provision of habitats.
- Soil health and fertility are protected and enhanced to support resilient farming and the food production needs of future generations.
- Waste is minimised and where unavoidable, systems will be in place to ensure safe disposal, reuse or recycling of relevant material to ensure food safety and environmental protection.

14. Modern Human Slavery



At a minimum all Suppliers are expected to identify and assess all applicable Human Rights and Labour Standards, Laws and Regulations in which they operate their business and source materials and labour from.

If at any time the Supplier becomes aware of Modern Slavery practices in their operations and supply chains used in the performance of their contractual obligations to Brownes, the Supplier must as soon as reasonably practicable inform Brownes and take all reasonable action to address or remove these practices, including where relevant by addressing any practices of other entities in its supply chains.

Suppliers must ensure that all their employees are treated with respect, understand the terms and conditions of their freely chosen employment and, where necessary, provide appropriate facilities and accommodation.

Some key areas of focus include.

- If workers are employed (seasonal, temporary and full time) there must be suitable rest and hygiene facilities available including toilet and hand wash facilities and a suitable place to rest, eat and drink during working hours. This must include the provision of hot and cold running potable water
- Any housing accommodation provided for employees must be suitable, with food preparation and storage areas or a canteen, sleeping rooms, toilets and washing facilities, heating and lighting.
- All applicable laws and industry standards relating to working hours and minimum pay must be met.
- For contracted workers the farmer must have seen evidence of their identity and checks are in place they are in possession of the documents unless employees choose to have them safely stored.

15. Whistle Blower Policy

Brownes have a whistle-blower policy, we encourage all Brownes employees and our suppliers to speak up when they see activity or behaviour that they feel is wrong or does not match our values. With our Whistleblowing Policy, we aim to ensure:

- Every person should have a place to report misconduct, every report will be heard and acted on, and we will make improvements based on the results.
- We believe everyone should be able to make reports anonymously. We commit to protecting informant's identities and they only need to reveal themselves if they choose to.
- We will investigate every report of misconduct. At the end of the investigation, we will document the results and provide feedback when appropriate.

We encourage all suppliers to make their employees aware of this policy and how to access the hotline number. We want to hear from you where there are reasonable grounds to suspect misconduct or an offence or contravention under commonwealth law for example:

Modern Slavery, Fraudulent conduct, Illegal conduct, Money laundering, Bribery Corruption, Dishonesty, Discrimination, Harassment and/or bullying of any kind and any conduct which is detrimental to Brownes Foods Operations Pty Ltd and could cause financial or non-financial loss.

To access the whistle blower policy and other policies please refer to the link below.

<https://brownesdairy.com.au/brownes-policies/>

16. Tanker Access and Milk Collection



It is the responsibility of each Supplier to provide safe farm access to Brownes milk tankers or contractors, Milk Supply Manager, agents or representatives.

Suggested guidelines for the tanker access are shown below. Suppliers need to communicate directly with the Brownes Farm Liaison Manager to agree on collection times (unless collection times are specified by Brownes in accordance with the Brownes Australian Standard Terms and Conditions), and to help ensure prompt service and give 48 hours' notice before:

- Collection
- Material changes in milk quantities
- Special collections (being collections outside normal collection times) for vat maintenance and changes to milking times.

The minimum collection of milk is 400 litres per stop. A milk collection fee will be charged as set out in the Seasonal Pricing Letter.

The Supplier shall agitate the milk before collection. The tanker driver shall collect a representative sample while the tanker is being loaded (including to test for contamination as set out in the Exclusive Milk Supply Agreement). The tanker driver shall rinse the vat (or start the automatic wash) before leaving the property.

Please note: if an event occurs which Brownes or its representatives or agents believe will affect the safety of a bridge or crossing, the Supplier must comply with requests from Brownes to have the bridge or crossing inspected by an authorised engineer. Brownes may refuse to use the bridge or crossing until a certificate has been issued confirming the safety of use of the bridge or crossing.



16. Tanker Access and Milk Collection (cont.)



Suppliers must meet the following standards for milk tanker access:

- Provide a splayed entrance which complies with the rules in the local authority plan and is accessible by a truck and trailer without the vehicle having to cross the centre of the road when turning left into a farm road and provide clear vision out of gateway.
- Provide clear, all-weather road access from the farm entrance to the dairy, suitable for road-train tanker travelling at reasonable speed.
- Maintain a clear access from the road to the Supplier's dairy at all times.
- Keep roads free from obstructions at all times (e.g. waste, corrugations, potholes, trees, overhanging or fallen branches, buildings, vehicles, implements and stock).
- Roads must have a clearance of 4.25 metres, with one clear metre on each side of the road; have a 200 mm crown and drainage either side of the road; be fenced off and kept clean and well maintained.
- Roads must not be used as stock tracks or holding yards.
- Ensure that if its roadway is longer than 1 km a milk tanker can safely maintain a speed of up to 40km/hour.
- Ensure that if its roadway is shorter than 1km, a milk tanker can safely maintain a speed of up to 10km/hour.
- Ensure roads do not have corners on steep roadways which are so sharp that a milk tanker cannot corner safely.
- Ensure effluent from roadway crossings drains into the farm's effluent disposal system.
- Make every effort to ensure milk tankers do not need to reverse on farm.
- Ensure bridges or crossings are the same width as the road, preferably on a straight section of road and allow safe crossing by a fully laden milk tanker travelling at a reasonable speed. They must be built and maintained so that the milk tanker meets all legal requirements in using and maintaining the bridge or crossing.