

Delivering for dairy farmers

Annual Report 20/21



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President's report



The 2020/21 year was unlike any other for Australian Dairy Farmers (ADF), dairy farmers, our members, our staff and for me.

COVID-19, the Australian Dairy Plan and the Dairy Code changed how we do business as an industry.

Favourable weather and higher milk prices changed our outlook as farmers – for the better.

For dairy farmers, confidence and profitability have lifted. They also benefitted from industry leaders working together and from a continued investment and commitment to a key agricultural sector.

For members, an inter-generational shift of policy and advocacy priorities is occurring as a new generation of dairy farmers takes up leadership roles. There is an increasing demand from these farmers for contemporary industry structures that reflect their modern styles of working. Accompanying them is a greater emphasis on collaboration over a broad range of issues, and a move away from lines of regional demarcation.

The reform of industry structures to create a more cohesive dairy industry and strengthen its influence with key stakeholders is a commitment in the five-year Australian Dairy Plan. It remains unfinished business.

For the people at ADF, no-one could have imagined that they would be working from home for much of the year. Not only have they completed the work detailed in this report, but they demonstrated extraordinary resilience and resourcefulness as they embraced new ways of working.

I wish to express thanks to our CEO David Inall for his leadership and his team – Craig Hough, Fred Jones, Ashley Mackinnon and Patrick Kok – for their extraordinary effort and the results achieved.

I wish to express sincere appreciation to my fellow Board directors for their commitment and the time they have given over the past year. I appreciate their willingness to undertake all the tasks that were asked of them, both individually and together, along with their insights and collective experience.

Victoria Taylor steps down after four years as independent director. We owe Victoria a debt of gratitude for her contribution, and she leaves with very high regard from across the whole industry for her work.

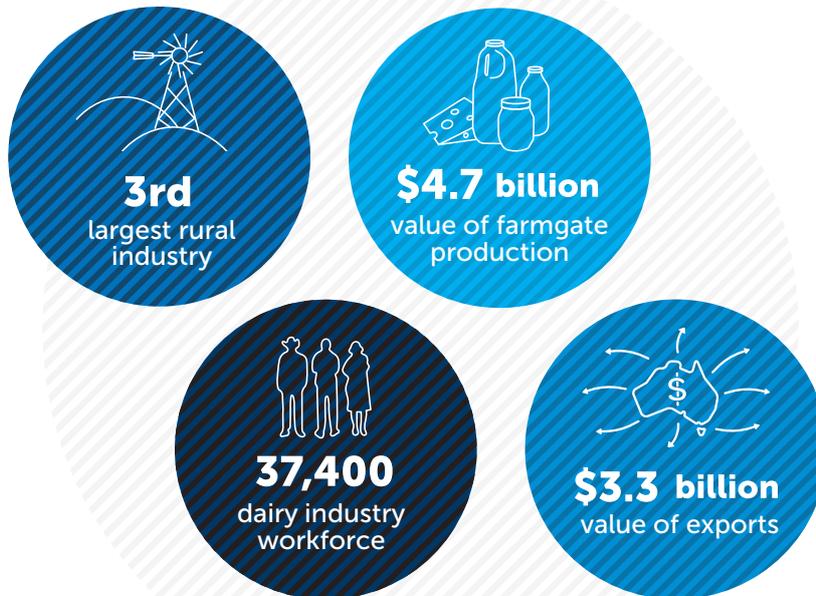
I would also like to thank Colin Thompson for his service over the past year as he vacates the position created by a casual vacancy. I thank Colin for his insights and contribution to ADF governance.

For me, 2020/21 is my final year as President. I am grateful to all who I have worked with during my term – staff and appointed representatives within ADF, the State dairy farmer organisations, our industry partner organisations, and our government stakeholders. Over this period we saw several significant developments in sustainability, animal welfare, industry strategy, member organisational structure, and Government initiated activities.

I look back on my five-year term with gratitude and I look forward to following the progress of an organisation that I feel privileged to have served on behalf of my fellow dairy farmers.

Terry Richardson
President

Industry snapshot



2020/21 Highlights

- ✓ Launched the Australian Dairy Plan together with project partners ADPF, Dairy Australia and the Gardiner Foundation, which aims to drive a significant turnaround in the industry's outlook via a range of bold initiatives targeting increased profitability, confidence and unity over the next five years and beyond
- ✓ Significant contributor to the 12-month review of the Dairy Industry Code of Conduct
- ✓ Recommendations from the ACCC's Perishable Agricultural Goods Enquiry were in line with ADF's priority areas
- ✓ Contributed to the development of the Australian Government's National Agriculture Workforce Strategy, which aims to address the dairy industry's workforce issues relating to recruitment, skills and training, lobbying for dairy-specific components
- ✓ First outputs of the Traceability and Blockchain Initiative launched and commenced the Australian Milk Price Initiative, achieving broad industry support for the value of a transparent, forward market for milk
- ✓ Advocated for changes to the labelling of plant-based products through membership of the Minister of Agriculture's working group

CEO's report



Despite the many and varied challenges associated with navigating the COVID-19 pandemic, ADF continues its work on behalf of Australia's dairy farmers.

With staff working from home for much of the year, and virtual discussions replacing face-to-face meetings, our business has had to adapt and accommodate these changed circumstances. As we know, the issues do not slow down and the need for ADF's leadership is stronger than ever.

During the past year, the industry launched the Australian Dairy Plan. Following more than 12 months of consultation and associated activity, the industry-wide strategy outlines key activities to be delivered across five commitments, including reforming industry structures. While the structural reform element of the plan still requires considerable industry discussion and consultation, the commitment to modernise the ADF structure remains strong.

Throughout this year, there was significant focus on ADF continuing to deliver on the remaining elements of the Federal Government's dairy commitments from the 2019 Federal Election. Blockchain, traceability and a new milk trading platform remain key projects for the future success of the industry. We are pleased and proud to be supporting the delivery of these important initiatives.

The challenges around securing labour remain ever-present in the dairy industry, and this has only been exacerbated by the pandemic. Working in collaboration with a number of national industry organisations, ADF has contributed to the development and delivery of the National Agriculture Workforce Strategy. We recognise the critical nature of this labour shortage, and our organisation is committed to continuing to deliver outcomes that go some way to alleviating the pressure this is placing on dairy farmers.

ADF played a lead role over the past four years regarding the Dairy Industry Code of Conduct, which is currently under review. Evidence clearly demonstrates that the Code has already delivered a positive outcome for farmer and processor relationships. ADF will remain closely involved to ensure that the Code continues to deliver for dairy farmers.

Whether it's appearing before Government inquiries, lodging submissions or consulting with members and the wider industry, our small team continues to focus on the issues that matter. Separately, there are no single solutions that solve all the problems, but when they accumulate into a strategic workplan, then the true value to industry appears. As we round out the financial year, I am pleased to report that a new ADF Strategic Plan is under construction and will be ready for activation next year.

All of this work and the outcomes delivered requires dedicated staff to remain focussed on the job at hand. I would like to take this opportunity to thank the ADF team for staying the course during a difficult year, and we look forward to continuing to support the dairy farmers of Australia into the future.

And finally, a special thank you to Terry Richardson who will complete his term as ADF President at this year's AGM. Terry has worked tirelessly for ADF and our members, as well as the wider dairy industry, and I am grateful for his support and counsel.

David Inall
Chief Executive Officer





Working for you



Structure

Australian Dairy Farmers (ADF) is the national policy and advocacy body providing collective representation for dairy farmers in Australia. ADF's main objective is to develop policy and advocate on behalf of farmers to improve the sustainability of dairy farming in Australia.

Representing Australia's six dairying states, ADF provides advocacy support to state dairy farmer organisations (SDFOs) – New South Wales, Queensland, South Australia, Tasmania, Victoria and Western Australia.

ADF (representing farmers), together with the Australian Dairy Products Federation (ADPF; representing milk processors), come together to form the Australian Dairy Industry Council (ADIC).

Where appropriate, this valuable partnership enables a united whole-of-chain approach in areas of mutual benefit, to create a more prosperous and sustainable future by advocating to government, industry and the community.

Following the launch of the Australian Dairy Plan, the industry structure is under review.

Funding

ADF's activities during 2020/21 were funded through three investment streams:

- SDFO membership fees
- Investment income
- A funding agreement with the Australian Government to deliver specific projects.

Through their membership, SDFOs provide funding to support ADF and its delivery of national policy and advocacy. The amount of funding contributed by each state is dependent on the volume of milk produced as a percentage of national milk production.

ADF uses income generated by investments in annual budgets. The investment corpus was secured following the transfer of assets from ADIC in July 2019, as per an agreement signed in July 2003. Responsible management of the funds is an ongoing priority as the revenue produced income of \$868,737 net of fees and unrealised gains in the portfolio value of \$2,088,660.

The fund now has approximately \$13.4 million under management.

During the 2019 federal election, the Australian Government committed to contract ADF to deliver three projects to benefit the dairy industry. The total funding provided for these projects is \$1.01 million. (The first phases of these projects were completed in the 2019/20 financial year.)

Major projects 2020/21



Australian Dairy Plan

ADF is a partner in the Australian Dairy Plan, together with ADPF, Dairy Australia and the Gardiner Foundation. Since the Dairy Plan was launched in late September 2020, the partners have taken action to drive profitability, business confidence and industry unity. This national strategic plan has commitments and measures of success for five years.

In the first year since its launch, ADF has contributed to progress by:

- Contributing to the ongoing workplan to reform industry structures to boost dairy farmer representation, increase transparency around research, development and extension (RD&E) priority setting, and involve processing companies in industry-wide initiatives
- Ongoing policy and advocacy work on key activities such as truth-in-labelling, Dairy Code of Conduct, access to reliable and skilled labour as well as trade and market access.

Note: The initial Dairy Plan consultation process called for a consolidation of industry structures into a single dairy body. Investigations into the feasibility of this concluded that it was not possible at this time under the current regulatory framework. For example, restrictions prevent the use of farmer levies, collected by the federal government, for agri-political activity. As stated above, work continues on reforming industry structures.

Dairy Sustainability Framework

Through ADIC, ADF is a partner in the Australian Dairy Sustainability Framework. Consulting with stakeholders from both within and outside the industry is critical to ensuring the Framework is fit for purpose and meets the expectations of customers and the community. A series of webinars were held in November and December 2020. Stakeholders were asked to share their thoughts on 'What is the path for navigating the future of nutritious food?' and how the Framework might evolve towards 2030 in order for the Australian dairy industry to deliver on its commitments and keep its sustainability promise: to provide nutritious food for a healthier world. A second 'hybrid' Consultative Forum was held in May 2021 with a record turnout. Feedback from stakeholders at both these events is informing a review of the Framework's commitments, targets and goals. The full Australian Dairy Sustainability Report 2020 can be downloaded at www.sustainableairyoz.com.au.



Dairy Industry Code of Conduct

ADF was actively involved in and contributed to the 12-month review by the Federal Government of the Dairy Industry Code of Conduct (launched 1 January 2020) which is an industry code regulating the conduct of farmers and milk processors in their dealings with one another. The review aimed to assess the Code's role, impact and operation. The Code has, in the main, been considered to have met its primary objective by industry stakeholders and Government. It has:

- Synchronised and stimulated competition in pricing and market offerings
- Developed negotiation capability and equalised bargaining power between market participants
- Established the foundations for improved farm and financial planning
- Enabled professionalised contract management
- Enhanced accountability for and oversight of potential malpractice.

The Department of Agriculture and Water Resources is currently analysing submissions. Under the Code, the Agriculture Minister must ensure that a written report of the review is prepared and that a copy of the report is delivered on or before 31 December 2021 to the Treasurer, as the Minister administering section 51AE of the *Competition and Consumer Act 2010*.

Perishable Agricultural Goods Inquiry

In December 2020, the ACCC published its report on the Perishable Agricultural Goods Inquiry, a three-month inquiry into the bargaining power imbalances in supply chains of perishable agricultural products. ADF has long argued that the Code of Conduct should cover supermarket retailers. ADF, in its submission to this inquiry, identified several gaps to justify this. The ACCC ultimately found that this would be too challenging; however, the Commission did recommend changes to the Food and Grocery Code that, if implemented, would address the shortfalls ADF identified.

Most issues identified by ADF and other dairy farm advocacy groups have been validated by the ACCC. Recommendations were consistent with ADF's priority action areas. In its 2021 budget, the Australian Government announced \$5.4 million over four years to implement projects in collaboration with the perishable agriculture goods industry that implement the ACCC's recommendations. ADF is currently working with the Department of Agriculture and Water Resources and industry stakeholders on what these projects are and how they will be delivered.

Perishable Agricultural Goods Inquiry submission

Recommendations in the ADF submission included that:

- Unfair contract terms should be made illegal and penalties imposed under the *Competition and Consumer Act*
- Unconscionable conduct should be better defined with an appropriate penalty under the *Competition and Consumer Act*
- Section 46 of the *Competition and Consumer Act* should be amended to reduce the threshold for proving misuse of market power, which in the past has ignored unfair dealings against small businesses
- Companies undermining collective bargaining agreements should be banned
- Options should be determined to encourage longer-term contracts under the dairy Code
- A plan should be developed for enhanced ACCC dairy supply chain oversight and enforcement
- A minimum farmgate price should not be implemented nationally.



Animal health and welfare



Surplus calves

The Australian dairy industry has long been grappling with the management of calves not required as replacement milking females – these include male calves and surplus heifers. Bobby calf slaughter is widely recognised as being out of step with community values.

Dairy beef production is one way in which farmers can increase the value of these calves, improving animal welfare and increasing profitability. ADF is committed to developing a whole-of-industry policy to support further work. An online forum was planned (held early in the 2021/22 financial year) with significant interest expected.

People and human capacity



Labour and skills

The 2020 National Dairy Farmer Survey revealed that 47% of farms undertook recruitment activities, with 70% of these farmers experiencing difficulty satisfying their employment needs. ADF continued to work with Dairy Australia and the Federal Government to ensure farmers maintain access to a reliable skilled workforce.

In July 2020, ADF wrote to Home Affairs Minister Peter Dutton requesting that the Federal Government declare artificial insemination (AI) technicians as a critical skills shortage and to prioritise visa applications for these positions.

With Dairy Australia, ADF contributed to the Federal Government's development of a National Agriculture Workforce Strategy, which aims to address the dairy industry's workforce issues relating to recruitment, skills and training. Our joint submission addressed all of dairy's long-standing workforce issues relating to recruitment, skills and training.

ADF also made a submission to the Federal Government proposing a series of amendments to the Dairy Industry Labour Agreement that would ensure a non-discriminatory and consistent approach to qualifications and English language standards for foreign workers.

We provided feedback to the National Farmers' Federation on the Senate Inquiry into a proposed series of reforms to address known problems in the industrial relations system to provide for greater efficiency and employment generation.

COVID-19 and the National Response Group

With the onset of COVID 19 in March 2020, the National Response Group convened. Chaired by ADF, the group comprises representatives from ADF and Dairy Australia. The group coordinated a rapid and industry-wide the response. All organisations and individuals committed to safeguarding our industry and ensuring the safety of employees across the supply chain.

With unanimous support for the strategic response that was developed, the group's work continued into the 2020/21 financial year. The key deliverables over this period included advocating for and providing links to business support initiatives and explanation of government restrictions and OH&S requirements.

Farming systems and herd improvement



Farm productivity

The Australian Dairy Plan's Profitability Paper highlighted no productivity improvement in dairy farms across the country over the past decade. This has reduced competitiveness and profitability. In response ADF has been working with Dairy Australia and industry consultants to analyse productivity drivers and opportunities for future program delivery. These were discussed at a series of industry workshops. The ABARES report, *Climate change impacts and adaptation on Australian farms*, highlighted the importance of productivity improvement in offsetting the impacts of climate change. As we move forward, ADF will have a greater level of involvement in ensuring efficient intensive dairies, optimal pastures, and on-farm technologies are developed and adopted for farmers.

Pest control

Rodents are serial pests on dairy farms. They pose a risk to infrastructure, human and animal health, and the food safety of milk and meat produced. In July 2020, ADF and Dairy Australia made a joint submission to the Australian Pesticides and Veterinary Medicines Authority in response to consultation on use patterns for anticoagulant rodenticide product. The industry position is that Australian dairy farmers require ongoing direct access to rodenticides. Due to the existing food safety controls and regular on-farm audits (including rodenticide use practices), dairy farmers are skilled and safe users of these products.



Natural resources



Improving energy efficiency

ADF helped secure an estimated \$10 million funding for dairy farmers across the country to improve energy efficiency, reduce energy costs and lower on-farm emissions.

The Energy Efficient Communities Program – Dairy Farming Business Grants, is an initiative of the federal government that was developed in partnership with ADF following the last federal election. This initiative will provide grants of up to \$20,000 with no co-contribution required to help dairy farming businesses save energy and lower bills by installing more energy efficient appliances on farms.

Eligible projects funded under the grants program include:

- Replacing existing equipment with higher efficiency equipment
- Installing or replacing a component to help an existing system run more efficiently
- Energy audits
- Investment feasibility studies for energy efficiency upgrades
- Monitoring of energy consumption and emissions.

Financial relief for businesses was a major component of ADF's 2019 federal election platform, delivered through the Australian Dairy Industry Council (ADIC).

Murray-Darling Basin

To deliver greater certainty and increase confidence in the region we will continue to push government to act on the many reviews (such as the Productivity Commission's five-year review) and ensure any new water recovery does not come at the cost of agricultural production and have a negative socio-economic impact on dairy farmers and their communities.

Water Markets Inquiry

In October 2020, ADF contributed to the ADIC submission on the ACCC Murray-Darling Basin Water Markets Inquiry Interim Report. The Murray-Darling Basin and access to water is a strategic priority for the ADIC. Dairy irrigators are key participants in the water market. The submission supported the National Farmers' Federation submission to this inquiry, in particular that recommendations made by the ACCC to improve the water market must:

- Seek to improve trust and confidence in the market
- Be consistent with the national water initiative principles
- Address demonstrated market failure
- Be cost-effective, guided by cost-benefit analyses of options and minimise the cost burden
- Reduce duplication, complexity and harmonise existing regulations where possible
- Be proportional to the impact
- Be considered, fair and equitable, and avoid unintended consequences and other third-party impacts
- Be reasonably practicable.

The submission added dairy farmer water market 'user experience' insights (based on a dairy farmer survey) to ACCC deliberations.

Markets, trade and the value chain



Traceability and Blockchain initiative

ADF received a grant from the Australian Government to develop an industry traceability system that could facilitate the efficient uptake of smart contracts, real-time dairy payment systems and trading technologies such as Blockchain.

The first output of the project was an information package including an explanatory video and paper. This was released in August 2020 by the Minister for Agriculture David Littleproud. The purpose was to raise industry awareness of blockchain and traceability opportunities in the context of improving trust, transparency and efficiency in the supply chain.

The second output was a Dairy Traceability Guideline. This was released by Senator Susan McDonald in September 2021 at the National GS1 Traceability Advisory Group meeting. The guideline captures all of the data transaction points across the supply chain and establishes a common set of rules and actions on how this is undertaken. Each dairy business is now positioned to implement the Australian Food Safety Standards and GS1 Global Traceability Standard.

Future actions will involve supporting field trials and adoption of technologies and processes to implement the guideline effectively.

Australian Milk Price Initiative

The Australian Milk Price Initiative (AMPI) is a project undertaken by ADF and funded by the Federal Government. It has laid out a detailed roadmap of how a financial hedging market tool could be developed for milk prices in Australia, similar to those already used by farmers for grains.

The proposed market would involve milk price hedging tools to be offered up to three or more years out, allowing users across the supply chain to manage their price risk. Such hedging tools have seen great success overseas, including New Zealand.

AMPI is strongly aligned with the key commitments of the Australian Dairy Plan. Following an initial workshop held in October 2020, broad industry support for the value of a transparent, forward market for milk has been achieved. The next step is to clearly define the settlement mechanism. The AMPI proposal to deliver this transparency centres around holding regular regional milk auctions. Further consultation is underway with industry to gauge what support is now required to ensure the integrity, liquidity and frequency of the auctions.





Trade policy

ADF in conjunction with the ADIC lobbied the Australian Government to secure a commitment to remove all export tariffs for dairy exports to the United Kingdom via an Agreement in Principle. New market access for Australian dairy into the UK will be delivered from the deal, including the eventual removal of all tariffs for Australian dairy exports to that market and the establishment of interim quotas for dairy products, such as cheese. We expect that this deal will open opportunities for Australia to access high value, niche dairy export opportunities, leveraging our counter seasonal supply to the Northern Hemisphere.

In preparation for the recommencement of the India FTA negotiations (subsequently announced), ADF worked with Dairy Australia to develop research to inform the industry negotiating priorities and position dairy as a key sector in any FTA negotiations. This is critical in the context of the high level of sensitivity within India about providing market access for dairy imports.

ADF commenced a campaign to lobby the Australian Government to pursue improved dairy trading terms with Japan as part of the scheduled reviews of the JAEPA Agreement. These reviews provide enormous opportunities for the Australian dairy industry to safeguard our strong historical positioning in this crucial export market and address some of the gaps from the original JAEPA agreement. Via the ADIC we provided a submission to DFAT outlining our priorities for dairy market access improvement under the agreed JAEPA review schedule; and undertook high level discussions with the Trade Minister and DFAT on the issue.

To date, the Australian Government has not been able to generate meaningful engagement from the Japanese Government on the review, but this remains a key trade priority for ADF.

ADF worked closely with the Australian Government to ensure continuity of the critical China trade against the backdrop of significant geo-political tensions that have seriously impacted exports to China for many Australian sectors. Thankfully, business-to-business relationships between our dairy industries remain strong despite the challenging situation, and China continues to import more Australian dairy than any other trading partner. The volume of Australian dairy exports to China actually increased by 4.5% in 2020.

Geographical indications

ADF continued to lobby the Australian Government about the importance of retaining the rights to use common cheese names being targeted by the EU under their Geographical Indications (GIs) regime. GIs have been a key part of the EU/Australia FTA negotiations and ADF has been focussed on building and maintaining awareness of the importance of the issue to the Australian Government.

We worked with Dairy Australia to raise awareness around the use of GIs on Australian dairy products as part of negotiations towards an Australia–EU Free Trade Agreement. If successful, the EU GI regime could restrict use of common cheese names such as Feta and Parmesan, which could cost the industry millions due to lost sales and increased marketing costs, as well as loss of consumer inclination to purchase local.

The campaign provides a key platform for ADF to leverage as the EU FTA negotiations escalate, and has involved a number of media engagement opportunities for ADF (e.g., after the EU recognition of Haloumi as a protected term).

Labelling of plant-based products

ADF continued to advocate for changes to the labelling of plant-based products. ADF participated in the Minister for Agriculture’s working group to analyse the issue and develop a whole of supply chain consensus to develop a voluntary industry guideline. The commencement of a Senate inquiry into the matter curtailed development of the guideline. ADF provided a submission to the inquiry outlining the importance of the guideline’s development given previous political failures at resolving clauses in the Food Standards Code that promote false and misleading use of dairy terms. A response to the Senate inquiry will be required over the next parliamentary term.



Governance



Australian Dairy Farmers Board of Directors



Terry Richardson
President

Terry Richardson was appointed ADF President in November 2017 after serving one year as Acting President and having been an ADF Director since 2015. Terry owns a dairy farm with his family in Deans Marsh, South West Victoria, where he has lived since 2004. He has held positions in the New Zealand and Australian dairy industry, including as a director of Kiwi Co-operative Dairies and Chair of Warrnambool Cheese and Butter. Terry completed a Bachelor of Agricultural Economics and a Diploma of Business Studies, and is a Member of the Australian Institute of Company Directors.



Rick Gladigau
Director

Rick Gladigau grew up on his family's dairy farm and was employed there as a farmhand upon leaving school, before purchasing his own farm in 1993. Rick has broad experience having worked on a potato farm and as a dairy share farmer, and trained in Canada as part of an agricultural exchange program before returning to manage his family's dairy farm. He was a ward representative for Australian Co-operative Foods and a member of the Dairy Farmers Milk Co-operative (DFMC) Board of Directors from 2013 to 2016. Rick has been a Board Member of the South Australian Dairyfarmers' Association (SADA) since 2007 and is currently the organisation's treasurer.



Victoria Taylor **Independent Director**

Victoria Taylor brings over two decades' experience in agricultural policy and communications, non-profit management and stakeholder engagement to ADF. A former Executive Director of the Ricegrowers' Association of Australia, she is passionate about the development of profitable and sustainable agricultural industries. Victoria is on the boards of Rice Marketing and Horticulture Innovation Australia, and is Chair of the Centre for Entrepreneurial Agri-Technology at the ANU. She owns a business that provides strategic policy and communications support to clients in primary industries.

Victoria holds a Graduate Certificate in Water Policy and Governance from Charles Sturt University and is a Graduate of the Australian Institute of Company Directors.



Brian Tessmann **Director**

Brian Tessmann is a Queensland dairy farmer from the South Burnett area. Brian runs the family operation with his brother. The farm has been in the Tessmann family for four generations and milks 150 cows.

Brian has a long history with the Queensland Dairyfarmers Organisation (QDO). Since being appointed as District Secretary in 1995, he was then elected to the QDO Board and State Council in 2000 and in 2003 became the Vice President. Brian has been President of QDO since 2009, as well as a Director on the ADF Board and National Council. Over this period, Brian has also held various roles at both state and national levels. Brian joined the board in November 2020.



Colin Thompson **Director**

Colin Thompson's dairy career began on a small family farm at Narooma on the far south coast of NSW. In January 2000, due to deregulation, the family farm was sold and Colin, wife Erina and their family relocated to Cowra, central west NSW. Over the past 19 years, they developed a 320 cow freestall dairy facility producing around 4.5 million litres of milk per year.

They produce irrigated corn, lucerne and cereals to provide fodder for the dairy herd. A member of the NSW Farmers Dairy Committee for the past four years, Colin was recently elected Chair of the Committee. Colin joined the Board in December 2020.

Board members listed are as at 30 June 2021. Bruce Donnison and John Versteden retired from the Board in November 2020. We thank them for their service to the Australian dairy industry.

Our committees



National Council of Australian Dairy Farmers

Members

- T Richardson (Chair)
- M Billing
- H Cook
- G Cox
- A Gardiner
- D Hoey
- J Hunt
- J Keely
- B Knowles
- P Mumford
- I Noakes
- P Ryan
- M Trace

Company Secretary

- F Jones

Meetings

The National Council met four times during the 2020/21 financial year:

- August 2020
- October 2020
- December 2020
- May 2021

Audit risk and compliance committee

Members

- B Donnison (Chair) to November 2020
- V Taylor (Independent Director)
- J Campbell (Independent Member)
- R Gladigau (Chair) from November 2020
- F Jones (Secretariat)

Meetings

The committee met twice during the 2020/21 financial year.

- October 2020
- March 2021

Policy Advisory Groups

Animal health and welfare

Vacant

Farming systems and herd improvement

Vacant

Markets, trade and value chain

Chair: P Mumford

Natural resources

Chair: J Keely

People and human capacity

Chair: R Paynter

Appointments are as at 30 June 2021.

ADF team



David Inall, Chief Executive Officer

David Inall has nearly 30 years of experience in leadership roles in Australian and international agricultural peak bodies, including CEO of the Cattle Council of Australia and Senior Vice President of the United Egg Producers in the United States. David also has extensive experience working with members, the broader industry and government on strategic policy matters. David holds a Bachelor of Applied Science (Systems Agriculture) from the University of Western Sydney (Hawkesbury) and is a graduate of the Australian Institute of Company Directors.



Fred Jones, Operations Manager and Company Secretary

Fred Jones brings a wealth of experience in both operational and project management to ADF, having worked in commercial and retail environments for more than 35 years with Coles and other iconic retail brands. Fred has extensive knowledge of budget preparation, auditing and compliance management, and is also tasked with managing human resource functions and maintaining internal policies and procedures. Fred holds qualifications from the Governance Institute of Australia and Australian Institute of Company Directors.



Craig Hough, Director Policy & Strategy

Craig Hough has a career of leading high value/risk policies, strategies, investigations and projects in government, industry and not-for-profit organisations. He has exceptional analytical, conceptual and communication skills with a track record of outstanding performance in the agriculture, mining, disability, corrections and local government sectors. In the agriculture sector Craig lead business plans, industry strategies, multimillion dollar international-level initiatives and corporate improvement programs. He holds a Master of Business Administration, a Master of Social Science (Policy and Management) and Bachelor of Arts (Criminal Justice Administration).



Patrick Kok, Accounts Manager

Patrick Kok has worked in finance for 30 years, including with the United Nations Office for Project Services, and in publishing, marketing, fashion and membership industries. Patrick is committed to improving and maintaining transparency in ADF's operations. He holds an accounting degree from the United Kingdom.



Ashley Mackinnon, Media and Communications Manager

Ashley Mackinnon brings communications and policy experience to ADF from his time as a journalist, political adviser and communications consultant.

Ashley began his career in rural radio before a brief stint working for the federal Government. He joins ADF after serving as the Public Affairs Adviser for the Victorian Farmers Federation.

Ashley holds a Bachelor of Journalism from the University of Queensland, Graduate Diploma in Law from Monash University and is currently completing a Master of Public Policy and Management from the University of Melbourne.

In May 2021 we farewelled Ashley McKinnon, Media and Communications Manager, from our team.

We thank Ashley for his service to the industry.

Financial report

for the year ended 30 June 2021



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Directors' report

The directors present their report together with the financial report of Australian Dairy Farmers' Limited (ADF) for the year ended 30 June 2021 and auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

Directors names

The names of the directors in office at any time during or since the end of the year are:

Terry Richardson
Bruce Donnison (resigned 26 November 2020)
John Versteden (resigned 26 November 2020)
Victoria Taylor
Rick Gladigau
Brian Tessmann (appointed 26 November 2020)
Colin Thompson (appointed 17 December 2020)

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

Results

The surplus from operating activities of the organisation for the year amounted to \$285,655 and the total net surplus was \$2,376,650 (2020: \$776,504 deficit from operating activities; total net deficit was \$616,358).

Review of operations

The organisation continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant changes in state of affairs

There were no significant changes in the organisation's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

Short-term and long-term objectives and strategies

The organisation's short-term objectives are to:

- Develop and deliver a strong member value proposition to state and business members of ADF.

The organisation's long-term objectives are to:

- Improve the long-term social and economic wellbeing of dairy farmers.
Provide strong leadership and representation for the continued growth of internationally competitive,
- innovative and sustainable dairy farm businesses.



Directors' report

Principal activities

ADF is the national policy and advocacy body working to improve the productivity and sustainability of dairy farming in Australia.

No significant change in the nature of these activities occurred during the year.

After balance date events

There are no after balance date events for the year ended 30 June 2021.

Indemnity guarantee

There is no indemnity guarantee for the year ended 30 June 2021.

Likely developments

The organisation expects to maintain the present status and level of operations.

Environmental regulation

The organisation's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.



Directors' report

- Terry Richardson** Owner/Partner Dairy Farm – Pungarehu Farms in Deans Marsh, Victoria
Director – Australian Dairy Industry Council
Member – Victorian Farmers Federation
Gardiner Foundation Processor Member
- Bruce Donnison** Director – Australian Dairy Farmers Ltd (resigned 26 November 2020)
Director – Clearview Dairies/Clearview Properties. (Tasmania)
Director – Berkley Farms Limited (Tasmania)
Director – Ivanhoe Farms (Tasmania)
Director – Australian Dairy Industry Council
- John Verstedden** Director – Australian Dairy Farmers Ltd (resigned 26 November 2020)
Owner/Partner Dairy farm in Longwarry, South East Victoria
Director – Australian Dairy Industry Council
Chair – Dairy Australia Dairy Industry People Development Committee
Shareholder – Genetics Australia
- Victoria Taylor** Deputy Chair – Rice Marketing Board for the State of New South Wales
Owner – Flourish Communications (sole trader)
Non-Executive Director – Horticulture Innovation Australia Ltd
Chair of the Governance Committee, Centre for Entrepreneurial Agri-Technology (ANU/CSIRO JV)
Startup Mentor, Canberra Innovation Network
- Rick Gladigau** Owner/Partner – R.T. & T.L. Gladigau, Dairy Farm at Mt Torrens, SA
Director – Gladigau Family Trust T/A Gladigau & Sons, Dairy Farm at Mt Torrens, SA
Director – SA Dairyfarmers Assoc.
Director – Australian Dairy Industry Council
- Brian Tessmann** Manager/Partner dairy farm in South Burnett Region, QLD
President – Queensland Dairyfarmers Organisation
Board Member – Queensland Farmers Federation
Director – Australian Dairy Industry Council
Member – QLD/NSW Merger Management Committee
- Colin Thompson** Owner/Partner – Silvermere Holsteins, Cowra, NSW
Member – NSW Farmers Association
Chair – NSW Farmers' Association Dairy Committee
Director – Australian Dairy Industry Council



Directors' report

Meetings of directors

Directors	Directors Meetings		Audit Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Terry Richardson	9	9	–	–
Bruce Donnison (resigned 26 November 2020)	3	2	1	1
John Verstedden (resigned 26 November 2020)	3	3	–	–
Victoria Taylor	9	9	2	2
Rick Gladigau	9	9	1	1
James Campbell (ARCC Independent Member)	–	–	2	2
Brian Tessmann (appointed 26 November 2020)	6	6	–	–
Colin Thompson (appointed 17 December 2020)	5	5	–	–

Indemnification of officers

During the financial year, ADF purchased Directors & Officers Liability cover which insures all Directors and Officers of ADF. The premium paid is commercially sensitive and is therefore not disclosed.

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the organisation.

Auditor's independence declaration

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.



Directors' report

Proceedings on behalf of the organisation

No person has applied for leave of Court to bring proceedings on behalf of the organisation or intervene in any proceedings to which the organisation is a party for the purpose of taking responsibility on behalf of the organisation for all or any part of those proceedings.

Signed on behalf of the board of directors.

Director: 
Terry Richardson

Director: 
Rick Gladigau

Dated this 28th day of October 2021

Auditor's independence declaration

to the Directors of Australian Dairy Farmers' Limited



As lead auditor for the audit of Australian Dairy Farmers' Limited for the year ended 30 June 2021. I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Australian Dairy Farmers' Limited.

Abhishek Sharma
Partner

Dated this 29th day of October 2021

Statement of profit or loss and other comprehensive income

for the year ended 30 June 2021



	Note	2021 \$	2020 \$
Revenue and other income			
Other revenue	3	2,184,529	1,665,244
		2,184,529	1,665,244
Less: expenses			
Employment expenses	4	(785,943)	(951,677)
Remuneration	4, 12	(126,093)	(153,875)
Administration expenses		(227,502)	(708,402)
Affiliation fees		(100,000)	(147,853)
Employee provisions		(50,698)	(38,528)
Occupancy expenses		(60,863)	(120,067)
Policy and representation		–	–
Project expenses		(39,012)	(31,881)
Depreciation and amortisation	4	(5,738)	(5,567)
Grant Expenses		(503,025)	(283,898)
		(1,898,874)	(2,441,748)
Surplus/(Deficit) from ordinary activities		285,655	(776,504)
Other income/(expenses)			
Unrealised gains/(loss) from available for sale financial assets		2,090,995	160,146
Total other income/(expenses)		2,090,995	160,146
Other comprehensive income/(expenses)		–	–
Total comprehensive income/(expenses)		2,376,650	(616,358)

The accompanying notes form part of these financial statements.



Statement of financial position

as at 30 June 2021

	Note	2021 \$	2020 \$ (Revised)	2019 \$ (Unchanged)
Current assets				
Cash and cash equivalents	5	1,920,467	4,588,338	3,646,926
Receivables	6	60,580	57,449	94,630
Other Assets	8	15,885,452	11,534,769	481,061
Total current assets		17,866,499	16,180,556	4,222,617
Non-current assets				
Property, plant and equipment	7	26,630	18,368	14,850
Total non-current assets		26,630	18,368	14,850
Total assets		17,893,129	16,198,924	4,237,467
Current liabilities				
Payables	9	593,930	1,313,165	763,231
Provisions	10	147,204	93,829	63,835
Total current liabilities		741,134	1,406,994	827,066
Non-current liabilities				
Payables	9	–	–	–
Provisions	10	15,897	32,482	23,947
Total non-current liabilities		15,897	32,482	23,947
Total liabilities		757,031	1,439,476	851,013
Net Assets		17,136,098	14,759,448	3,386,455
Equity				
Retained earnings	11	4,936,797	2,560,147	3,386,455
Other Reserves		12,199,301	12,199,301	–
Total Equity		17,136,098	14,759,448	3,386,455

The accompanying notes form part of these financial statements.



Statement of changes in equity

for the year ended 30 June 2021

	Note	Retained Earnings \$	Total Equity \$
Balance as at 1 July 2019		3,386,455	3,386,455
Surplus/(Deficit) for the year		(616,358)	(616,358)
Total comprehensive income/(expenses) for the year		2,770,097	2,770,097
Adjustment to retained earnings for previous years		(73,365)	(73,365)
Other Reserves		–	12,199,301
Balance as at 30 June 2020	11	2,696,732	14,896,033
Balance as at 1 July 2020		2,696,732	14,896,033
Prior period error adjustment	2(a)	(136,585)	(136,585)
Balance as at 1 July 2020 (restated)		2,560,147	14,759,448
Surplus/(Deficit) for the year		2,376,650	2,376,650
Other Reserves		–	–
Balance as at 30 June 2021	11	4,936,797	17,136,098

The accompanying notes form part of these financial statements.



Statement of cash flow

for the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flow from operating activities			
Receipts from customers		1,166,549	1,388,574
Payments to suppliers and employees		(2,525,478)	(1,872,914)
Interest received		–	–
Net cash provided by operating activities	13(b)	(1,358,929)	(484,340)
Cash flow from investing activities			
Receipts from investing activities		2,780,848	672,472
Proceeds on sale of investments		178,000	–
Purchase of property, plant and equipment		(14,000)	(9,085)
Available for sale assets		(4,253,790)	–
Net cash provided by / (used in) investing activities		(1,308,942)	663,388
Cash flow from financing activities			
Distribution to associates		–	762,365
Net cash used in financing activities		–	762,365
Reconciliation of cash			
Cash at beginning of the financial year		4,588,338	3,646,925
Net increase / (decrease) in cash held		(2,667,871)	941,413
Cash at end of financial year	13(a)	1,920,467	4,588,338

The accompanying notes form part of these financial statements.



Notes to financial statements

for the year ended 30 June 2021

Note 1: Statement of significant accounting policies

This financial report is a general purpose financial report – Reduced Disclosure Requirements, prepared for use by the directors and members of the organisation. The directors have determined that the organisation is not a reporting entity.

The financial report is for the entity Australian Dairy Farmers' Limited as an individual entity. Australian Dairy Farmers' Limited is a company limited by guarantee, incorporated and domiciled in Australia. Australian Dairy Farmers' Limited is a not-for-profit entity for the purpose of preparing the financial statements. The financial report has been prepared in accordance with all applicable Accounting Standards, with the exception of the disclosure requirements of the following Accounting Standards:

AASB 7:	Financial Instruments: Disclosures
AASB 124:	Related Party Disclosures
AASB 132:	Financial Instruments: Presentation
AASB 136:	Impairments of Assets

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

(b) Revenue

Revenue recognition

ADF has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058, and the impact of changes is disclosed in Note 1. Revenue from the rendering of services is recognised upon the delivery of the service to the customers.



Notes to financial statements

for the year ended 30 June 2021

Note 1: Statement of significant accounting policies *(continued)*

Operating grants, donations and bequests

When ADF receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, ADF:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, ADF:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (e.g. AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer)
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, ADF recognises income in profit or loss when or as it satisfies its obligations under the contract.

Interest income

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(c) Fair value of assets and liabilities

ADF measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price ADF would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability.



Notes to financial statements

for the year ended 30 June 2021

Note 1: Statement of significant accounting policies (continued)

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to ADF at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and ADF's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(d) Income tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(f) Property, plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use.



Notes to financial statements

for the year ended 30 June 2021

Note 1: Statement of significant accounting policies (continued)

Class of fixed asset	Depreciation rates	Depreciation basis
Leasehold improvements at cost	15%	Straight line
Office equipment at cost	15%	Straight line
Computer equipment at cost	25%	Straight line

(g) Leases

At inception of a contract, ADF assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by ADF where it is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease. ADF has reviewed its contracts containing leases and has not recorded any right-of-use assets and corresponding lease liability as the lease is less than 12 months.

(h) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when ADF becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that ADF commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, ADF made an irrevocable election to measure the equity instruments in other income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Entity's accounting policy.

Notes to financial statements

for the year ended 30 June 2021



Note 1: Statement of significant accounting policies *(continued)*

(i) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Long-term employee benefit obligations

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled within twelve months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(j) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(l) Revenue from Contracts with Customers

We have reviewed ADF in consideration to the changes in revenue recognition under AASB 15 and have concluded that it is not applicable as current operations do not deal with long term contracts with customers as detailed in the standard.



Notes to financial statements

for the year ended 30 June 2021

Note 2: Accounting standards and interpretations issued but not operative at 30 June 2021

There are no other Accounting Standards and interpretations which have not been considered as at 30 June 2021.

(a) Prior period error

A prior period error has been identified in the 2020 financial statements in respect to accounting for accrued income.

During the current year it was identified that the Australian Dairy Farmers Limited had over accrued franking credits. As a result, the ADF's accrued income were overstated, resulting in the restatement of statement of financial position. A summary of the change is as follows:

Statement of Financial Position	Note	Previously Audited (30 June 2020)	Adjustments	Revised (30 June 2020)
Current assets				
Cash and cash equivalents		4,588,338	–	4,588,338
Receivables		57,449	–	57,449
Other Assets		11,671,354	(136,585)	11,534,769
Total current assets		16,317,141	(136,585)	16,180,556
Non-current assets				
Property, plant and equipment		18,368	–	18,368
Total non-current assets		18,368	–	18,368
Total assets		16,335,509	(136,585)	16,198,924
Current liabilities				
Payables		1,313,165	–	1,313,165
Provisions		93,829	–	93,829
Total current liabilities		1,406,994	–	1,406,994



Notes to financial statements

for the year ended 30 June 2021

Note 2: Accounting standards and interpretations issued but not operative at 30 June 2021 (continued)

Statement of Financial Position	Note	Previously Audited (30 June 2020)	Adjustments	Revised (30 June 2020)
Non-current liabilities				
Payables		–	–	–
Provisions		32,482	–	32,482
Total non-current liabilities		32,482	–	32,482
Total liabilities		1,439,476	–	1,439,476
Net Assets		14,896,033	(136,585)	14,759,448
Equity				
Retained earnings		2,696,732	(136,585)	2,560,147
Other Reserves		12,199,301	–	12,199,301
Total Equity		14,896,033	(136,585)	14,759,448

	2021 \$	2020 \$
Note 3: Revenue and other income		
Interest income	15,907	70,563
Cash flow boost	37,500	62,896
Distribution income	1,000,752	403,435
Other income	1,130,370	1,128,350
	2,184,529	1,665,244



Notes to financial statements

for the year ended 30 June 2021

	2021 \$	2020 \$
Note 4: Operating profit		
Profit/(losses) before income tax has been determined after:		
Depreciation	5,738	5,567
Employee benefits		
Short term benefits	912,036	1,105,552
	917,774	1,111,119
Note 5: Cash and cash equivalents		
Cash on hand	32	32
Cash at bank	1,920,435	4,588,306
	1,920,467	4,588,338
Note 6: Receivables		
Current		
Trade debtors	60,580	57,449
Note 7: Property, plant and equipment		
Leasehold improvements		
At cost	136,753	122,753
Accumulated depreciation	(123,803)	(122,753)
	12,950	-
Plant and equipment		
Office equipment at cost	181,261	181,261
Accumulated depreciation	(170,588)	(168,292)
	10,673	12,969



Notes to financial statements

for the year ended 30 June 2021

	2021 \$	2020 \$
Note 7: Property, plant and equipment (Continued)		
Computer equipment at cost	36,377	36,377
Accumulated depreciation	(33,370)	(30,978)
	3,007	5,399
Total plant and equipment	13,680	18,368
Total property, plant and equipment	26,630	18,368
Note 8: Other assets		
Current		
Prepayments	17,191	17,572
Rental Bond	–	33,427
Distribution Receivable	13,607	–
Deposits Paid	630	16,925
Accrued Income	416,472	103,273
Available for sale financial assets	15,437,552	11,363,572
	15,885,452	11,534,679

Accrued Income (2020) includes an adjustment of \$136,585 for the franking credits incorrectly recorded in the financials for the year ended 30 June 2020. Refer to note 2a.

Notes to financial statements

for the year ended 30 June 2021



	2021 \$	2020 \$
Note 9: Payables		
Current		
<i>Unsecured liabilities</i>		
Trade creditors	75,744	382,407
Sundry creditors and accruals	518,186	930,758
Loan from associates	–	–
	593,930	1,313,165
Non current		
Loan from associates	–	–
Note 10: provisions		
Current		
Employee benefits	147,204	93,829
Other	–	–
	147,204	93,829
Non current		
Employee benefits	15,897	32,482
Aggregate employee benefits liability	163,101	126,311
Note 11: Retained earnings		
Retained earnings at the beginning of year	2,696,732	3,386,455
Prior period error adjustment	(136,585)	(73,365)
Net Surplus/(deficit)	2,376,650	(616,358)
Net retained earnings	4,936,797	2,696,732



Notes to financial statements

for the year ended 30 June 2021

	2021 \$	2020 \$
Note 12: Remuneration		
Presidents fees	75,000	75,000
Directors fees	24,483	32,760
Independent director	18,400	24,380
Independent ARCC member	5,475	5,475
Sitting Fees	2,735	16,260
	126,093	153,875
Note 13: Cash flow information		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:		
Cash at bank	1,920,435	4,588,306
Cash on hand	32	32
	1,920,467	4,588,338
(b) Reconciliation of cash flow from operations with profit		
Surplus/(deficit) from ordinary activities	285,655	(776,504)
Less: Adjustments for investing activities in operating activities	(1,014,849)	(473,998)
Adjusted surplus (/deficit) from ordinary activities	(729,194)	(1,250,502)
Adjustments and non-cash items		
Depreciation	5,738	5,567



Notes to financial statements

for the year ended 30 June 2021

	2021 \$	2020 \$
Note 13: Cash flow information (Continued)		
Changes in assets and liabilities		
(Increase) / decrease in receivables	(3,131)	37,181
(Increase) / decrease in other assets	50,103	134,951
Increase / (decrease) in payables	(719,235)	549,934
Increase / (decrease) in provisions	36,790	38,529
Cash flows from operating activities	(1,358,929)	(484,340)
Note 14: Commitments		
Lease commitments – operating		
Committed at reporting date but not recognised as liabilities, payable:		
Within one year	59,238	76,163
One to five years	–	25,388
More than five years	–	–
	59,238	101,551

ADF entered into a new rental agreement on 23 June 2020 which was to commence on the 1 July 2020 and end on the 30 June 2021. However, due to the COVID-19 restrictions ADF has been unable to relocate to the premises up until February 2021. All the lease commitments have been based on the facts available during the preparation of the financial statements.



Notes to financial statements

for the year ended 30 June 2021

Note 15: Events subsequent to reporting date

There are no matters or circumstances, which have arisen since 30 June 2021 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2021, of the organisation, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2021, of the organisation.

Note 16: Organisation details

The registered office of the organisation is:

Australian Dairy Farmers' Limited
HWT Building
Level 6
40 City Road
Southbank Vic 3004



Directors' declaration

The directors have determined that the organisation is not a reporting entity and that this general purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

1. In the opinion of the directors, the financial report and notes as set out on pages 9 – 23, presents fairly the organisation's financial position as at 30 June 2021 and performance for the year ended on that date of the organisation in accordance with the accounting policies outlined in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the organisation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:

Director: 
Terry Richardson

Director: 
Rick Gladigau

Dated this 28th day of October 2021

Compilation report

to Australian Dairy Farmers' Limited



We have compiled the accompanying general purpose financial statements of Australian Dairy Farmers' Limited, which comprise the statement of financial position as at 30 June 2021, the statement of comprehensive income and the statement of changes in equity for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the general purpose financial statements have been prepared is set out in Note 1.

The Responsibility of the Directors

The directors of Australian Dairy Farmers' Limited are solely responsible for the information contained in the general purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the directors we have compiled the accompanying general purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 Compilation of Financial Information.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The general purpose financial statements were compiled exclusively for the benefit of the directors who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the general purpose financial statements.

Dobbyn and Carafa Pty Ltd
Level 9, 636 St Kilda Road
Melbourne

Anthony Carafa

Dated this 28th day of October 2021

Independent auditor's report

to the directors of Australian Dairy Farmers' Limited



We have audited the accompanying financial report, being a general purpose financial report of Australian Dairy Farmers' Limited, which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration.

Directors' Responsibility for the Financial Report

The directors are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the governing committee determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the governing committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with APES 110 Code of Ethics for Professional Accountants.

Independent auditor's report

to the directors of Australian Dairy Farmers' Limited



Opinion

In our opinion, the financial report of Australian Dairy Farmers' Limited presents fairly, in all material respects, the entity's financial position as at 30 June 2021 and its performance and its cash flows for the year ended on that date in accordance with Australian Accounting Standards, the accounting policies described in Note 1 to the financial report.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Australian Dairy Farmers' Limited to meet the financial reporting responsibilities under the Constitution. As a result, the financial report may not be suitable for another purpose.

Abhishek Sharma
Partner

Dated this 29th day of October 2021

Member organisations



New South Wales Farmers Association Dairy Committee



Committee Chair: Colin Thompson, Executive Officer: Ben Antenucci

The Year in Review

NSW Dairy Industry Action Plan

The NSW Farmers Dairy Committee has been a critical player in developing the NSW Dairy Action Plan, engaging with the NSW Dairy Advocate throughout its drafting. The Committee is pleased with the Action Plan's release, and welcomes its emphasis on research, development, extension and adoption programs aimed at unlocking higher productivity and profitability, de-risking the dairy industry, and developing new markets.

The NSW Farmers Dairy Committee pushed for the installation of a NSW Dairy Advocate and will now be one of the handful of stakeholders on the NSW Dairy Action Implementation Panel, established to oversee the implementation of the Action Plan.

The Committee is committed to its involvement in implementing the Action Plan and looks forward to reporting on its future success.

Markets and competition

Markets, competition and barriers impacting profitability have been key areas of focus for the Committee. They have advocated for fair and competitive dairy supply chains through reforms to the competition law framework, and collaboration between state and federal bodies. This has taken many forms and been fought across multiple fronts.

The Committee has been involved in the ACCC's Perishable Agricultural Goods Inquiry, contributing to NSW submission a heavy focus on the need for Australian competition law amendments to rectify power imbalances within the supply chain.

Notably, an Upper House Parliamentary Committee undertook an inquiry into the long-term sustainability of the dairy industry in NSW. The investigation's terms of reference were broad and included feedback on the implementation and effectiveness of the Mandatory Dairy Code of Practice implemented at the start of 2020. The Committee submitted to the inquiry and had representatives present at the Parliamentary Hearing in November 2020. The subsequent report outlined several recommendations to improve the long-term sustainability of the NSW dairy industry. The outcome of this inquiry is largely positive, with many of the recommendations aligning with the key requests of the Dairy Committee's submission.



New South Wales Farmers Association Dairy Committee (continued)



Mandatory Dairy Industry Code of Conduct

NSW Farmers strongly supported the mandatory Dairy Industry Code of Conduct and has been heavily engaged with its review. NSW Farmers fought hard for the Code's implementation and for its design to meet the purpose of regulating power discrepancies between dairy farmers and processors by providing all farmers with a set of legally enforceable minimum standards, increasing available information and more fairly allocating risk.

The Committee particularly highlighted issues around transparency and certainty in pricing and ongoing concerns around the clarity of milk supply agreements. While the Code has had some success, the Committee continues to advocate for improvements to achieve a fairer operating environment for dairy farmers.

Coastal harvestable rights

The Dairy Committee has advocated for improved run-off capture for coastal farmers through increased harvestable rights and greater water storage rights along the Eastern Fall. Our submission to the NSW Government review of coastal harvestable rights requested that the harvestable rights limit in coastal draining catchments be increased to 40% where appropriate. It has been recently announced that from 2022 onwards, farmers' harvestable rights will increase to 30% from the current 10%. This represents a significant win for the Dairy Committee which has driven this advocacy from the beginning.

Animal welfare

Animal welfare is a priority for all livestock industries including dairy. This past year has been critical in the animal welfare space as the NSW Department of Primary Industries (DPI) undertakes a reform of multiple animal welfare regulations, including the *Prevention of Cruelty to Animals Act (1979)*. NSW Farmers engaged with the review process, providing a substantial submission highlighting the need for science-based reform and the legislation to represent a realistic and sustainable approach to animal welfare for farming. Further, the Dairy Committee has been engaged with phasing out the practice of calving inductions to align with scientific-based animal welfare standards.

The Committee was proactive in responding to animal welfare concerns arising from the March 2021 floods which heavily impacted dairy farmers on the North Coast of NSW. The Committee engaged with impacted communities and DPI to address animal welfare issues which occurred as a result of the floods.





The year ahead

NSW Farmers Dairy restructure

Supported by the strength of NSW Farmers, the Dairy Committee will be undertaking a series of changes in the coming months, enhancing our ability to deliver a higher level of service to members. This refreshed structure will provide more effective advocacy and allow the Dairy Committee to build on its past successes in delivering key outcomes on the issues that matter to the state's dairy farmers. Key components of this refreshed structure include the development of clear dairy-specific branding of the Committee as NSW Dairy Farmers and recruiting a full-time dedicated Dairy Manager to deliver specialised policy advice, advocacy and projects to bring increased value to our members. Through these improvements, NSW Dairy Farmers hopes to enrich their engagement with stakeholders such as the Regional Development Programs (RDs), DPI and Local Land Services, and continue to contribute to state and national advocacy.

Our goal for the Dairy Committee is to build upon our past successes in delivering key outcomes on the issues that matter to NSW's dairy farmers. Our clear focus moving forward is to improve the sustainability and profitability of our industry, provide opportunities for growth and development, and work together to advocate for and achieve better outcomes for dairy in NSW.

Queensland Dairyfarmers' Organisation



President: Brian Tessmann,
Executive Officer: Eric Danzi

Year in review

Industry restructuring

Discussions on industry restructuring have been ongoing for over two years, and it is expected that a proposal for merging QDO with like-minded organisations in NSW will occur in 2021/22.

Dairy Industry Code of Conduct

The Dairy Code was launched in December 2019 and has been going for over a year. The code was introduced to create transparency and a more even playing field between processors and farmers. All medium size and large processes were required to make contracts publicly available on 1 June 2020. The code has created more transparency over contracts, however problems remain. The first year review of the Code commenced in 2021.

Energy Savers Plus program extension

The program, with funding from Department of Natural Resources, Mining and Energy, is progressing well with all energy audits being completed. Participants can now apply for a 50% co-contribution grant (up to \$20,000) through the Queensland Rural and Industry Development Authority which will help implement management opportunities from their audit. With the program due to end February 2022, 14 participants have already applied for the grant with some farms already implementing energy management opportunities as recommended in their audit reports.

Dairy Farm Water Futures

In September 2019, QDO secured a grant to maintain capability and deliver similar outcomes as achieved through Dairy & Fodder Water for Profit. QDO trained project officers in extension to work with dairy and fodder producers to increase their irrigation systems' efficiency in energy and crop yield. This was achieved using low-pressure irrigation, improved distribution and uniformity, and irrigation scheduling. The grant incentive scheme for farmers was extended to include effluent projects in round 4 to include capture and re-use improvements.

On-farm activity started in March 2020 with 10 incentive grants being awarded to date. Three rounds of funding have been made available to dairy and fodder farmers for irrigation projects and a fourth for effluent projects. The program finished in June 2021.

Flood mapping – mitigation and management plans for primary producers

The flood resilience project was subcontracted to QDO in August 2019 through QFF. The current pilot project aims to understand and increase resilience in dairy farms located in high-risk flood areas. Four producers across the Gympie–Moreton, Lockyer and Scenic Rim regions were engaged to understand individual flood risks, what strategies they have implemented to improve resilience, and certain gaps or issues they have on their farms. Initial farm meetings identified gaps in technical knowledge and services required in the recovery phase after a flood event.

External consultants were contracted to value-add and advise farmers about improving flood risk as an additional part of the project. Consultants were selected on their expertise and ability to address the concerns highlighted by producers, which included agronomy and soil analysis, property-based flood scenario mapping and business continuity. The mode of delivery for workshops was changed from face-to-face into an online platform as venues were capped for capacity due to COVID-19. The project finished on 1 November 2020.

Biosecurity

From March 2021, QDO Project Officer Jade Chan began the process of contacting QDO members to arrange for Johne's Disease testing. Re-testing for the disease is optional for dairy farmers to maintain their score 7 where a negative test result is required once every two years. Testing continued until June 2021.

First aid

During March, QDO ran several first aid workshops for its members to get certified in first aid. A total of 47 members received first aid certificates or their CPR refresher.

Sector Adaption Plan+ Co-Investment Project (Sap+)

The SAP+ project was subcontracted to QDO in November 2020 through QFF. The SAP+ project is in its early stages. Two steering committee meetings have been completed. Desktop assessment of the Queensland dairy BMP (QDairySAT) needs to be conducted and submitted back to QFF to meet reporting requirements. This project ends April 2022.



South Australian Dairyfarmers' Association



President: John Hunt, Chief Executive Officer: Andrew Curtis

President's report

After nearly a decade of challenges, be they drought, turbulent international conditions, floods, fire, or the turmoil created by the conduct of supermarkets and processors, dairy in South Australia, as with the rest of the country, has seen some clear air.

With farmgate prices now reflecting a purposeful income for farmers who have weathered the storms, there is now an opportunity to re-invest in businesses either by retiring debt or by investing in advancing their businesses by introducing new technologies.

This has been evident with more farmers now investing in their businesses and installing new technologies such as robots as we have seen on some farms in South Australia.

Now is the time to look to the future and SADA is readjusting its focus with a clear view to what is coming. A few years ago, SADA created its vision statement to become the premier representative organisation in the state, not out of a sense of hubris but as an expression of SADA's ambition for the future.

In that time, we have created new commercial SADA Fresh products, doubled the sales of existing SADA Fresh products, rolled out an industry plan which has now been adopted as government policy, strongly influenced the structure and content of the national Dairy Industry Code, and are now leading technical development of a national traceability model in Australia.

Not bad for a small organisation, but there is more to do.

As South Australian dairy looks to the future the next challenges, while daunting, should be embraced as it will enable SADA to continue to lead the way both within the state and nationally.

Challenge of climate change

Looking to the future the greatest challenge that is to be faced by all farmers, not just dairy farmers, will be the impact of climate change. While Australia is committing to a net zero target by 2050, SADA has committed itself to the same target by 2030. While ambitious, this target can and will be reached.

This will mean that over the next year SADA will have to map out the steps that will need to be taken to achieve these goals.

SADA has already staked its claim in this area. The support by SADA through its industry fund has supported a number of projects in South Australia that potentially have good outcomes. The use of dung beetles to sequester carbon and two reviews of TMR systems as a source of methane capture is reflective of the serious attitude that SADA has already taken in this important area.

Opportunities also exist in carbon credits, seaweed food additives and genetic selection.

As the 2021/22 financial year moves forward, the policy structure to support our emissions targets will be articulated and promoted to members.

South Australian Dairyfarmers' Association *(continued)*



Traceability

SADA is also making strides in the roll out of the traceability project which was started in the 2020/2021 financial year. This project will continue in 2021/22 and will place SADA at the front of the queue when it comes to attracting investment in cutting edge distributed ledger-based traceability technology.

If successful, SADA will lead the charge nationally in creating a traceability framework that will set the benchmark for a national system.

The reason that SADA has committed itself to this path is that this technology is coming fast and if we as farmers don't get to describe what it is then it will certainly be inflicted upon us from somewhere else. The ability to control these models is the ability to manage the demands that are placed on farmers by other parts of the supply chain.

Thank you

As the president of SADA I have been repeatedly struck by the dedication of our small team in South Australia, led so well by Andrew Curtis. It is a pleasure to be fortunate enough to have the role of the President of the organisation.

Finally, I place on the record my sincere thanks to my fellow board members who continue to go above and beyond when it comes to representing the interests of our fellow farmers in South Australia.

Tasmanian Farmers and Graziers Association Dairy Council



Council Chair: Geoff Cox,
Policy Advisor: Brittany Rubie

Year in review

Over the past 12 months, the Tasmanian Farmers and Graziers Association (TFGA) and its Dairy Council have worked through a series of high priority issues. The border restrictions amidst the COVID-19 pandemic have incurred complications, notably in the effort to ensure artificial insemination (AI) technicians gain access to the state in a timely manner. Regarding this issue, the TFGA worked closely with DairyTas. The TFGA made strong representations to government on the imperatives of granting dairy AI technicians essential travel access to Tasmania.

Other matters that the Council and staff have worked on include:

- Writing to both the Minister for Health and the Greens Senator on the matter of plant-based labelling that incorporates dairy terminology.
- Collaborating with DairyTas to develop a survey that captures an understanding of potential labour shortages leading up to the 2021 calving season.
- A series of written submissions detailing the dairy perspective, including the Independent Review of the *Climate Change (State Action) Act 2008* and to the Parliamentary Inquiry into Definition of Meat Products and Other Animal Products.
- TFGA staff and Councillors were also involved and in a range of dairy events and activities, including:
 - Attending a Responsible Dairying Day in Smithton (run by TDIA and DairyTas)
 - Attending and contributing to DairyTas Tasmanian Dairy Industry Strategic Plan days in Scottsdale, Deloraine and Burnie.



Member Andrew Aldridge from
Bransholm, North-East Tasmania

Tasmanian Farmers and Graziers Association Dairy Council *(continued)*

Policy Advisor Brittany Rubie has recently taken on the dairy portfolio at the TFGA. Since this time, she has worked closely with the Dairy Council to grow the state's farmer representation with the ADF. Growing strong representation on the national level is a key focus for the Dairy Council and TFGA staff moving forward.

TFGA Strategic Plan

The TFGA has recently completed the development of a new Strategic Plan that comprises six key strategic pillars – Grow Membership, Advocate, Communicate, Educate, Collaborate, and Innovate. A presentation on the new TFGA Strategic Plan will be made to the Dairy Council and other key stakeholders over coming months as time and opportunity permits.

The year ahead

Under the new strategic direction of the TFGA (driven by the relatively recent appointment of CEO John McKew), attention to dairy membership and better advocating for the dairy industry in Tasmania is a high priority.

With a refocus on engagement and communication across the state with particular attention to the dairy industry and a special focus on the north-west, the TFGA will be investing increased resources into developing strong relationships and communicating better with existing and future members.

In a bid to support these efforts, the TFGA is currently recruiting for a dairy specific Membership Development Officer. The primary responsibilities of this new role will be centred around rebuilding strong relationships with existing dairy members, encouraging new dairy members, and working collaboratively with other dairy industry stakeholders including the Tasmanian Dairy Industry Authority and the various dairy manufacturers/processors. The role will be a permanent, full-time TFGA position.

United Dairyfarmers of Victoria

President: Paul Mumford, Manager: Ashlee Hammond



Year in review

President's report

2020/21 was a year like no other. COVID-19, storms, floods and power outages have all thrown challenges to our Victorian farmers. On the positive side, our industry has again shown its resilient nature and the community spirit in helping each other.

2020/21 saw Victoria experience multiple lockdowns due to COVID-19. While Agriculture was deemed an essential industry, regional Victoria suffered from border crossing restrictions, labour shortages and reduced tourism. The UDV navigated most of these issues, but labour shortages severely impacted most farming operations.

The VFF and UDV were in constant dialogue with the State Government to address these issues and helped develop the requirements and guidelines that dairy farmers needed to operate in a COVID world, and this still continues. Hopefully 2021/22 and a fully vaccinated state will see things return to normal.

Even though there have been many pressures on our farmers, all districts are enjoying a favourable season, albeit wet and cold. Coupled with reasonable farmgate milk prices, farmers are feeling hopeful of a reasonable profit margin by the end of the year.

Farm effluent

A major issue addressed by UDV during 2021 was the EPA re-classification of farm effluent as "industrial waste". In our view this showed a complete lack of understanding of farming operations. Through negotiation we were able to get the EPA to review their directions. Dairy farmers do not need to change their treatment of effluent provided there is an over-arching QA system. EPA funded a series of webinars, conducted by VFF and legal representation, to advise on the new EPA regulations and what changes, if any, farmers need to make.

Mandatory Code

For the dairy industry the Mandatory Code remained the big issue. While most processors met their requirements, unfortunately some did not and these have been dealt with by the ACCC.

UDV have been instrumental in the development of the Code from the onset and making sure it delivers appropriate outcomes for our farmers.

Staff changes

Late 2020/21 saw UDV Manager Ashlee Hammond depart to take up a new role at Dairy Australia.

Ashlee started at VFF over eight years ago as a Casual Policy Officer and in time was promoted to UDV Manager. Ashlee has been a major contributor to UDV and our National ADF body in policy development and advocating for our industry. While not lost to the dairy industry she will be sorely missed at UDV and VFF. A new UDV Manager will commence on 8 November 2021. During 2020/21 Tom Hanrahan also departed UDV, going back to the family farm and Patrick MacDonald moved on to project manage Stock Sense.



Western Australian Farmers Federation Dairy Council



President: Ian Noakes, Executive Manager: Laura Stocker

Year in review

WA Strategic Plan

The development of a five-year Strategic Plan for the WA dairy industry is underway. The WA Dairy Industry Working Group is made up of the WA Dairy Council, Western Dairy, Dairy Australia, Lactalis, Brownes and Bega. The group is convened by Consultant Brad Weir and Department of Primary Industries and Regional Development (DPIRD), who are bringing together the key stakeholders so that industry develops, owns and implements the plan. We aim to complete the Plan by the end of this year. Our vision is to create a WA Dairy reputation for best practice in sustainability that enables growth and builds confidence in our industry.

WA Dairy Effluent Code

The Dairy Council has engaged with farmers and with Western Dairy to support a more workable and practical Dairy Effluent Code for WA dairy farmers. The issue of community trust is very real, and we hope farmers will adopt the new Code in order to protect our own industry.

WA regional meetings

We had a very successful regional roundabout in April 2021. Ian Noakes, Michael Partridge and Laura Stocker visited Albany, Northcliffe, Margaret River and Harvey over the three days. We shared some of our recent advocacy actions, brought with us a speaker, Rod Littlejohn, on renewable energy, and showed a farm safety video created by Maree Gooch at Farmsafe. It was especially important to get together at our regional meetings, given that the 2020 Dairy Conference was cancelled due to COVID.

Bovine Johnes Disease in WA

The WAFarmers Dairy Council, led by Dr Warrick Tyrrell, engaged with WA dairy farmers and made a strong submission on BJD at a state level. We argued to maintain targeted surveillance and enhance import conditions to achieve a level of risk mitigation for BJD (C-strain) in cattle equivalent to that which was in place during CattleMAP.

Unfortunately this year BJD was found to have been present in WA for around eight years. It is likely that WA will now have to take on a deregulated approach to the management of BJD as have the other Australian states and territories.

National advocacy

The WA Dairy Council has been actively engaged with ADF policy work to support national advocacy and to bring a WA perspective to issues such as the Dairy Code of Conduct. Ian Noakes has been involved in the Dairy Code Review Reference Group and was also active on the Presidents' Taskforce on National Industry Reform.

Policy Advisory Groups

WA Dairy Councillors value ADF's PAGs and continue to be involved: Ian Noakes in Farming Systems and NRM; Michael Partridge in Markets and Trade; Phil Depiazzi in Animal Welfare; and Nicola Parker in People.



L-R: WAFarmers President John Hassell, WA Minister for Primary Industries Hon Alannah MacTiernan, and WA Dairy Council President Ian Noakes.

Western Australian Farmers Federation Dairy Council *(continued)*



The year ahead

In the year ahead, we are looking forward to having the WA Five-Year Dairy Plan in place and hopefully making a difference. In the meantime, there are concerns about the ongoing low milk prices in WA, exits from the dairy industry, falling milk production and the importation of milk from eastern states. There are also concerns about the lack of labour and rising fertiliser prices. One important challenge will be complying with mandatory COVID vaccine requirements with backpackers on farm. We hope that heifer and cull cow prices remain high as these are keeping the WA industry afloat.

We thank ADF and our SDFO colleagues for their ongoing support of our dairy industry.





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