



Delivering for dairy farmers

Annual Report 21/22

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Australian Dairy Farmers would like to extend its appreciation to Dairy Australia for the use of imagery included throughout this report.

President's report



Reflecting on the work of Australian Dairy Farmers (ADF) this year – supporting our farmers through floods and COVID-19 restrictions, advocating for dairy in the political sphere and more – reminded me of a recurring theme throughout the 80-year history

of ADF. A single goal shared by the organisation's leaders – to look out for Australian dairy farmers. In 80 years of advocacy and policy, the achievements of ADF are many and varied.

For myself, leaving my family's dairy at 27 to buy my own dairy farm in the Adelaide Hills was an achievement that took dedication and hard work. Managing our family dairy while becoming the President of ADF has been both a rewarding and humbling experience.

Similarly, when I look back on the achievements of ADF, there have been challenges – it's taken dedication and hard work to get the best results for our farmer members.

Since 1942, ADF has been advocating, promoting and supporting Australian dairy. From developing new markets home and abroad, representing farmers at all levels of government and striving for policy change as well as garnering community support – ADF represents dairy farmers across Australia.

It all started with a meeting at the Victorian Dairymen's Association in Melbourne, with an aim to promote dairy farming in the Australian dairy industry, and crucially – the national economy. One of the first acts of the newly-formed ADF (then ADFF – Australian Dairy Farmers' Federation) was collaborating with government to stabilise dairy returns. Development of the mandatory Dairy Industry Code, legislated in 2010, had the same goal – helping our farmers receive more stable returns for their product enables better fiscal planning and business development.

ADF was a key player in the creation of the Australian Dairy Herd Improvement Scheme (ADHIS), now DataGene. Having an independent source of genetic evaluations has generated an estimated \$200 million in net benefits to Australian dairy farmers.

Exploring and securing new markets has been key to unlocking growth for our industry. While ADF has a long history of building relationships into other nations for trade purposes, our recent focus has been on China and Southeast Asia – because of their proximity and growing appetite for the high-quality products Australian dairy farmers produce. ADF has helped Australian dairy onto the international stage by securing stronger export deals. Recent Free Trade Agreements with the United Kingdom and India are the latest to offer expansion potential for our sector, with South East Asia continuing to strengthen as a market for Australian dairy as well.

Among these achievements, Australian dairy has battled through adverse climate conditions, bovine disease, global market volatility, pricing instability, workforce shortages and much more.

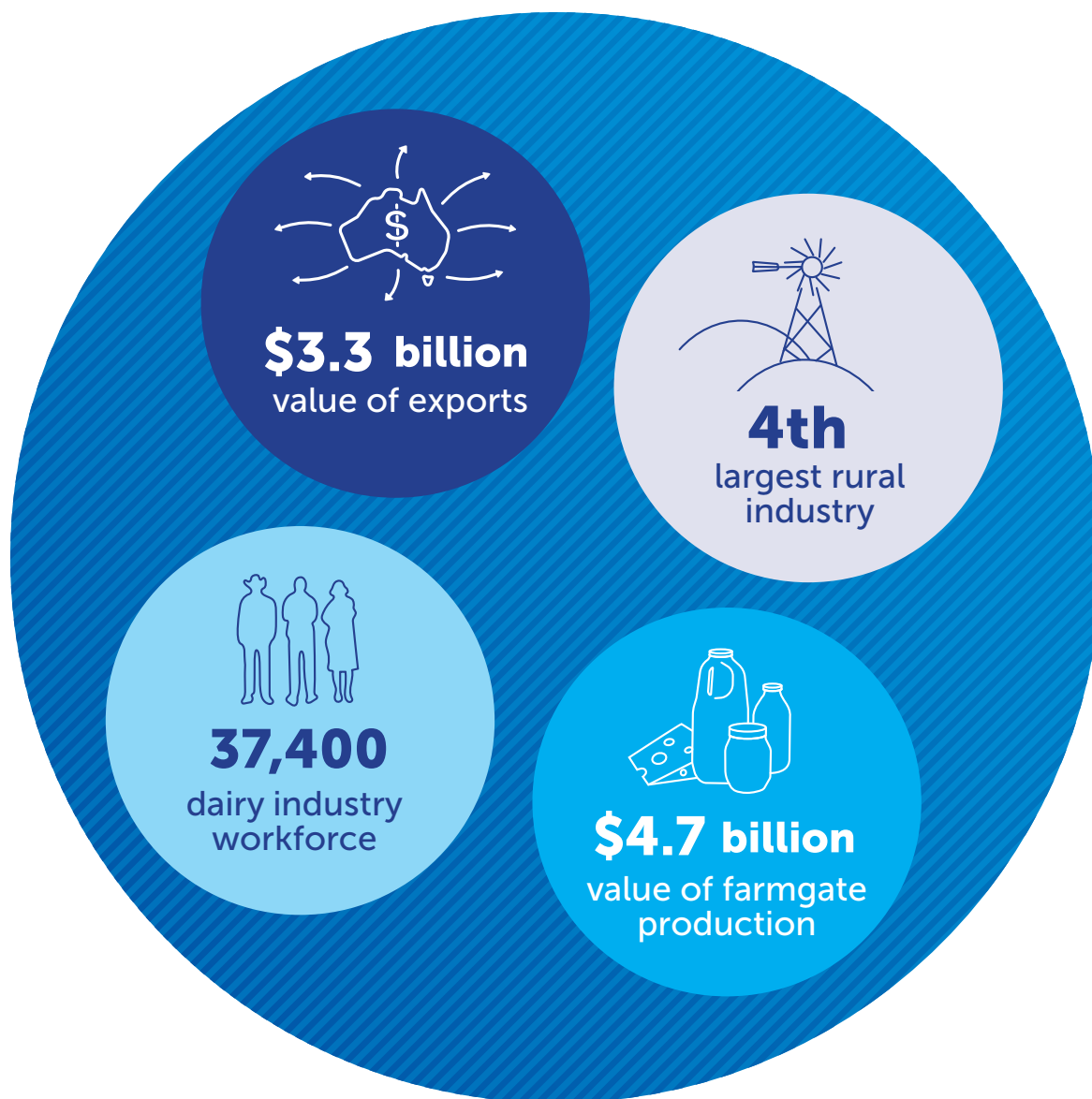
Throughout it all, ADF has stood up for dairy farmers.

Collaboration with other prominent dairy bodies – including establishment of the Australian Dairy Industry Council that sees farmers and processors working together – has led to bold new initiatives. Dairy farming is extremely rewarding. Providing our fellow Australians, and the world, with nutritious dairy, is a privilege.

It's also hard work, with many struggles. That's why ADF works hard for farmers. Every step towards financial security for our dairy families, enabling them to stay on-farm, paves the way for a new generation of farmers – just like I once was – to look forward to a bright future in dairy.

Rick Gladigau
President

Industry snapshot



CEO's report



It is with enormous pride that I present my final CEO Report for Australian Dairy Farmers (ADF). While COVID-19 restrictions slowly eased throughout the year, ADF staff continued to largely work from home with the majority of meetings convened virtually.

Despite these ongoing business challenges, ADF continues to deliver for Australia's dairy farmers. Our business model, consistent with many organisations globally, has successfully transitioned to a healthy blend of face-to-face and virtual engagement with the staff, members, committees and broader industry.

Engaging constructively in the 2022 federal election was a cornerstone project and key focus. Federal elections are core business for ADF and its members, providing an opportunity every three years to rally around key policy areas. In December 2021, ADF released its 2022 federal election policy statement. The statement articulated 38 actions for the incoming Australian Government to improve the health of both people and planet.

Since 2017, ADF has proudly led development of the dairy industry's Code of Conduct. Our submission to the first review of the Code indicated that the instrument has delivered greater transparency with enhanced accountability and oversight. In line with ADF's recommendations, the Australian Government recommended that substantial changes were not required.

Delivering on ADF's strategic plan to improve transparency in the dairy supply chain, we continue to work on several federal government grants that support the development of a traceability system to enable the use of technologies – such as blockchain and real time payments or smart contracts.

Workforce shortages remain a significant hurdle for most agricultural industries throughout Australia. Exacerbated by COVID-19 and the significant restrictions to international travel, dairy farmers continue to battle through deeply challenging times. As outlined in ADF's Election Platform and subsequently advocated to the incoming government, there are several remedies that must be urgently considered. There is no single solution to this complex problem.

The year rounded out with an intense focus on biosecurity following the detection of Foot and Mouth Disease and Lumpy Skin Disease in Indonesia. This threat on Australia's doorstep saw industry and government working together to deliver greater biosecurity protection measures, with an immediate and heightened biosecurity focus on passenger traffic and mail inspection. Finally, organisations such as ADF cannot succeed without the dedication of committed and skilled staff.

As I close out more than five years in this role, I am deeply proud of everything we have achieved, and I wish to personally thank the ADF team for remaining strong and focused in their support of dairy farmers around Australia. While there will always be challenges around every corner, the foundation of strong policy and clear outcomes provides for a healthy and powerful base in which ADF, and its members, can look towards a positive outlook for the future.

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 2021/22 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. Responsible management of the funds is an ongoing priority as the revenue produced income of \$1,048,489 net of fees (exclusive of franking credit reimbursement) and unrealised losses in the portfolio value of \$2,610,449.

The fund now has approximately \$10.8 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.)

Governance



Australian Dairy Farmers Board of Directors



Terry Richardson
(President – retired 25 Nov. 2021)

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 has completed a Bachelor of Agricultural Economics, a Diploma of Business Studies, and is a Member of the Australian Institute of Company Directors.



Rick Gladigau
(Director – President from 25 Nov. 2021)

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, as well as training 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
– retired 25 Nov. 2021)

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 also Ministerial appointment to the Rice Marketing Board for NSW. 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. Jointly running 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 – retired
25 Nov. 2021))

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 family relocated to Cowra, central west NSW. During 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.

Terry Richardson, Colin Thompson and Victoria Taylor retired from the Board in November 2021. We thank them for their service to the Australian dairy industry.



Ben Bennett
(Director – appointed
25 Nov. 2021)

Ben Bennett has worked in dairy farming in south-west Victoria for 16 years and has experience in low-cost, lucerne-based pasture and domestic seasonal calving. Prior to his work in the dairy sector, Ben worked for 13 years in the meat processing industry. In this role he managed everything from procurement to processing and international marketing exposure and has experience with costings modelling. Ben began his career on the floor with roles that ranged from labouring to quality control and technical project management. He then moved to the line and gained experience in executive management and whole of business consulting. He has a graduate diploma in agriculture and a degree in biotechnology and bioprocess engineering.



Heath Cook
(Director – appointed
25 Nov. 2021)

Heath was elected to the Australian Dairy Farmers Board of Directors in 2021 for his passion of creating a profitable and sustainable dairy industry. Heath entered the dairy industry 17 years ago, following a successful career as process superintendent of Australia's then-largest goldmine. He purchased in the picturesque hills of Dorriggo and established Misery Mountain Dairy, which currently milks 350 cows. As an advocate for youth in dairy, he is proud to have recently adopted a share farming model with a young local family. Throughout his career, Heath has sat on numerous boards and committees which has given him critical insight into good governance.



Andreas Clark
(Independent Director –
appointed 25 Nov. 2021)

Andreas is an experienced non-executive director and senior executive having recently served as Chief Executive Officer of Wine Australia from 2014 to 2021. Prior to joining Wine Australia, Andreas was a diplomat with the Department of Foreign Affairs and Trade in Canberra and Brunei and has worked as a lawyer in private practice and in-house with an ASX-listed company. Andreas holds non-executive director roles with CCW Cooperative Ltd, Bremerton Vintners Pty Ltd, Hampstead Health Pty Ltd, Pembroke School Inc and Operation Flinders Inc. Andreas holds a Master of Laws from the Australian National University and Bachelor of Economics and Bachelor of Laws (First Class Honours) from Flinders University. He has also completed a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia and the Authentic Leadership Program at Harvard University. He is also a Graduate of the AICD Company Directors Course.

Our committees



National Council of Australian Dairy Farmers

Members

- T Richardson (Chair, retired 25 Nov. 2021)
- R Gladigau (Chair, appointed 25 Nov. 2021)
- M Billing
- E Campbell (appointed 6 June 2022)
- G Cox
- C Dwyer (appointed 6 June 2022)
- A Gardiner
- D Hoey (resigned 17 Dec. 2021)
- M Holm
- J Hunt
- J Keely
- B Knowles
- P Mumford
- I Noakes
- P Ryan (resigned Nov. 2021)
- C Thompson (appointed Nov. 2021)
- M Trace
- B Vagg (appointed 17 Dec. 2021)

Company Secretary

- F Jones

Meetings

The National Council met 4 times during the 2021/22 financial year:

- August 2021
- October 2021
- February 2022
- June 2022

Audit risk and compliance committee Members

- R Gladigau (Chair to Nov. 2021)
- H Cook (Chair from Nov. 2021)
- V Taylor (Independent Director to Nov. 2021)
- A Clark (Appointed Nov. 2021)
- J Campbell (Independent Member)
- F Jones (Secretariat)

Meetings

The committee met twice during the 2020/21 financial year

- October 2021
- April 2022

Policy Advisory Groups

Animal health and welfare

- Chair: B Tessmann

Farming systems and herd improvement

- Chair: C Thompson

Markets, trade and value chain

- Chair: P Mumford

Natural resources

- Chair: J Keely

People and human capacity

- Chair: R Paynter

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.

Policy update



Strategic policy

Influencing the 2022 federal election

In December 2021 the ADF released its 2022 federal election policy statement. The statement articulates three objectives, 14 strategies and 38 actions for the incoming Australian Government to improve the health of both people and planet. It addresses all aspects of the supply chain with a particular focus on profitability and sustainability consistent with the Australian Dairy Plan, ADIC Sustainability Framework and ADF Strategic Plan.

The May 2022 federal election resulted in a change of government to the Australian Labor Party (ALP) with a 77 out of 151 seat majority in the House of Representatives. During the campaign the ALP supported in whole or in principle the majority of ADF's statement. Key priorities include:

- increasing trade diversification
- imposing minimum nutritional standards in aged care
- restoring truth in labelling
- increased action on climate change
- developing a new strategy for animal welfare
- resolving workforce shortages and skills deficits
- supporting regional development
- improving biosecurity and farm digitalisation
- convening a dairy symposium.

Over the next three years ADF will work with the 47th Parliament to deliver these policies. This was formally confirmed by ADF in June 2022 when it sent introductory letters to all the new ministers appointed to the portfolios of relevance to Australian dairy.

Delivering the Australian Dairy Plan

In September 2021 the ADF and its partner organisations ADPF, Dairy Australia (DA) and the Gardiner Foundation released the first annual implementation report against the Australian Dairy Plan. The report highlights favourable results against the profitability and confidence targets, but that significant work is outstanding to achieve the unity target. In terms of delivery there has been substantial output made in four of the five commitments. A single, whole-of-industry structure has not been formed, despite various analysis and independent advice. New measures of success are now being defined for the industry reform commitment. Highlights that ADF has been involved in against each commitment are:

- **Commitment 1:** Reform industry structures – ADF's Policy Advisory Groups were reduced from five to three to align with the federal election statement and NFF committees. This provides a foundation for better advocacy and further reform that may arise from the Australian Farm Institute's review of agriculture advocacy under the sponsorship of the National Farmers Federation.
- **Commitment 2:** Attracting new people and investment – the Pathway for People in Dairy program connected 5,583 people to career resources. This program was developed by ADF and DA as a response to the COVID-19 lockdowns and pending workforce impacts across the country.

- **Commitment 3:** Marketing and promotion – commissioned research found that increasing dairy intake from 2 to 3.5 serves per day improved calcium and protein intakes and significantly reduced the risk of falls, all fractures and hip fractures (by 11, 33 and 46 per cent respectively) for people in aged care. Undertaking this work alongside the Aged Care Royal Commission provided a very strong argument for ADF to advocate imposition of mandatory nutritional standards in aged care. In his 31 March 2022 budget reply speech, the now Prime Minister Hon. Anthony Albanese MP announced this as policy, should the ALP win government at the May 2022 election.
- **Commitment 4:** Farm Business Skills – a new research project has uncovered ways of defining and measuring farm productivity and performance. ADF made productivity a key priority, after it was identified via the Australian Dairy Plan development process, that dairy farm productivity over the past decade has been static.
- **Commitment 5:** Supply chain trust and transparency – the Australian Milk Price Initiative was launched on 3 March on the Mercari platform (owned and operated by Mercari Pty Ltd). Various bids across the three regions of Victoria were made with prices exceeding \$9.00kg/ms for the spot market. This initiative was the result of a 2019 election pledge of \$560,000 by the Morrison Government to ADF for development of a milk trading platform.

Leading industry's response to the Dairy Levy Poll and review of RD&E

On 5 April 2022 Link Market Services released the results of the 2022 Dairy Levy Poll. This independent company was appointed responsibility for coordinating a vote of dairy farmers on whether there should be no change or an increase of 15, 20 or 25 percent increase to the Dairy Services Levy, the mandatory levy paid by farmers to fund Dairy Australia. In accordance with the *Dairy Produce (Dairy Service Levy Poll) Instrument 2016* – the legal instrument governing the vote, a No Change option was determined the preferred option, having received 64 per cent of the first preference votes from valid ballot papers received. This result was consistent with ADF's response to the options presented on the ballot.

Throughout the process ADF identified various areas for improvement. This included more comprehensive and earlier engagement on development of the Dairy Australia Annual Operating Plan, review of the instrument and improved evaluation processes including communication with farmers. Work on these priorities commenced in early 2022 and will continue over the coming years.





Reshaping the Dairy Industry Leaders Breakfast at International Dairy Week

In December 2021 ADF signed a sponsorship agreement with IDW Australia to become a platinum sponsor of International Dairy Week, which is held during the third week of January each year. In addition to recognising the event as a premier flagship for industry, becoming a platinum sponsor elevates the profile of key public policy issues confronting the industry. An obvious target for this discussion was the Dairy Industry Leaders Breakfast which is typically convened on the Thursday morning of the week.

Consistent with this objective, ADF organised a panel of three speakers to present to over 100 attendees on workforce issues. Key points included acknowledgement of the worker shortage crisis, adverse impact of COVID-19, best practice principles to recruitment, retention and training and the importance of OH&S and positive workplace culture. The Deputy Prime Minister and Leader of the National Party, the Hon. Barnaby Joyce MP was also invited to confirm the key issues and importance of the industry to government and economy.

ADF will continue its sponsorship over the near term, rotating topics and speakers to ensure relevancy and renewal of the agenda.

Engaging with dairy farmers in the regions and supporting State Dairy Farmer Organisation initiatives

During 2021-22 ADF continued to engage with dairy farmers in the regions on delivery of its work program and advocacy achievements. Generally, this featured as an agenda item in a major event or initiative undertaken by State Dairy Farmer Organisations (SDFOs) to demonstrate value for money and increase membership. Engagement activities included the annual Western Australia Dairy Council and United Dairyfarmers of Victoria dairy conferences, NSW Farmers Dairy Committee's regional roadshow and Annual General Meeting, and Queensland Dairyfarmers' Organisations Annual General Meeting.

Restoring dairy's presence at the annual ABARES Outlook Conference

In March 2022 a dairy-specific session, 'The future of milk pricing and marketing' was listed on the program of the annual ABARES Outlook Conference. This was an important and significant return for dairy to the program after several years of absence. The inclusion was the result of ADF advocacy to ABARES that dairy has unique issues and priorities. After determining the topic, ADF worked with ABARES to identify three speakers representing different parts of the supply chain to provide their perspectives. This arrangement has now provided a basis for future involvement in determining dairy's presence on the program.

Supply chain

Improving the dairy code of conduct

On 29 August 2021 ADF provided its submission to the review of the *Competition and Consumer (Industry Codes—Dairy) Regulations 2019* (the Dairy Code of Conduct). ADF argued that the code has overall been considered successful by all stakeholders. It has:

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

These outcomes validate ‘no substantive change’ to the legislation.

It was ADF’s view that only relatively minor adjustments are required in the interest of continuous improvement. These include:

1. Adding a definition of ‘material breach’.
2. Making minor changes to processor requirements on 1 June to help resolve pricing variation and MSA accessibility issues. Note further options to reduce price variation should be considered as part of the review.
3. Including a clause to remove a barrier to participation in milk hedging markets.
4. Affording the option for MSA extension to all farmers in exceptional circumstances (as opposed to contract length).
5. Requiring MSAs to specify volumetric milk quantities to ensure nonexclusive supply contracts are truly nonexclusive.
6. Merging various clauses to streamline the legislation.

In March 2022 the Australian Department of Agriculture, Water and the Environment released its *Report on the first review of the Dairy Industry Code*. The report recommended legislative changes to improve the definition of ‘minimum price’, better enable access to hedging markets and confer the role of the Australian Small Business and Family Enterprise Ombudsman as mediation and arbitration adviser. The review also recommended development of guidance material, supporting initiatives to improve price transparency as well as assessing particular aspects of the code, to inform the next review. ADF will be working with the Department and stakeholders to deliver these recommendations in 2022-23 and beyond.





Providing consistency across businesses in product traceability

On 7 September 2021 Senator Susan McDonald launched the Australian Dairy Traceability Guideline at the eighth meeting of the National GS1 Traceability Advisory Group (NGTAG). The guideline was produced by ADF and GS1 Australia as part of a \$300,000 federal government grant to ADF for development of a traceability system to enable the use of technologies like blockchain, real time payments or smart contracts. Businesses can now create and maintain their own traceability program consistent with current food safety requirements (FSANZ Standard 4.3.4) and the GS1 Global Traceability Standard version 2.0. This will make product recalls/market withdrawals, regulatory compliance, public health trace-backs, food safety and quality assurance and process and order management easier and more consistent in the future.

Increasing price transparency and efficiency

In May the Australian dairy industry was awarded over \$1 million under the Australian Government's \$5.4 million Perishable Agriculture Goods grants program. ADF received \$814,000 to improve price transparency, traceability and efficiency across the supply chain and Dairy Australia received \$220,000 to educate farmers on milk trading and hedging options. These initiatives build on previous work in launching the Australian Milk Price Initiative, Dairy Traceability Guideline and standard form contract template and blockchain trials to implement the ACCC's Perishable Agriculture Goods inquiry recommendation, for the government to pursue measures that further increase price transparency. The ADF project will be delivered over three years from July 2022.

Workforce

Securing better arrangements for dairy farmers to obtain foreign workers under the Dairy Industry Labour Agreement (DILA)

In November 2021 ADF and DA received notification from the Department of Home Affairs of the Australian Government's acceptance of most of the changes proposed to the DILA. These included:

1. Expansion of occupations listed from one to two. The Dairy Cattle Farm Operator reflects FLH 3 in the Pastoral Award 2020 and Senior Dairy Cattle Farm Worker reflects FLH 5-7 in the Pastoral Award 2020.
2. Under the Dairy Cattle Farm Operator occupations for the TSS visa, the requirement is now one years' experience. For the SESR visa, the requirement is two years' experience, or skill level AQF Cert II or III for TSS and SESR visas.
3. Under the Senior Dairy Cattle Farm Worker, the skill level for both TSS and SESR visas is AQF Cert III and two years' experience (previously three years) or three years' experience without qualifications (previously five years). The ENS visa experience level is three years.
4. The SESR visa for the DILA now has a seamless pathway to permanent residency and a lower Skilling Australia Fund levy than the TSS (note the SESR is not currently available in the GSC DAMA.)
5. The English language requirement has been reduced to IELTS 5 with no minimum score for both TSS and SESR visas.
6. There are also concessions on age, LMT and salary.



This outcome is the result of ADF and DA working in partnership to comprehensively review the DILA and provide a submission for making it easier for dairy farm businesses to secure foreign labour. The DILA is an agreement between the Department and industry. It has terms and conditions that are set and non-negotiable, to enable businesses to sponsor skilled overseas workers in the listed occupations.

Prioritising Visa processing under DILA

ADF was able to secure priority processing status for four of its members who applied to the Department of Home Affairs for foreign workers under the Dairy Industry Labour Agreement. Due to staff shortages and other COVID-19 impacts the Department's processing times have blown out from one to three months, to six plus months. Being an ADF member has enabled these dairy farmers to leapfrog other Visa applications in the system.

Removing workforce participation barriers for pensioners

ADF has publicly supported the proposal put forward by National Seniors Australia to remove or lift the Age Pension income test to incentivise more pensioners back to work. According to the Department of Social Services, only 2.9 per cent of pensioners (74,000 of the 2.6 million) receive income from employment. This low figure is because for every \$1 work income over \$480 per fortnight (\$12,480 pa), a pensioner loses 50 cents of their fortnightly pension in addition to the pension income being taxable. Removing or lifting the Age Pension income test will help resolve some of Australia's worker shortages and provide a better standard of living for our pensioners.

Updating ANZSCO to better reflect dairy jobs

In November 2021 the Australian Government released its fourth update to the Australian and New Zealand Standard Classification of Occupations (ANZSCO). This was the outcome of a review into occupations associated with the sectors of agriculture, forestry and fisheries, cyber security, naval ship building, and emerging occupations identified by the National Skills Commission. ADF, working in partnership with DA, were successful in advocating for:

1. The lead statement and specialisations to be revised for the occupation of Dairy Cattle Farmer.
2. The occupation of Agricultural Technician to be retired and replaced by the more specific occupations of Agricultural and Agritech Technician and Animal Husbandry Technician.
3. The occupation of Senior Dairy Cattle Farm Worker to be added.
4. Minor changes to occupational skills and other details to better align with dairy farm industry jobs.

ANZSCO was established in 2006 to define occupations across the Australian and New Zealand economies. It provides a basis for labour market data collection and analysis e.g. Census and Visa priorities.

Maintaining the dairy workforce and industry during COVID-19 restrictions

In January 2022 the Australian Health Protection Principal Committee (AHPPC) released *Permissions and Restrictions for Essential Workers – Interim Guidance – draft* for consultation. This document was designed to support decision making when a worker has been exposed to a COVID-19 outbreak and/or community transmission.

The ADF, under the auspices of the ADIC, provided a response to the draft document. Key principles underpinning the overall objective to provide new COVID-19 isolation exemptions, in a bid to ease staff shortages and supply chain issues being felt nation-wide, were supported. However, it was argued that a more logical, consistent and risk-based approach was required for Rapid Antigen Tests (RATs) and recommended that, based on science regarding transmissibility and severity of the Omicron variant, the isolation period for positive COVID-19 cases be reduced from seven to five days and state OHS/WHS reporting requirements of a positive COVID-19 case in a workplace be removed.

While these positions took longer than expected to be implemented, they are now in effect across the country.

Biosecurity

Acknowledging inadequate funding of Australia's Lumpy Skin Disease response

In the March 2022 Budget there were three biosecurity initiatives totalling \$101.7 million announced. These included:

1. \$61.6 million provided over four years from 2022-23 to improve biosecurity capabilities, infrastructure and risk management activities across Northern Australia including addressing the potential threat of lumpy skin disease.
2. \$20.1 million provided over three years from 2022-23 to strengthen on farm biosecurity by supporting the adoption of livestock traceability reforms.
3. \$20.0 million provided over four years from 2021-22 to work with states and territories to reduce the impact of pests and weeds on agricultural production, native wildlife, the environment, and the community.

The cost of these initiatives will be partially met from within the existing resources of the Department of Agriculture, Water and the Environment. This means that certain services and capabilities will need to be reduced or removed.

In the 2021 Budget the Australian Government provided \$850.4 million over five years from 2020-21 for biosecurity. This was allocated to African Swine Fever, Khapra Beetle, technology and diagnostic tool development, hitchhiker pests arriving in imported cargo, dealing with established feral animals, pests and weeds and undefined biosecurity preparedness.

The ADF argued that these initiatives are not enough to deal with the threat of Lumpy Skin Disease (LSD) to Australian dairy. The World Organisation for Animal Health (the OIE) was encouraging members (including ADF) in at-risk areas to initiate vaccination campaigns ahead of virus entry and to continue





timely reporting of all outbreaks. This advice was based on science, which demonstrates that large-scale vaccination of cattle and Asian water buffalos is the most effective tool to halt the spread of LSD, and minimize cattle production losses caused by outbreaks. It also follows the experience of the European Union's implementation of an intensive (and expensive) vaccination and culling program to halt the spread of the disease. Supporting a widespread international vaccination program, in addition to delivering other measures such as co-funding detection and eradication initiatives overseas, undertaking R&D to develop a cure, developing a mosquito/fly/tick reduction strategy, auditing farms to ensure biosecurity preparedness and educating veterinary practitioners and farmers of the disease and response protocols requires significantly more funds than what is provided. These initiatives are critical given the potential economic impact of an incursion is disruption of trade in livestock and livestock products, as well as costs associated with disease control and eradication.

Establishing a strategic direction for biosecurity management in the future

On 18 March 2022 ADF provided support for the Australian Government's release of the draft National Biosecurity Strategy. The ADF provided support for the proposed six priority areas of shared biosecurity culture, highly skilled workforce, sustainable investment, stronger partnerships, coordinated preparedness and response, and integration supported by technology, research, and data. These areas were identified by the government via a series of consultation, workshops and other processes which ADF participated in, prior to the draft's release. The ADF considers this as providing the framework for delivering transformational change to the biosecurity system consistent with findings and recommendations from the CSIRO's *Australia's Biosecurity Future* and other independent assessment reports.

Strengthening preparedness for a possible Foot and Mouth Disease and/or Lumpy Skin Disease incursion

Following reports of the LSD outbreak in Indonesia in March 2022, and later Foot and Mouth Disease (FMD), ADF joined with industry partner organisations DA and ADPF to establish an Emergency Animal Disease (EAD) Response Team. The purpose of this was to:

1. Provide information to support the dairy industry to proactively consider management measures to respond to potential impacts of an incursion.
2. Establish working groups on specific topics where additional work is required.
3. Provide a single gateway to gather intelligence from industry and disseminate information to industry.
4. Provide informed briefs to industry participants, industry representatives, governments and other relevant stakeholders as necessary.

Various outputs have and will continue to be delivered from this team. Highlights to 30 June 2022 include:

1. Supporting importation of live LSD virus for improved diagnostics and vaccine development.
2. Establishment of LSD fact sheets to help simply understanding of the virus and response requirements.
3. Significant involvement in the development of the national LSD action plan.
4. Updating the Dairy Enterprise Manual to provide technical understanding of a dairy farm's biosecurity operation.

ADF also represented the dairy industry on the Industry Taskforce on LSD and FMD.



Trade and market access

Restoring truth in labelling of dairy products

On 6 December 2021 ADF, under the auspices of the ADIC, presented its submission to the Inquiry Definitions of meat and other animal products to the Senate's Rural and Regional Affairs Committee. It was argued that consumers were being misled by plant-based products misusing dairy terms and falsely claiming nutritional equivalency to dairy products. This is a market failure justifying government intervention.

It was advised that the Senate recommend in its report:

1. Improvement of labelling and marketing of plant-based alternatives to dairy products. They should accurately describe their product, are truthful and do not mislead the consumer over what the product contains (including its nutrition content and health benefits).
2. Development of a voluntary framework that provides clear guidance on the above and includes governance system that ensures compliance, enforcement and review process.
3. Should a voluntary framework not be achieved and/or is not successful, government should aim for alignment with the principles outlined in Codex General Standard on Use of Dairy Terms whereby:
 - Dairy terms are generally restricted for use with dairy products and ingredients only.
 - The only exemption is for the use of dairy terms on non-dairy products whose nature is clear from traditional usage or to describe a characteristic quality, e.g., coconut milk, peanut butter, cocoa butter.

- The Australia New Zealand Food Standards Code is reviewed to remove clause 1.1.1-13 (4) – Foods sold with a specified name or representation. Standard 1.1.1-13(4) allows for products to use a term, provided the context makes clear of the intention. The provision specifically uses the example where 'soy milk' is permitted with 'soy' as the qualifier that sets the context and intention, which permits the use of the word 'milk'.
- Government commitment to enforce labelling and marketing requirements.

These recommendations align with outputs from the Ministerial Industry Working group on food labelling, which ADF was a representative to.

In February 2022 the committee tabled its report in the Senate. Its recommendations were consistent with what ADF (ADIC) had advocated.

Improving the Malaysia-Australia Free Trade Agreement

In October 2021 ADF, under the auspices of the ADIC, provided a submission requesting improvement to the Malaysia – Australia Free Trade Agreement (MAFTA). Greater clarity around quota administration and assurance on halal certification was requested to optimise trading arrangements between Australia and Malaysia, namely:

- Greater transparency regarding the liquid milk tariff quota allocation process.
- Improved access to information relating to which importers have been allocated liquid milk tariff quota.
- Up to date and easy to access information on how much of the liquid milk tariff quota has been allocated.

Outcomes of the review are still pending negotiation and decision between the two governments. The MAFTA entered into force on the 1 January 2013 and has provided improved market access for Australian dairy over the period.



Including dairy in the India-Australia Free Trade Agreement

In December 2021 ADF, under the auspices of the ADIC, provided a submission to include dairy in the upcoming Australia-India Comprehensive Economic Cooperation Agreement (AI-CECA). India is a market with significant future potential for Australian dairy. However, there are barriers to entry that need to be removed. It was argued that under a comprehensive free trade agreement Australian dairy would like to see commercially tangible liberalisation of trade for all dairy products (including non-chapter 4), to include:

1. A phase out period for tariffs in a commercially feasible time frame.
2. Substantive annual compound increases in any quotas until phase out of tariffs.
3. Addressing non-technical barriers (NTBs) from a sound science perspective.
4. Transparency that embraces predictability in quota administration during the transition period to free trade.

On 2 April 2022 an interim agreement of AI-CECA was signed by Dan Tehan, former Minister for Trade, Tourism and Investment and Shri Piyush Goyal, Minister of Commerce and Industry. Unfortunately, due to intense lobbying by the Indian dairy industry, Australian dairy was excluded from the interim arrangement. This was despite strong efforts by the ADIC and the Australian Government to include it. In 2022-23 ADIC and DA will be focusing on securing some Australian dairy presence in the final agreement.

Including dairy in the United Arab Emirates-Australia and Gulf Cooperation Council-Australia Free Trade Agreements

In May 2022 ADF, under the auspices of the ADIC, made a submission to the development of the United Arab Emirates-Australia and Gulf Cooperation Council-Australia Free Trade Agreements. Currently most Australian dairy products do not face significant barriers entering Gulf Cooperation Council markets (comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates), the majority facing a five per cent tariff. However, a reduction or removal of these tariffs would assist Australian exporters price competitiveness in market. The more significant issue impacting exports are a range of non-tariff barriers such as shelf-life requirements. These differ significantly from Australian industry standards creating burdensome costs associated with labelling and certification requirements. The establishment of a Technical Barriers to Trade committee or mechanism, similar to what was drafted in the Australia – United Kingdom Free Trade Agreement and the Indonesia – Australia Comprehensive Economics Partnership Agreement, was recommended to address this issue.

The Gulf Cooperation Council have long been important export markets for Australian dairy. It represents the most significant market outside of East and Southeast Asia, importing 13,500 tonnes of Australian product. Due to increased pressure from key competitors such as the European Union and New Zealand, and demand pressure from large and growing Asian markets, the share of Australian dairy being exported to the region has reduced over time. Currently the region imports around 900,000 tonnes of dairy, so improved market access is likely to lead to greater market volume and share in the future.





Reducing burden of standards and certifications for organic products

In March 2022 ADF, under the auspices of the ADIC, provided a submission to the review of standards and certifications of organic products. It was noted that the cost and time of the audits required to access export markets is the number one issue for organic dairy farms and suppliers and processors are required to undertake additional on-farm organic audits for markets which don't recognise current Australian arrangements. Given this, the dairy industry requested a pathway securing equivalence of domestic organic certification with certification required by export countries. It was recommended that this would be best achieved via development of a mandatory domestic organic standard, enforced through Commonwealth legislation. This will reduce the number of audits that farmers and processors are required to undertake, as well as associated cost and administration of organic certification.

Results of the review are pending.

Sustainability

Supporting realistic and feasible pathways to net zero by 2050

From 31 October to 13 November 2021 the United Nations held its 26th Climate Change conference in Glasgow, Scotland. This conference, which is more commonly referred to as COP26, was the expected to see parties make enhanced commitments towards mitigating climate change as a response to more negative outlook for the climate since the Paris Agreement was adopted in December 2015 by 191 countries. In the lead up to the event Australia's political parties and industries undertook significant analysis to review its targets. It was determined that net zero by 2050 was appropriate with caveats.

ADF was heavily involved in the Grattan Institute's *Towards net zero: Practical policies to reduce agricultural emissions*. This document, released in September 2021 as a lead into COP26, analysed agriculture industries emissions and pathways to

net zero by 2050. It was determined that overall Australian farmers can benefit considerably from initiatives like smarter land management which can boost farm productivity and store carbon, creating carbon credits that will be in-demand as the economy approaches net zero. The more that farmers can reduce emissions, the fewer credits they will need to offset their own emissions, and the more they can sell to others – diversifying their revenue streams. However, for such initiatives to be successful governments will need to provide funding and other support to RD&E and market development in the future.

Celebrating and updating the ADIC Sustainability Framework

In May 2022 ADF and its industry partner organisations ADPF and DA released the *Australian Dairy Sustainability Framework – Celebrating 10 years – highlights from the journey*. This document is primarily designed to recognise the industry's sustainability achievements since the framework was released in 2012. It also describes some of the current and emerging sustainability challenges for the industry to consider and prioritise in the future. The report showcases that the industry has been at the forefront of sustainability and the framework provides some insurance for industry against challenges from vegan and climate activists and other threats. Currently the framework is being reviewed to ensure it continues to be relevant and leading. In addition to showcasing the industry to stakeholders across the world, the report provided as solid foundation for the review process.

Providing a more sustainable pathway for surplus calves

In August 2021, ADF convened a Dairy Beef Webinar as a foundation to developing a more sustainable pathway for surplus calves in the dairy industry. This forum attracted around 500 registrations and explored current information, research and supply chain opportunities. A Surplus Calves Taskforce was formed by ADF to consider policy options that facilitate growth in the dairy beef supply chain.



Member organisations



New South Wales Farmers Association Dairy Committee

Committee Chair: Colin Thompson, Policy Manager: Daniel Brear



The Year in Review

It is undeniable that 2021-22 has seen a massive shift in how NSW Farmers Dairy operates. The appointment of a dedicated dairy policy officer within NSW Farmers will see the development of a strong voice, with a focus on the industry, while leveraging the strength of cross-commodity advocacy and the grassroots structure of the NSW Farmers Association.

When speaking of the challenges to our industry, the past 12 months has seen its fair share. The rolling natural disasters of continuing wet conditions have challenged the whole industry with producers, processors and retailers all feeling the pressure.

It was pleasing to see the federal and state governments working with advocacy bodies to support farmers impacted by floods in 2021 and 2022. The announcement of Critical Producer Grants and specialised dairy sector recovery initiatives have been welcome. NSW Farmers is looking forward to playing a key role in the dairy sector recovery by building on strong relationships with NSW DPI and the three RDPs – Dairy NSW, Murray Dairy and Subtropical Dairy – through the redevelopment of memorandums of understanding.

In 2023, NSW Farmers Dairy will work closely with NSW DPI and Dairy NSW to deliver our component of the Storm and Flood Industry Recovery Program. This two-year project will focus on improving farm infrastructure, housing and utilities.

Livestock biosecurity continues to be a key threat, with Lumpy Skin Disease arriving in Indonesia along with the looming spectre of Foot and Mouth Disease. NSW Farmers will continue to work with government to prevent incursions of both diseases, which will have catastrophic impacts if they reach our shores. NSW Farmers Dairy has members sitting on internal and external committees which provide industry insight and staff resourcing for both animal and plant biosecurity issues. It is critical that an adequate response is ready at both a state and national level in the event of incursion.

Accessing a dairy workforce, training and accommodation are all challenges that have been exacerbated by the pandemic and the unseasonal conditions in regional Australia.

New South Wales Farmers Association Dairy Committee *(continued)*



Milk prices hit a record high across the state in 2022. This move is long overdue and a critical boost to farm income. This has, however, been offset by soaring energy prices, fertilizer and fuel costs and increases in the cost of accessing finance. With retail prices going up consumers were led to believe that farmers were the beneficiary. However, the increase in milk price has been absorbed by the cost of doing business.

To remain viable on-farm, we need sustainable pricing across the board. Low retail prices have hampered efforts for processors to fairly price farmgate milk. NSW Farmers will continue to work to ensure farmers are fairly represented in the milk price discussion. Milk prices need to remain strong as production increases, to incentivize growth and rebuilding in the industry.

The Dairy Action Plan has moved forward with the creation of the implementation panel. NSW Farmers is an active participant and will work closely on its delivery. The recommendations of the plan are now being assessed by the panel to identify opportunities to support industry and the gaps it has identified. The action plan's delivery is a focus of the Dairy Committee. With key aims of unlocking higher productivity and profitability, de-risking the dairy industry, and developing new markets, the plan will be a key foundation for the growth of dairy in NSW.

We move into 2023 with cautious optimism. NSW Farmers Dairy will continue to work to benefit its members, bringing dairy farmers local advocacy, state policy and a strong voice within our national body. With a strong committee of dedicated industry professionals and the support of NSW Farmers, we look forward to supporting dairy productivity and profitability into the future





Queensland Dairyfarmers' Organisation



President: Matt Trace, Co-Executive Officers: Eric Danzi and Shaughn Morgan

Co-Chief Executive Officer's Report

December 1 2021 was the day Queensland Dairyfarmers' Organisation and Dairy Connect amalgamated. The coming together is one of advocacy, unity and service both federally and at state level.

Weather conditions have hindered the dairy farming industry in 2021-22, but support was forthcoming from both state and federal governments in the way of grants and low interest loans to farmers. farm-gate price increases reflected the increase in production and input costs to produce fresh milk for the marketplace.

Queensland and New South Wales dairy industries decreased their milk litres in the financial year from the previous period. This reflects the continuing decline in number of dairy farms and falling milk production from these exits.

A plan is intended to assist in stopping the decline of dairy farms within the Northern Region and Queensland. Northern dairy industry stakeholders will work together to identify strategies moving forward.

The Mandatory Dairy Code of Conduct (Code) has entered its second year of operation, with the oversight of the ACCC. The Code will continue to be monitored closely by eastAUSmilk to ensure that the outcomes continue to match dairy farmer expectations of the Code. We will continue to liaise closely with government and other stakeholders as the Code continues to be enhanced.

The FairGo Dairy project was completed this year. We were unable to launch the FairGo Dairy logo due to court action taken by the ADPF. We are aware that the government is extremely proud that the retail and supply chain pricing problems were resolved due to the funding they provided to solve this exact problem.

The Agribusiness Digital Solutions (Collars) project was a success, with 90 people representing 54 dairy farm businesses and 11 people representing six industry service providers. The project was set to end in June 2022, but eastAUSmilk was able to secure an extension to amend the end date to 28 February 2023.

Sector Adaption Plan+ Co-Investment Project (SAP+) led by QFF focused on identifying gaps of the pre-existing dairy BMP (QDairySAT). The project identified opportunities within the QDairySAT. The project's final report was submitted in May 2022. The Farm Business Resilience program, subcontracted through ADF saw 30 farm business resilience plans completed and nine workshops held with 172 attendees from 83 farms. The project is set to end 30 June 2024.

There are a range of services to eastAUSmilk members who have been advised and can find more information on the website. Further commercial relationships will be investigated and communicated to members when finalised.

South Australian Dairyfarmers' Association

President: John Hunt, Chief Executive Officer: Andrew Curtis



The Year in Review

The South Australian Dairy Farmers' Association (SADA) was pleased to welcome Minister Clare Scriven as the incoming Minister for Primary Industries and Regional Development. Minister Scriven is well known to us, having held the shadow portfolio in the lead up to the election. We have been pleased to meet with and have constructive dialogue with a number of ministers in the Malinauskas government. Topics including workforce, climate, water, underpasses, trade, education and health have all been raised with both ministers and advisors. The strength of our advocacy efforts is dependent on the issues and feedback provided by our members.

The Dairy Services Levy poll concluded in late March. It was pleasing to see such a strong voter turnout in comparison with other industry polls of this type. The vote outcome has provided surety for Dairy Australia.

The change of government at a national level has also had an impact on the work of SADA. While the Agricultural Minister may still be from Queensland, the Trade, Foreign Affairs and Health Ministers are all from South Australia, providing a great opportunity for SADA to support ADF in its national engagement.

Lumpy Skin Disease (LSD), and more recently Foot and Mouth Disease (FMD), have been the talk of the town. SADA will continue to provide targeted updates on this topic however the message remains the same – 'Be Alert, Not Alarmed'. With all the concern regarding FMD, the discussion of opening milk prices has quickly faded. This doesn't change the fact that we are in uncharted territory regarding the value of milk and a far cry from the situation the industry was in five years ago.

It seems that inflation is real and is likely to have some impact on what would otherwise be very buoyant times. Access to labour also continues to provide challenges and a varying level of uncertainty. Debate regarding water, climate and workforce will form a core focus of our advocacy effort. Over the coming months, the SADA team is keen to:

- Engage with the new governments to support the development of the industry, and address issues that are holding us back.
- Engage with Dairy Australia to support the strategic investment of the dairy services levy.
- Engage with biosecurity agencies to ensure FMD & LSD preparedness and response is properly defined, targeted and proportional.
- Engage with the community to highlight the nutritious and sustainable product that is South Australian dairy.





Tasmanian Farmers and Graziers Association Dairy Council

Council Chair: Geoff Cox, Policy Officer: Brittany van Dijk



Year in review

From a productivity perspective, the 2021-22 season has not been one of the more memorable years for the Tasmanian dairy industry, as the state saw a decline of 7.7 per cent in milk production during this period. This decline is largely attributed to poor seasonal conditions in the North West of the state, where the majority of the state's dairy farms are located. This region suffered an extended period of excess rainfall during spring, which was unfortunately followed by an abnormally extreme dry summer and early autumn (which would typically see good rainfall).

Despite the poor season, good milk prices provided buoyancy and the state's dairy farmers remain positive for the future. Structurally, the industry in Tasmania is strong and, provided a reasonable season and continued strong milk prices, it will be possible for production to bounce back to 2020-21 levels this season.

As in many dairying regions across Australia, a major impediment to the Tasmanian dairy sector is the shortage of labour. Where we once leaned heavily on the backpacker workforce, this option continues to remain limited, and competition from other agricultural industries exacerbates the stress of an already tight labour market.

Nonetheless, the TFGA and its Dairy Council have strived forward over the past 12 months, aiming to continue engagement with the industry and grow dairy membership. The organisation has recently appointed a new CEO – Hugh Christie – who is enthusiastic about driving a new strategic direction for the organisation. Under this leadership, Brittany van Dijk (Policy Advisor) and Kellie Morris (TFGA's Membership Manager from early 2022), have been able to work closely with the Dairy Council to better engage with, and advocate for, Tasmanian dairy farmers. TFGA's relationship with DairyTas has also grown, engaging in regular meetings between the organisations and collaborating on important dairy events.

Annual highlights

- EAD Preparedness Sessions – TFGA, DairyTas and Biosecurity Tasmania ran a series of 5 workshops in all major regions of the state, with guest speakers including Dr. Steph Bullen (Dairy Australia) and Tasmanian Chief Veterinary Officer Kevin de Witte to remind farmers of good farm biosecurity practices and provide details on current biosecurity threats, such as Foot and Mouth Disease and Lumpy Skin Disease.
- Regional TFGA Dairy Council Discussion Forums – in an effort to engage proactively with members and non-members, TFGA Dairy Council have held two regional meetings to discuss current industry issues. The first in Smithton (North West) and the second in Meander (North). Our final session of the year will be in the North East of the state in November.
- Wide range of submissions, including Animal Welfare Amendment Bill 2022, Draft Biosecurity Regulations 2022 and Draft Animal Welfare (Cattle) Regulations 2022.



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



- Brittany van Dijk and Bonnie Kenner (TFGA Policy Advisors) have worked together to develop and implement a restructure of the TFGA Councils and Committees. After presenting to TFGA Board and each Council and Committee, the restructure will be implemented in early 2023, being the first structural shift in over a decade.
- For Dairy Council, this will mean a slight name change (to be decided) and an added layer of engagement with other livestock industries in the state, such as wool growers and red meat producers in what will be called 'Livestock Council', on matters that are relevant to all (e.g. biosecurity, traceability, animal welfare). This, in addition to their usual quarterly meetings, will aid in timely decision making and greater productivity for the organisation and its members.

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 stronger relationships and communicating better with existing and future members.

United Dairyfarmers of Victoria



President: Mark Billing, Policy and Engagement Advisor: Peter Costello

Year in review

Mark Billing was appointed VFF/UDV President in August 2022. Mark is a dairy farmer from Larpent in South West Victoria and has had a long involvement with dairy advocacy holding many positions throughout the industry. Mark is passionate about the people that are involved in dairy and works to create a framework that benefits all in the supply chain, particularly at the farmgate.

2021-22 has been a year where we have seen gradual improvements from previous COVID-19 restrictions. Seasonal conditions have generally been favourable, and coupled with reasonable milk prices, has meant positive outcomes overall. The limiting factor for the dairy industry is the huge lack of available staff. This lag effect from COVID-19 with less global travel including backpackers coming to Australia is having a serious impact. The delay in processing visa applications is also contributing to this shortage of workers.

The UDV put forward a submission to the Dairy Industry Code of Conduct review after receiving feedback from our members which saw some outcomes. The ACCC report flagged increased enforcement of the Dairy Code. The report was limited to compliance and made no attempt to determine the effectiveness of the code to address the power imbalance between dairy farmers and milk processors.

Over the past year there has been a great deal of work undertaken on issues involving Victoria's animal welfare legislation review, biosecurity and traceability. The UDV will undertake a strategic planning process to align with the new VFF Strategic Plan to ensure our focus is on delivering positive policy and advocacy outcomes on these and other issues moving forward.

Finally, it was great to be able to come together at our UDV Annual Conference in April this year to discuss policy issues after having to postpone the event for two years. We look forward to strengthening our relationships with industry stakeholders in the year ahead and gaining outcomes for dairy farmers.

Tyre use on farms for silage production

VFF/UDV has worked closely with Dairy Australia, Environment Protection Authority and the Victorian Government in undertaking a regulatory review of permissions relating to use of tyres in silage production. Survey data provided by farmers ensured the government had the evidence needed to assess potential environmental risks involved in the use of tyres for silage production, and to design new regulations that better managed these risks. Without VFF/UDV advocacy, farmers would have faced significant fines for using tyres in silage production. We believe that these new regulations create a workable framework, will simplify compliance and remove the need for a licence. The new regulations will be gazetted in the near future and enacted on 1 July 2023.

Murray Darling Basin Plan

The Basin Plan and water security remains a significant issue for the dairy industry in Northern Victoria. The change in government at the Federal level has resulted in significant risks to industry, particularly through the proposed recovery of the 450GL up-water target. The VFF/UDV does not support the recovery of this target. We also oppose any further buyback of water under the Basin Plan and do not support the flooding of private landholders through constraints relaxation. The focus on the Plan remains with the 36 Sustainable Diversion Limit (SDL) Offset projects, some projects are on track and others are behind. The VFF/UDV is strongly advocating for greater flexibility around the SDL projects including the 2024 deadline. We maintain a strong relationship with the Victorian Government and other stakeholders to advocate on behalf of the industry at a national level to ensure dairy has a strong future in the Murray-Darling Basin.

Representative and staff update

Craig Dwyer a dairy farmer from Cobden in South West Victoria has been appointed UDV Vice-President having previously been a regional representative on the UDV Policy Council since 2019. Peter Costello has started in the role of Policy and Engagement Advisor responsible for the UDV and dairy policy issues. Peter previously worked as Membership Co-ordinator in the VFF and is also a former dairy farmer from Tongala in Northern Victoria.



Western Australian Farmers Federation Dairy Council



CEO: Trevor Whittington, Chair, Dairy Committee: Ian Noakes, Dairy Council Executive Manager: Laura Stocker

Year in review

WA season

WA has had a reasonable year weatherwise, especially compared to the east coast. We hope the rains will continue well into spring.

Milk prices

Farmgate milk prices have headed in the right direction this year but input costs such as fertiliser have also spiralled upwards. The net result is that WA farmers may increase their profit margins by a small amount enabling farmers to catch up somewhat, but not enough to reverse the flow of exits from the industry.

WA Dairy Industry Five Year Development Plan

The WA Dairy Industry Working Group (WADIWG) completed the WA Dairy Industry Five Year Development Plan. WADIWG is made up of representatives from: WAFarmers Dairy Council, Western Dairy, Dairy Australia, DPIRD, Lactalis, Brownes and Bega. The Group is convened by Consultant Brad Weir and the Plan is owned by the whole WA dairy industry. Our vision is: The WA dairy industry has a reputation for best practice, innovation and sustainability, enabling growth and building confidence in our industry to ensure its long-term viability.

WA Regional Meetings

We had a very successful regional roundabout in April 2022. Ian Noakes, Michael Partridge and Laura Stocker visited Albany, Northcliffe, Margaret River and Wokalup over three days. We shared some of our recent advocacy actions; presented and sought feedback on the Five Year Plan; and had a guest speaker from the NFP Carbon Farming Foundation. Thanks to our sponsors Nutrien and WAFarmers First.

WA Dairy Conference

We had an excellent dairy conference in July 2021 with a record turnout. We enjoyed great online talks from ADF's Craig Hough, DA's Alison Kelly, NSW farmer Adrian Drury on labour saving technologies, and an in person talk from Tassy farmer Richard Gardner on once a day milking and seaweed in fodder to reduce methane.

Centenary of Group Settlement

The Southwest WA celebrated the Centenary of Group Settlement this March. In Margaret River we had a Dairy Marquee which attracted a lot of interest, until the skies opened at midday. We thank Brownes and Harvey Fresh for supplying lots of giveaways that were much appreciated by old and young alike.



Dairy Pavilion

Our Dairy Pavilion 2021 at the Royal Agricultural Show was cancelled for COVID-19 reasons.

Advocacy

The WA Dairy Council has been actively engaged with ADF policy work to support national advocacy on issues such as Foot and Mouth Disease and to bring a WA perspective to national issues. In addition, we have been involved in the WA Animal Welfare Act Review, WA Biosecurity Review and the WA Acts of Veterinary Medicine review.

PAGs

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; Nicola Parker in People.

The year ahead

We are looking forward to addressing issues nationally with ADF, and at a state level by implementing the WA Dairy Industry Five Year Development Plan in place and improving the dairy industry in WA. Issues we hope to contribute resolve or contribute to include:

- Ongoing exits from the dairy industry and falling milk production.
- The lack of labour and rising input prices.
- The rise of fake milk.
- Managing the ongoing risk of FMD/LSD.





Financial report

for the year ended 30 June 2022



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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 2022 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 (term completed 25 November 2021)
- Victoria Taylor (term completed 25 November 2021)
- Colin Thompson (term completed 25 November 2021)
- Rick Gladigau
- Brian Tessmann
- Ben Bennett (appointed 25 November 2021)
- Heath Cook (appointed 25 November 2021)
- Andreas Clark (appointed 25 November 2021)

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 \$490,393 and the total deficit was \$2,187,823 (2021: \$285,655 surplus from operating activities; total surplus was \$2,376,650).

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 2022.

Indemnity guarantee

There is no indemnity guarantee for the year ended 30 June 2022.

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, Western Australia Director – Australian Dairy Industry Council (resigned 25 November 2021) Member – Victorian Farmers Federation Gardiner Foundation Processor Member
Victoria Taylor	Deputy Chair – Rice Marketing Board for the State of New South Wales Owner – Flourish Communications (sole trader) Director – Australian Dairy Industry Council (resigned 25 November 2021) 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
Colin Thompson	Owner/Partner – Silvermere Holsteins, Cowra NSW Member – NSW Farmers Association Chair – NSW Farmers' Association Dairy Committee Director – Australian Dairy Industry Council (resigned 25 November 2021)
Rick Gladigau	Owner/Partner – R.T. & T.L. Gladigau, Dairy Farm at Mt Torrens S.A. Director – Gladigau Family Trust T/A Gladigau & Sons, Dairy Farm at Mt Torrens S.A. Director – SA Dairyfarmers Assoc. Director – Australian Dairy Industry Council
Brian Tessmann	Manager/Partner dairy farm in South Burnett Region, Queensland Director – Australian Dairy Industry Council Member – EastAUSmilk
Ben Bennett	Trustee of Kiwi calve business trust President of Corogamite UDV/VFF Branch Director – Australian Dairy Industry Council (appointed 25 November 2021) Member – United Dairyfarmers Victoria
Heath Cook	Director – Australian Dairy Industry Council (appointed 25 November 2021) Manager / owner Misery Mountain Dairy Dorrigo NSW Supply agreement with Norco Director – Norco Co-operative Member – Sub-tropical Dairy Member – NSW Farmers' Association
Andreas Clark	Board member – Pembroke School Inc Board member – Operation Flinders Inc Director – Hampstead Health Pty Ltd and HR Superclinic Pty Ltd Director CCW Cooperative Ltd Director – Plenary Health Co Pty Ltd and Plenary Health Finance Holdings Pty Ltd (from 15 December 2021) Director – Bremerton Vintners Pty Ltd Director – Australian Dairy Industry Council (appointed 25 November 2021)



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 (term completed 25 November 2021)	3	3	–	–
Colin Thompson (term completed 25 November 2021)	3	3	–	–
Victoria Taylor (term completed 25 November 2021)	3	3	1	1
Rick Gladigau	9	9	1	1
Brian Tessmann	9	9	–	–
James Campbell (ARCC Independent Member)	–	–	2	2
Ben Bennett (appointed 25 November 2021)	6	6	–	1
Heath Cook (appointed 25 November 2021)	6	6	1	1
Andreas Clark (appointed 25 November 2021)	6	6	1	1

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.

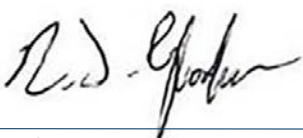


Directors' report

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: 
Rick Gladigau

Director: 
Heath Cook

Dated this 20th day of October 2022

Auditor's independence declaration

to the Directors and members of Australian Dairy Farmers' Limited



As lead auditor for the audit of Australian Dairy Farmers' Limited for the year ended 30 June 2022. 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 Regulation 2013* 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.

A handwritten signature in black ink that reads "Abhishek" with a flourish underneath.

Abhishek Sharma
Audit Partner

Dated this 27th day of October 2022

Statement of profit or loss and other comprehensive income

for the year ended 30 June 2022



	Note	2022 \$	2021 \$
Revenue and other income			
Other revenue	3	2,285,781	2,184,529
		2,285,781	2,184,529
Less: expenses			
Employment expenses	4	(756,597)	(785,943)
Remuneration	4, 12	(137,317)	(126,093)
Administration expenses		(391,366)	(227,502)
Affiliation fees		(148,233)	(100,000)
Employee provisions		(79,390)	(50,698)
Occupancy expenses		(73,273)	(60,863)
Policy and representation		-	-
Project expenses		(100,205)	(39,012)
Depreciation and amortisation	4	(7,152)	(5,738)
Grant Expenses		(101,855)	(503,025)
		(1,795,388)	(1,898,874)
Surplus/(Deficit) from ordinary activities		490,393	285,655
Other income/(expenses)			
Unrealised gains/(loss) from available for sale financial assets		(2,678,216)	2,090,995
Total other income/(expenses)		(2,678,216)	2,090,995
Other comprehensive income/(expenses)		-	-
Total comprehensive income/(expenses)		(2,187,823)	2,376,650

The accompanying notes form part of these financial statements.



Statement of financial position

as at 30 June 2022

	Note	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	5	1,627,456	1,920,467
Receivables	6	114,735	60,580
Other Assets	8	13,953,811	15,885,452
Total current assets		15,696,002	17,866,499
Non-current assets			
Property, plant and equipment	7	21,022	26,630
Total non-current assets		21,022	26,630
Total assets		15,717,024	17,893,129
Current liabilities			
Payables	9	526,257	593,930
Provisions	10	207,649	147,204
Total current liabilities		733,906	741,134
Non-current liabilities			
Payables	9	-	-
Provisions	10	34,843	15,897
Total non-current liabilities		34,843	15,897
Total liabilities		768,749	757,031
Net Assets		14,948,275	17,136,098
Equity			
Retained earnings	11	2,748,974	4,936,797
Other Reserves		12,199,301	12,199,301
Total Equity		14,948,275	17,136,098

The accompanying notes form part of these financial statements.



Statement of changes in equity

for the year ended 30 June 2022

	Note	Retained Earnings \$	Total Equity \$
Balance as at 1 July 2020		2,696,732	14,896,033
Surplus/(Deficit) for the year		2,376,650	2,376,650
Total comprehensive income/(expenses) for the year		5,073,382	17,272,683
Adjustment to retained earnings for previous years		(136,585)	(136,585)
Other Reserves		-	-
Balance as at 30 June 2021	11	4,936,797	17,136,098
Balance as at 1 July 2021			
Surplus/(Deficit) for the year		4,936,797	17,136,098
Total comprehensive income/(loss) for the year		(2,187,823)	(2,187,823)
Adjustment to retained earnings for previous years		-	-
Other Reserves		-	-
Balance as at 30 June 2022	11	2,748,974	14,948,275

The accompanying notes form part of these financial statements.



Statement of cash flows

for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flow from operating activities			
Receipts from customers		683,415	1,166,549
Payments to suppliers and employees		(2,461,359)	(2,525,478)
Interest received		-	-
Net cash provided by operating activities	13(b)	(1,777,944)	(1,358,929)
Cash flow from investing activities			
Receipts from investing activities		(1,369,386)	2,780,848
Proceeds on sale of investments		51,542	178,000
Purchase of property, plant and equipment		(1,544)	(14,000)
Available for sale assets		2,804,321	(4,253,790)
Net cash provided by / (used in) investing activities		1,484,933	(1,308,942)
Cash flow from financing activities			
Distribution to associates		-	-
Net cash used in financing activities		-	-
Reconciliation of cash			
Cash at beginning of the financial year		1,920,467	4,588,338
Net increase / (decrease) in cash held		(293,011)	(2,667,871)
Cash at end of financial year	13(a)	1,627,456	1,920,467

The accompanying notes form part of these financial statements.

Notes to financial statements

for the year ended 30 June 2022



Note 1: Statement of significant accounting policies

This financial report is a general purpose financial report – Simplified Disclosures, 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 2022

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 2022

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 2022

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 comprehensive 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 2022

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 2022

Note 2: Accounting standards and interpretations issued but not operative at 30 June 2022

There are no other Accounting Standards and interpretations which have not been considered as at 30 June 2022.

	2022 \$	2021 \$
Note 3: Revenue and other income		
Interest income	25,100	15,907
Cash flow boost	-	37,500
Distribution income	1,521,844	1,000,752
Other income	738,837	1,130,370
	2,285,781	2,184,529
Note 4: Operating surplus		
Surplus/(deficit) before income tax has been determined after:		
Depreciation	7,152	5,738
Employee benefits		
Short term benefits	893,914	912,036
	901,066	917,774
Note 5: Cash and cash equivalents		
Cash on hand	32	32
Cash at bank	1,627,424	1,920,435
	1,627,456	1,920,467
Note 6: Receivables		
Current		
Trade debtors	114,735	60,580



Notes to financial statements

for the year ended 30 June 2022

	2022 \$	2021 \$
Note 7: Property, plant and equipment		
Leasehold improvements		
At cost	136,753	136,753
Accumulated depreciation	(125,903)	(123,803)
	10,850	12,950
Plant and equipment		
Office equipment at cost	181,261	181,261
Accumulated depreciation	(173,124)	(170,588)
	8,137	10,673
Computer equipment at cost	37,921	36,377
Accumulated depreciation	(35,886)	(33,370)
	2,035	3,007
Total plant and equipment	21,022	13,680
Total property, plant and equipment	21,022	26,630
Note 8: Other assets		
Current		
Prepayments	7,869	17,191
Rental Bond	-	-
Distribution Receivable	7,503	13,607
Deposits Paid	630	630
Accrued Income	1,354,853	416,472
Available for sale financial assets	12,582,956	15,437,552
	13,953,811	15,885,452



Notes to financial statements

for the year ended 30 June 2022

	2022 \$	2021 \$
Note 9: Payables		
Current		
<i>Unsecured liabilities</i>		
Trade creditors	99,254	75,744
Sundry creditors and accruals	427,003	518,186
Loan from associates	-	-
	526,257	593,930
Non current		
Loan from associates	-	-
Note 10: Provisions		
Current		
Employee benefits	207,649	147,204
Other	-	-
	207,649	147,204
Non current		
Employee benefits	34,842	15,897
	242,491	163,101
Aggregate employee benefits liability		
	242,491	163,101
Note 11: Retained earnings		
Retained earnings at the beginning of year	4,936,797	2,696,732
Adjustment for retained earnings for previous years	-	(136,585)
Net Surplus/(deficit)	(2,187,823)	2,376,650
Net retained earnings	2,748,974	4,936,797



Notes to financial statements

for the year ended 30 June 2022

	2022 \$	2021 \$
Note 12: Remuneration		
Presidents fees	75,000	75,000
Directors fees	31,517	24,483
Independent director	25,300	18,400
Independent ARCC member	5,500	5,475
Sitting Fees	-	2,735
	137,317	126,093
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	1,627,424	1,920,435
Cash on hand	32	32
	1,627,456	1,920,467
(b) Reconciliation of cash flow from operations with surplus		
Surplus/(deficit) from ordinary activities	490,393	285,655
Less: Adjustments for investing activities in operating activities	(2,242,373)	(1,014,849)
Adjusted surplus (/deficit) from ordinary activities	(1,751,980)	(729,194)
Adjustments and non-cash items		
Depreciation	7,152	5,738
Changes in assets and liabilities		
(Increase) / decrease in receivables	(54,155)	(3,131)
(Increase) / decrease in other assets	9,322	50,103
Increase / (decrease) in payables	(67,673)	(719,235)
Increase / (decrease) in provisions	79,390	36,790
Cash flows from operating activities	(1,777,944)	(1,358,929)

Notes to financial statements

for the year ended 30 June 2022



	2022 \$	2021 \$
Note 14: Commitments		
Lease commitments – operating		
Committed at reporting date but not recognised as liabilities, payable:		
Within one year	-	59,238
One to five years	-	-
More than five years	-	-
	-	59,238

ADF entered into a new rental agreement on 23 June 2021 which was to commence on the 1 July 2021 and end on the 30 June 2022. However, due to the COVID-19 restrictions ADF has been unable to relocate to the premises up until February 2022. All the lease commitments have been based on the facts available during the preparation of the financial statements.

Note 15: Events subsequent to reporting date

There are no matters or circumstances, which have arisen since 30 June 2022 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2022, of the organisation, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2022, of the organisation.

Note 16: Organisation details

The registered office of the organisation is:

Australian Dairy Farmers' Limited
Farrer House
Level 4
24 Collins Street
MELBOURNE VIC 3000



Directors' declaration

The directors have determined that the organisation is not a reporting entity and that this general purpose financial report – simplified disclosures 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 - 22, presents fairly the organisation's financial position as at 30 June 2022 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:

A handwritten signature in black ink, appearing to read 'R. Gladigau', written over a horizontal line.

Director:

Rick Gladigau

A handwritten signature in black ink, appearing to read 'Heath Cook', written over a horizontal line.

Director:

Heath Cook

Dated this 20th day of October 2022

Compilation report

to Australian Dairy Farmers' Limited



We have compiled the accompanying general purpose financial statements – simplified disclosures of Australian Dairy Farmers' Limited, which comprise the statement of financial position as at 30 June 2022, the statement of profit or loss and other 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 – simplified disclosures 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 – simplified disclosures, 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 – simplified disclosures 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 – simplified disclosures 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 – simplified disclosures.

MGI Dobbyn Carafa Pty Ltd
Level 15, 412 St Kilda Road
Melbourne

Anthony Carafa

Dated this 20th day of October 2022

Independent auditor's report

to the directors of Australian Dairy Farmers' Limited



Opinion

We have audited the financial report of Australian Dairy Farmers Limited, which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes to the financial report including a summary of significant accounting policies, and the director's declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of Australian Dairy Farmers Limited as at 30 June 2022, and its financial performance and its cash flows for the year ended on that in accordance with:

- (a) the Australian Accounting Standards; and
- (b) any other requirements imposed by the Guidelines of *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia, and we have fulfilled our other ethical responsibilities in accordance with that Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The Board is responsible for the other information. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Independent auditor's report

to the directors of Australian Dairy Farmers' Limited

Responsibilities of Board and Those Charged with Governance for the Financial Report

Board is responsible for the preparation and fair presentation of the financial report in accordance with those requirements of the Financial Reporting Framework in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013 relevant to preparing such a financial report, and for such internal control as board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, board is responsible for assessing the organisation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless board either intends to liquidate the organisation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the organisation's preparation and fair presentation of the financial report audit 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by the board.
- Conclude on the appropriateness of board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.

Independent auditor's report

to the directors of Australian Dairy Farmers' Limited



- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the organisation to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the organisation's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Abhishek Sharma
Partner

Dated this 27th day of October 2022



Australian Dairy Farmers Limited

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