

Annual Operating Plan

2016/17



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1 Introduction

1.1 Purpose

The purpose of this document is to provide information about the actions planned by Dairy NSW Ltd. for 2016/17 that support achievement of its strategic priorities and goals.

1.2 General Information

Office Details

Street Address:	MC Franklin Laboratory Brownlow Hill Loop Road, Camden NSW 2570
Postal Address:	PO Box 280 Camden NSW 2570
Tel:	0412 825 466

Staffing

Role	Name	Email Address
Regional Manager / Executive Officer and Company Secretary	Roxanne Cooley (1.0 FTE)	roxanne@dairynsw.com.au
Office Administrator	Vanessa Carlino (0.6 FTE)	vanessa@dairynsw.com.au
Project Officer	Jessica Micallef (0.6 FTE)	Jessica@dairynsw.com.au
Extension Coordinator	Greg Duncan (1.0 FTE)	gduncan@dairyaustralia.com.au
Extension Coordinator	Josh Hack (1.0 FTE)	jhack@dairyaustralia.com.au
Extension Coordinator	Sheena Carter (0.4 FTE)	scarter@dairyaustralia.com.au
NSW YDN networker	Sam Nicholson (0.2 FTE)	snicholson@dairyaustralia.com.au
NSW YDN networker	Maddy Miller (0.2 FTE)	mmiller@dairyaustralia.com.au
Total	5 FTE	

Board

Role	Name	Contact Details
Director / Chair	Michael Perich	michael@lpcmilk.com
Director / Deputy Chair	Susan McGinn	coralhillholsteins@bigpond.com
Director	Delia Dray	delia.dray@dpi.nsw.gov.au
Director	Ken Garner	ken.garner@begacheese.com.au
Director	Dr Ian Lean	ianL@sbscibus.com.au
Director	Jane Sherborne	ajsherbs@icloud.com
Director	Trevor Middlebrook	bowmanpark@bigpond.com.au

2 Strategic Direction

2.1 Vision

The vision of Dairy NSW Ltd. is:

Dairy NSW is a **trusted** partner, **valued** resource and is **engaged** with NSW dairy farmers.

2.2 Mission

The mission of Dairy NSW is:

Dairy NSW co-ordinates regionally specific research, development, extension and education activities that deliver measurable positive outcomes for the benefit of Dairy NSW farmers.

2.3 Organisation Values

Dairy NSW has adopted the following organisational values:

-) Sustainability in livelihoods, the wellbeing of people and the responsible management of the environment
-) Regionally relevant
-) Apolitical and approachable
-) Providing value for the NSW dairy industry and always operating in levy payers' interests
-) Protecting the long-term licence to operate

3 Environmental Scan

3.1 Key Trends and Issues

The Board of Dairy NSW conducted an environmental scan of the region with key leaders from subregional groups, extension staff, the DPI, a private consultancy organisation and two universities. From this, the following trends and issues were identified. Where each is linked to the Sustainability framework, a notation has been made:

Financial performance, revenue & cost trends > Link to Enhancing livelihoods

-) Farmers want to be profitable. They want to survive and use their business skills to manage their farm's business margin as a key objective.
-) Farmers want to understand of business drivers, KPIs and ways to make productivity improvements
-) Farmers want to understand their farm business information and are in many instances prepared to regularly measure, monitor and evaluate their farm business performance
-) Farmers want to understand the reasons and use of processes, tools, records and business systems to improve their business margin and sustainability.

Farming practices

-) Farmers want to learn about cow nutrition, cow comfort, milk quality, fertility, pasture management, calf rearing and managing cow transition.
-) Farmers want to protect and preserve their long-term licence to operate with a continual emphasis on managing animal welfare, food safety and quality concerns.
-) Farmers want to manage biosecurity and food safety risks, including BJD, Mycoplasma, Theileriosis, antibiotic residues, facial eczema etc.
-) Farmers want competent industry advisors in NSW to help them improve their farming practices.

Labour issues

-) Farmers want the next generation of dairy farmers to be prepared to step up
-) Farmers want to foster opportunities for the next gen to participate, engage and grow in industry activities.
-) Farmers want information on succession planning and new farm ownership options for those entering and exiting or stepping back from daily farm operations.
-) Farms want specific training in attracting, managing and improving the retention of staff.

Community > Link to Improving Wellbeing

-) Farm families want support to build their resilience and maintain positive mental health and wellbeing. They want to prepare for risks and manage change.

Environmental > Link to reducing environmental impact

-) Farmers want to preserve their right to access water, secure water allocations and realise water use efficiencies.
-) Farmers want to manage environmental risks, including effluent, nutrient run-off into waterways.

3.2 Region SWOT Analysis

Below are some of the key factors that do and/or could impact on farm performance:

Strengths	Weaknesses
<ul style="list-style-type: none">) People and resource availability (DA, DNSW, DPI, LLS, some commercial providers)) Land quality and diversity 	<ul style="list-style-type: none">) FBM capability) Non-skilled labour availability) Competent local farm advisors) Input costs associated with flat fresh milk market and year-round calving) Geographic distance between farming communities
Opportunities	Threats
<ul style="list-style-type: none">) Herd genetic improvement) Pasture improvement and seed trials) Farm automation to reduce costs / improve lifestyle) Land availability Inland NSW) Support from agribusiness sector) WorkSafe partnership for WHS 	<ul style="list-style-type: none">) Climate / water access and cost) Animal welfare concerns) Biosecurity issues (BJD, Theileriosis)) Peri urban encroachment on coastal farming areas) Objective seed trials) WHS incidents on farm

4 Priorities & Strategic Direction

4.1 Focus / Strategy Summary

Below is a brief summary of objectives and key priorities for the Dairy NSW region for the year:

Objectives	Key priority areas
<ul style="list-style-type: none">) Creating farm wealth) Providing robust infrastructure to facilitate the NSW dairy industry) Lifting average dairy farm productivity by: <ul style="list-style-type: none">) Defining and showcasing best farming practices for the region) Encouraging broad adoption of best farming practices) Improving farmer business management capability) Protecting the long-term licence to operate 	<ul style="list-style-type: none"> Farm Profitability People Capability Farm Productivity and Protection

4.2 Detailed Strategy

4.2.1 SP1: Improving Farm Profitability and Competitiveness

Area	Priority Issues	Strategy	2016/17 Activity	Activity Target	Status
Animal Performance / Welfare	Mastitis management	Improve on-farm practices to minimise incidence	Support delivery of Cups On Cups Off (CoCo) program (NCDE 2-day course in partnership with NCDE on an on-demand basis)	3 programs) Bega Valley x2 (1 st 18-19 July)) Gloucester (Aug) Secure 20 participants Reach satisfaction rating: 80% User pays	
	Cow Comfort	Encourage farmers to provide the best care to all animals	Communicate ways to improve cow comfort with self-assessment guidelines and cattle standards	Use communication channels to distribute information – Snapshot and Milk Flow article Publish 3 articles DNSW funded	
	Herd Health	Monitor the soil on two farms in the Bega Valley for the fungus which causes facial eczema	Facial eczema triggers and spore count testing	Bega Valley - 2 Participants DA direct funded	
		Translate information from current research into on-farm practice	Translating research into practice with three young researchers via the NSW Young Dairy Network (YDN) 3-hour presentation	3 presentations May 2017:) Central) Kangaroo Valley (YDN)) Krumbach Hall (YDN) Secure 40 participants Reach satisfaction rating: 80% DNSW funded	
	Reproductive performance	Encourage farmers to adopt best practices	Organise delivery of 2-hour discussion modules to dairy discussion groups:	4 YDN groups	

Area	Priority Issues	Strategy	2016/17 Activity	Activity Target	Status
			<ul style="list-style-type: none">) Heifers on Target (HoT)) Low stress calving (LSC) 	<ul style="list-style-type: none">) YDN Pampoolah – HoT (17th Aug)) YDN Berry – HoT (Sept)) YDN Gloucester – LSC (Feb 17)) YDN Bega – LSC (Oct) <p>Secure 40 participants Reach satisfaction rating: 85% DA direct funds the trainee facilitators</p>	
		Reduce the risk of dairy cow nutrition and production diseases with a focus on transition management	Support NSW YDN delivery of a 1-day Transition Cow Management two farmer workshops with the new Repro Rights trainees	2 workshops <ul style="list-style-type: none">) Wauchope (Nov)) Pyree (Feb 17) <p>Secure 26 participants Reach satisfaction rating: 85% DA direct funded</p>	
	Quality milk	Improve the reduction of chemical residues in milk to ensure safe dairy products	Communicate information on ways to reduce chemical residues in milk, including CoCo uptake and Shed Guides	Use communication channels to distribute information – Snapshot and Milk Flow article Publish 1 article DNSW funded	
Feedbase and nutrition	Feedbase	Grow profitability and resilience through improved management of feedbase	Feeding Pastures for Profit Refresher (grazing management) – follow up 1 day workshop Training G Duncan and J Hack as facilitators of the program in January and then delivering workshops as part of the Tactics for Tight Times offerings	4 workshops – March and May 2017: <ul style="list-style-type: none">) Kempsey) Tamworth) Bega) Nowra <p>Secure 80 participants</p>	

Area	Priority Issues	Strategy	2016/17 Activity	Activity Target	Status
				Reach satisfaction rating: 80% DA direct funded	
		Assist farmer participants to understand the complexities of feedbase decisions and ultimately boost the quantity of home grown feed in your cow's diet	PILOT Feedbase challenge project	Extension staff delivery to 1 group J Dungog DA direct funds the Project Management	Ongoing project
Resource Management	Water management	Improve water management and farmer awareness of best practice use of new and emerging water technologies	Workshops covering topics including water use efficiencies, trading, carryover and allocations	2 workshops Mar 17: J Central West J Wagga Wagga Secure 20 participants Reach satisfaction rating: 85% DA DNSW NRM project funded	
	Nutrient management	Improve nutrient management	Fert\$mart Workshops (x3 days)	Three workshops (Aug, Oct, Feb) J Wagga Wagga Secure 10 participants Reach satisfaction rating: 85% DA DNSW NRM Project funded	
		Motivate and stimulate dairy farmers to utilise existing resources they already have on-hand to deliver actions on farm which result in no or low cost efficiency gains.	Nutrient efficiencies 3 workshops with Hunter LLS (June-December)	3 workshops J Lower Hunter (Sept) J Upper Hunter (Sept) J Manning Valley (Oct) Meet all LLS funded and project reports and milestones	

Area	Priority Issues	Strategy	2016/17 Activity	Activity Target	Status
				Secure 35 participants Reach satisfaction rating: 80% DNSW and LLS funded	
	Heat stress on cows	Help farmers adapt to the changing operating environment with information and tools to minimise the impact of heat stress on dairy cattle	Communicate information on ways to provide cool infrastructure using the resources on the Cool Cows website	Milk Flow article in Spring for summer period Publish one article	
Farm Business Management	Farmer commercial management capability	Encourage farmer education and collaboration	Foster new and support existing discussion groups	Support 14 existing groups Meet all funded and project reports and milestones. DA DNSW project funded	Ongoing
	Focus Farm	Develop the management capacity of farmers by demonstrating on a local, commercial farm the effect of progressive decisions, clarification of the decision making process and involvement of a farming community to support the farm	Finalise the focus farm – final two open days and support group meetings	2 focus farms <ul style="list-style-type: none">) Wogamia (Nowra) Open Day – 20 July 2016) Raeland (Barrington) 2x open days 19 July and Nov 2016 Meet all funded and project reports and milestones. Secure 50 participants Reach satisfaction rating: 70% DA/DNSW project funded	Ongoing project

Area	Priority Issues	Strategy	2016/17 Activity	Activity Target	Status
		Evaluate the impact of the focus farm project to assess learnings and benefit	Conduct an impact study with DA to evaluate the focus farm program	March 2017 DA direct funded	
	Farm business management (FBM)	Familiarise the farm bookkeeper and production manager with the use DA FBM tools including the Dairy Standard Chart of Accounts (SCoA), Cash Book (cash profit maps), Cash flow budgeting and DairyBase	Making Sense – Financial Information (Level 1) extension workshops	3 programs in Sept: J Wauchope J Scone J Bodalla Secure 30 participants Reach satisfaction rating: 80% DNSW discretionary projects funded	
		Develop and support untapped resources to leverage existing capacity and expand FBM capability and engage with farmers to embed the adoption and use of DairyBase	Introduce DairyBase to DDGs and follow up with 100 farmers in the provision of 1:1 coaching support in inputting farm data into DairyBase – supporting the Tactics for Tight Times offerings Currently 76 farmers registered = 15.6%	6 RDGs July – November 2016 Increase DairyBase registrations to 190 farmers (40%) of total farms in NSW RDP region Reach satisfaction rating: 80% DNSW project funded	
		Support farmers to analyse their business is performing and introduce ways to improve the “profitability” of their farm business	PILOT DairyBase Making Sense of Farm Business Analysis (NCDE 2-3 days in partnership with Illawarra TAFE)	1 program May 2017: J Bega Valley Secure 15 participants Reach satisfaction rating: 80% User pays	
		Support farmers to plan and monitor their farm performance	Making Sense of Farm Business (Level 2) (NCDE 2-3 day course in partnership with Tocal (Modules 4-6))	1 program February 17: J Hunter Valley Secure 15 participants Reach satisfaction rating: 80% User pays	

Area	Priority Issues	Strategy	2016/17 Activity	Activity Target	Status
		Support dairy farmers with delivery of support to understand their cash flow and breakeven milk price	As part of Tactics for Tight times, deliver Taking Stock training to providers who can meet with farmers in a 1:1 basis	Offer 2 training programs for service providers) North) South Reach satisfaction rating: 90%	
			As part of Tactics for Tight times, deliver 1:1 Taking Stock processes to farmers who register for the service	Fund 1:1 services for 30 farmers (\$900 each incld travel/reports) Reach satisfaction rating: 80% RAA and/or DA funding to be confirmed	
	Project 20:20	Engage dairy farmers with understanding the decision making on five exemplary farms to build their awareness, understanding and confidence to plan incremental and sustainable changes to improve their farm business performance	Develop and feature the stories of five exemplary farms and use a range of channels to inspire engagement and confidence in farmers to sustainably grow their production and profitability	Meet all funded and project reports and milestones. DNSW, DA, ST, DPI funded partners	

4.2.2 SP2: Growing People Capability & Skills

Priority Issues	Strategy	2016/17 Activity	Activity Target	Status
Labour availability	Promote career opportunities in Dairy	Sponsor, support and promote the DA Cows Create Careers Program	45 schools engaged DNSW farmers and/or staff representation/participation in all five presentation days DNSW funded	
Farmer HRM capability	Support farmer's knowledge and skills of HR management	Support and promote a regional rollout of the eMe program for Dairy NSW	DA direct funded	

Priority Issues	Strategy	2016/17 Activity	Activity Target	Status
	Support farm employers to confidently use the People in Dairy resources and develop a plan for further action, eg induction and safety program, protocols and training plans	Support the roll out of People GPS (NCDE 4-day course earning a Diploma AHC-BS501A – Manage Staff in partnership with Tocal, Mid Coast and/or the Illawarra TAFE)	2 programs Oct-Nov: J Gloucester/Taree J Gerroa/Nowra Meet all funded and project reports and milestones. Secure 6 participants per location DA DNSW project funded	
	Support farm employees in their sharefarming and leasing knowledge	Stepping Up and Stepping Back workshop	1 program (Nov) J Central West (Forbes) Meet all funded and project reports and milestones. Secure 30 participants Reach satisfaction rating: 80% User pays	
On-farm OH&S	Improve farmer awareness / adherence to regulatory standards for a healthy and safe workplace	Promote the farm safety starter kit to DDG and RDGs	Use communication channels to distribute information – Snapshot and Milk Flow article Publish 3 articles DNSW funded	
		PILOT Working in Confined Spaces workshop	1 program in Sept: J Shoalhaven Secure 15 participants Reach satisfaction rating: 80% DA funded	
NSW Young Dairy Network	Embed culture of practice change via groups and networks with young farmers	Deliver workshops and activities which engage and extend the existing networks – activities which build leadership skills, business management knowledge and dairy farming technical knowledge and skills	Engage and grow a network of YDN farmers and dairy service providers Secure 100 participants Reach satisfaction rating: 80% DA and DNSW funded	

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Priority Issues	Strategy	2016/17 Activity	Activity Target	Status
Service provider breakfasts	Engage industry with a presentation of the trends revealed from the DFM project	Conduct two breakfasts with service providers once the DFMP 2016 results are completed	2 presentations – Nov:) Central (Bomaderry)) Manning Valley (Taree) Secure 40 participants Reach satisfaction rating: 80% DNSW funded	
Industrial relations	Invest in dairy people and understand the industrial relations legislation	Coordinate with DA to deliver an IR tour with Jenny Corkhill	1 program (Feb 2017)) Central West (Forbes)) Gerringong Secure 30 participants Reach satisfaction rating: 80% DA direct funded (large herd program)	

4.2.3 Protect & Promote Our Industry

Priority Issues	Strategy	2016/17 Activity	Activity Target	Status
Farmer/Community engagement, health and well being	Increase the resilience and prosperity of dairy communities	Sponsor RDG annual dinners as part of the Tactics for Tight Tights approach to farmer engagement, health and well being Work alongside the DPI Resilience team to support farmer sessions on accessing health and well being services	Fund 6 regional dinners Engage 40% of farming and service provider communities DNSW funded	
	Recognising the contribution of local volunteer leaders and keeping them engaged	Recognise volunteer regional leaders – Christmas dinner	Secure 6 regional participants Reach satisfaction rating: 90% DNSW funded	
	Provide access to mental and financial support services	Work with the DPI's Rural Support and Rural Resilience networks to support farming communities	Use communication channels to distribute	

Priority Issues	Strategy	2016/17 Activity	Activity Target	Status
			information via Milk Flow Publish 2 articles DNSW funded	

4.3 Organisational Management & Improvement

-) Broad description of any organisation structural changes
-) Describe any efficiency / cost management or collaboration planned actions
-) Detail of planned changes included in the following table

Description	Reason	Timing
Staff Additions		
No change		
Staff Departures		
No change		
Outsourcing		
Outsource workshop facilitators for their expertise	Continue to build advisor capability in NSW	
Extension coordinators to lead and deliver some discussion modules in their field of expertise	Utilise existing staff with expertise to lead dairy discussion groups	
Facilities		
Maintain dairy hub (office and Board) facilities	Realise investment into establishment of the dairy hub	
Training / Cultural		
G Duncan – Management training	Upskill for DA or RDP management role	2-years 2016-17
S Carter – HRM training	Upskill for regional HRM resource	1 year April-Nov 2016
V Carlino – Event management	Upskill for logistics support for events/workshops	1 year 2016 July-Nov
J Hack – Feedbase and nutrition	Upskill in FFP refresher course and basic nutrition	2 years 2016-17

5 Budget

Include summary tables from Annual Budget template

5.1 Summary

		2016/17	
Income	Dairy Australia	636,000	81%
	DA projects120,000	15%
	Other	33,085	4%
	Total	789,085	100%
Expenditure	Personnel	425,446	60%
	Other Overheads	201,943	19%
	Projects	390,932	21%
	Total	1,018,321	100%
Reserves	Opening	\$720,000	estimated
	Closing\$510,000	

Commentary

As is the case for the past two years Dairy NSW continues to draw down its financial reserve with the delivery of RD&E for the benefit of NSW dairy farming communities. The above does not factor-in leveraging which grew from 2.8% in 2014/15 to 3.9% in 2015/16.

5.2 Alignment with Dairy Australia Programs

Project Expenditure by DMF Area	Funded Source		Total
	DA	Other	
Animal Performance	0	0	
Feedbase & Animal Nutrition	0	0	
Land, Water, Carbon	40,000		40,000
Farm Business Management	30,000	44,500	74,500
People Capability & Skills	50,000	-	50,000
Protect & Promote our Industry (Project 20:20)	-	194,200	194,200
Total	120,000	238,700	358,700
	33%	67%	100%

6 Performance Management

6.1 Stakeholder Satisfaction

KPI	Measurement (taken from the Stakeholder Tracking Survey in May/June each year)	Result June 2015	Target June 2016	Comment
Overall satisfaction	Overall satisfaction levies being invested wisely	6.0		Results not yet provided
Participation	Satisfaction with the opportunity to participate in activities	6.3		
Engagement	Overall satisfaction with engagement	5.8		
Relevancy	Simple average of "Useful, relevant and meeting the needs" questions	6.6		
Meeting needs	Simple average of "familiar and understands"	6.1		
Useful	Simple average of "RDP listens and Farmers tells"	6.5		

6.2 Financial Management

KPI	Measurement	Target	Result	Comment
Leverage	Ratio of external funds (excl DA) to RDP project funds (Program Delivery plus small projects)	At least 3:1	3.9:1	Increase from last FY which was 2.9%
Cost Management	Total overheads (labour + other) as a percentage of project expenditure	Less than 20%	65%	Dairy NSW leases a dairy hub in Camden and employs 1.6 FTE to administer its office. Dairy NSW is governed by 7 directors who travel 6 times per year from as far south as Bega and as far north as Kempsey.

Attachments

A. Funded Details

Detailed budget spreadsheet for year.

B. Planning Timetable

Note, the following describes the DA planning process and documentation. Dairy NSW holds its Members' Council the first week of December which is where the environmental scan and issues workshop is completed. The RM socialises the AOP with its members from July-August so there is a sense for uptake, ownership and issues which are surfacing. The extension staff provide a weekly watching brief so generally there are no surprises.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Issues Collection		Issues Collection Template												
Workshop														
Prepare Draft AOP						AOP Template								
Speed-dating Workshops														
Budget Planning										Budget Template				
Finalise AOP											AOP Template			
Submit AOP														
Detailed Budget & Phasing													Detailed Budget Template	

Documents:

Issues Collection Template	A survey type form as a guide for collecting key regional issues from local stakeholders
AOP Template	The key headings and guide for content for the RDPs formal AOP Content form this document can be used for the RDPs strategic plan

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Budget Template	High level budget template for inclusion in AOP. Includes: <ul style="list-style-type: none">) Planning for Salary and Overheads by high level cost codes (DA to provide historical performance)) Income and expenditure estimates by project
Detailed Budget Template	Budget by cost code and month for income and expenses Labour allocated to project only if 100% applicable