



DAIRY NSW ANNUAL REPORT

2020/21



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ABOUT DAIRY NSW

Vision

A valued and trusted partner that empowers and enables dairy farmers and industry to thrive.

Regional Development Program

Dairy NSW Ltd is one of eight Regional Development Programs (RDPs) throughout the nation's key dairy areas and operates under the auspices of Dairy Australia.

It is a non-profit incorporated body established in 1996 to develop a strategic direction for dairy research, development and extension programs in the region. Since then, education has been added to the portfolio, so Dairy NSW is now an RDE&E industry body bringing the service levy back to farmers in meaningful and valued ways.

Dairy NSW sets priorities, seeks submissions for dairy improvement projects and commissions them. It is also responsible for supervising the coordination and delivery of extension and education programs. Dairy NSW monitors the success of these projects and their ability to make an appropriate return on the dairy service levy that part-funds them.

Dairy NSW works closely with Dairy Australia, other RDPs, farm policy organisations, Regional Development Groups and government agencies to carefully identify and develop priorities for ongoing research, development, education and extension. In doing so, it works hard to ensure regional and national policies are linked and fully integrated so that research and extension work carried out in the region, provides productivity gains and efficiencies.

Mission

Collaboratively identify and deliver regional needs for education, extension, research and development, to advance the NSW dairy industry.

Strategic Intent

To advance the interests of the industry by improving the prosperity, productivity and sustainability of dairy farmers in the Dairy NSW region.



CHAIRPERSON'S REPORT

Over the last 12 months there has been much needed improvement in terms of trade for many farms.

As seasonal conditions have improved, home grown feed is more available and prices of purchased feed have declined. Prices for milk have remained firmer compared to previous lows, allowing for recovery in many areas. The recent flood events, particularly in the mid coast region, are an obvious exception.

This time has seen the board and staff of Dairy NSW work together to advance some significant initiatives. We have been involved in critical response matters for floods and COVID -19, writing a new strategic plan, increasing extension capacity, presenting to a NSW parliamentary inquiry and a comprehensive review of policies. This has only been achieved by many individual and committee-led contributions to share the workload.

Ultimately, our role at Dairy NSW, is to provide information and support that builds the business skills of our dairy farmers to enable them to make the best decisions possible. If we do this correctly, we will ensure dairy businesses create prosperity long into the future for generations to come.

Resilience

When I reflect on the achievements of the past year, it highlights to me the resilience of our dairy farmers; being able to adapt to the variable and extremely challenging climatic conditions. Many dairy farmers have had to manage the 1-in-100-year drought, only a couple of years ago and associated devastating fires. This year, farmers in the mid north coast region have had to manage the 1-in-100-year flood. How our dairy farmers respond to these challenges, with the decisions and plans they make, determines their farm business success. Farmers are making numerous operational and tactical decisions daily to ensure the smooth operation of farm business. During these challenging times, Dairy NSW staff and partner organisations have swiftly provided critical extension materials and support staff to ensure our dairy farmers recover as quickly as possible from these natural disasters.

If these climatic conditions were not enough for farmers to contend with, we have also had to manage the evolving COVID-19 interruptions in the supply of goods, management of staff, family and friends to minimise risk of infection. Like all other businesses and organisations, Dairy NSW also had to switch to online delivery for a period of time to enable our important extension activities to continue. Extension programs and meetings were held via Zoom, and this delivery method has been well received by farmers.

DA Independent Performance Review

The Performance Review for DA has just been released with the overall findings being overwhelmingly positive. Dairy Australia was recognised as an effective, outcomes focused organisation with a strong service culture to the Australian dairy industry. The Regional development programs (RDPs) were recognised as one of the strongest examples of a functional, de-centralised industry services and extension network supported by any RDC. This is important for future of Dairy NSW as part of Dairy plan structure. RDP entities are recognised as critically important to Dairy Australia's front-line industry service delivery and taking the lead for Dairy Australia in industry research development and extension.

Strategic Plan

We have just released the Dairy NSW Strategic Plan which sets out our broad priorities and outcomes to guide investment over the next five years, concluding in 2025/26. We are particularly grateful for the input and feedback provided by a broad range of stakeholders that have collaborated in the development of the plan. Together, we have built a plan that captures the key priorities for Dairy NSW that will have real impact on NSW dairy farmers. In order to support implementation, the board has drawn on our reserves to employ additional extension staff to help deliver this new strategic plan. There is more detail on the strategic plan further on in this annual report.

Dairy UP (Unlocking Potential)

Dairy NSW is one of the contributors to the Dairy UP program; a new collaborative dairy research, development and extension program for NSW (see <https://www.dairyup.com.au/>). Together with Dairy Australia, the Dairy Research Foundation, NSW Government and other partners, the program will deliver 10 key projects. The projects are a combination of new research and the delivery of existing content. The key themes of the project are:

- to help farmers increase productivity and profitability,
- to de-risk the dairy industry,
- to develop new markets.

This represents significant investment in the industry by the NSW State Government and one of the largest collaborations of industry stakeholders in research, development and extension for quite some time.

Our Farm Our plan

The Our Farm Our Plan (OFOP) program (developed by Dairy Australia) will be a significant focus for Dairy NSW over the coming two years. This program is also included in the Dairy Up program. OFOP provides a great opportunity to evaluate strengths and weaknesses of dairy farm businesses, and helps develop a plan to utilise the strengths and remedy the weaknesses, in doing so, is creating a strategic plan for each farm that participates, with goals to achieve success. It is delivered in a variety of formats to suit a range of learning styles. In particular, the program includes a combination of group and one on one sessions. Engagement and willingness to change, will be the key to practice change on farm, and part of this program is follow-up support over the year, to ensure the learnings from the program are implemented on farm.

Profitability

The Australian Dairy Plan indicated one of the key aspirational goals of the Dairy Industry:

Greater than 50 per cent of farms achieve a profit of at least \$1.50/kgMS (average over five years).

Dairy NSW, is committed to achieving this goal. Currently, only 26 per cent of dairy farmers achieve that target in NSW (based on dairy farm monitor data) Table 1), varying between 9 and 37 per cent over past five years. Interestingly, the difference in profitability between the top and bottom farms increased to \$7.62/kg MS last year, the highest of the of previous five years (Table 1). Clearly understanding the reasons behind the large difference in EBIT between farms, is going to be the key to improving the profitability of dairy farmers as a whole and closing the gap in NSW farm profitability performance. For Dairy NSW, improving farm profitability will be key to enabling a prosperous NSW dairy Industry.

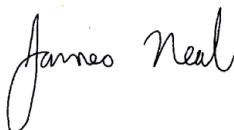
Table 1 Profitability in NSW over time from dairy farm monitor NSW

EBIT \$/kg MS	2015/16	2016/17	2017/18	2018/19	2019/20
Average	1.12	0.92	0.33	0.38	1.05
% farmers EBIT above 1.5 kg/MS	37	26	9	13	26
Top EBIT	3.64	3.61	1.8	2.17	4.38
Bottom EBIT	-0.91	-0.8	-1.71	-2.41	-3.24
Difference	4.55	4.41	3.51	4.58	7.62

Focus Farm

Another important and successful activity has been the Focus Farm program. The Walsh Farm at Jaspers Brush concluded in December 2020 with their last open day being a great success. The Focus Farm program facilitator and Focus Farm group challenged the Walsh's to evaluate their whole farm business and change some of their big farm settings. The Walsh's took calculated risks and implemented changes on farm, and in just three years, their dairy operation is now being recognised as one of the most profitable dairy farms in NSW with an EBIT of \$3.50/kgMS. All this, despite the effects of the drought. The Walsh's also draw credit to another dairy NSW activity the "Pastures for Profit program" with revolutionising their farm. The Focus Farm program gave the Walsh's the confidence to take the plunge and implement changes to their big farm settings, in the process, delivered these massive improvements, productivity and profitability. We have now commissioned a new Focus Farm in April 2021 with Kevin and Brodie Game from Bemboka NSW, with Justin Walsh is facilitating.

Clearly, I would like to thank the tireless work of the Dairy NSW board members and staff who have been instrumental in developing and delivering a range of activities over the past year, especially given the constraint imposed by Covid-19.



Dr James Neal
Dairy NSW Chairperson

BOARD OF DIRECTORS

Attended



James Neal, Chair

James Neal is a fifth generation innovative dairy farmer. For the past 10 years he has been milking 700 cows on the family dairy farm on Oxley Island, near Taree on Mid North Coast. He has extensive agricultural research development and extension skills working for NSW Primary Industries and completing a PhD at the University of Sydney investigating forage water use efficiency. Given the persistently dry conditions over the last few years this knowledge has proved invaluable for growing and utilising pasture as efficiently as possible, critical to remain profitable at a time when cost increases are generally much greater than milk price increases. To improve uptake of research locally, James has been involved in on-farm research demonstrations to improve pasture production in autumn when forage is most limiting and alternative feed are expensive. He has a strong focus on profitability, as it is critical for the NSW dairy industry to be viable and successful for future generations of dairy farmers.

Dairy farmer
(Constitution clause 5.4a)
Board meetings attended: 8/9



Jane Sherborne, Deputy Chair

Jane is an active dairy farmer and proud advocate for the NSW dairy industry, promoting the development and delivery of research and extension that is region specific, meeting the needs of NSW dairy farmers. Jane is interested in the development of a positive, professional industry image through the application of progressive farming technologies and fostering of farmer pride in the business and practice of dairy farming. Jane is an active member of several external state and federal industry committees and through these connections, she aims to support Dairy NSW proactively working with dairy farmers, cooperatives, processors and industry for a strong and prosperous dairy industry.

Dairy farmer
(Constitution clause 5.4a)
Board meetings attended: 8/9



Delia Dray, Director

Delia is a former senior executive of the NSW Department of Primary Industries and former chair of the Burrendong Arboretum Land Manager. From these roles, Delia contributes significant skills and experience in corporate governance, organisational performance and strategic planning to the Dairy NSW board. Delia has specific expertise in agriculture research and development management, which she uses to support the development of a profitable dairy industry that is resilient and flexible, and continues to take advantage of opportunities across diverse climate driven production systems.

Specialised skill
(Constitution clause 5.4c)
Board meetings attended: 8/9



Andrew Smith, Director

Andrew currently manages his family dairy business, Myall River Pastoral Company, and is a registered veterinarian, graduating with first class honours from Charles Sturt University in 2018. Andrew has a passion for the profitability, sustainability and growth of dairy businesses, growing up in a family dairy business and dedicating his tertiary education to building a strong grounding in dairy production. This included time spent studying in both New Zealand and the United States. Andrew brings with him innovative ideas, endless enthusiasm and a genuine passion for the prosperity of the dairy industry. His vision for Dairy NSW is to provide quality extension to farmers, support valuable and targeted research and drive a culture of continuous improvement amongst the NSW farmer group.

Dairy farmer
(Constitution clause 5.4a)
Board meetings attended: 9/9

Attended



Tony Burnett joined the DNSW Board in October 2018 and currently sits on the Strategic Direction committee and the NSW Dairy advocate advisory group. His unique skill set covers farm management, business ownership and processing experience within the industry. Innovative extension services to help drive on farm profitability is one area of interest for Tony. Currently, Tony is the northern regional manager for Dairy Farmers Milk Cooperative. Tony is also passionate about working collaboratively with all industry stakeholders throughout the dairy supply chain to ensure a long-term viability for all participants.

Specialised skill
(Constitution clause 5.4c)
Board meetings attended: 7/9

Tony Burnett, Director



Graeme Joined the DNSW Board in October 2020. Graeme is presently the CEO of Invetus Pty Ltd, a contract Veterinary Research business based in Armidale NSW. Prior to this role he was accountable for finance, HR, compliance and risk management for Invetus. He brings a wealth of Agribusiness experience to the board from a 30 year career in Dairy, Cotton production, processing and marketing, Agricultural Finance and Animal Health research. Graeme worked in the Dairy industry for Dairy Farmers during the 1990's and was actively involved in the equivalent of Dairy Business Monitor and Our Farm Our Plan programs at that time.

Specialised skill
(Constitution clause 5.4c)
Board meetings attended: 8/8*

Graeme Hollis, Director



Andrew Farr completed his Bachelor of Applied Science (Agriculture) at Charles Sturt University in 1994. He has worked on the family dairy farm until 2000 and leased the family farm from 2000 to 2007. Andrew worked at Farmers Barn as an Agronomist from 2009-2010 and Pioneer Promoter in the Hunter valley from 2010-2014. Andrew started his own dairy business with wife Christie in 2015 on Rossette at Denman and moved to Ree Folley in 2018. He has been developing and building the business for the last three years and has been a previous director on the Dairy NSW Board from 2017-2019 and now again elected in October 2020 to present.

Dairy Farmer
(Constitution clause 5.4a)
Board meetings attended: 7/8*

Andrew Farr, Director

9 meetings were held in the 20-2021 FY.

* Attendance of eligible meetings recorded – joined board from October 2021

MEETINGS OF DAIRY NSW MEMBERS' COUNCIL AND BOARD OF DIRECTORS

Members' Council

16-17 February 2021, Hunter Valley

Board meeting and AGM

13 October 2020, Online

Board meetings

4 August 2020, Online

2 December 2020, Kiama

16 February 2021, Hunter Valley

2 March 2021, Online

11 March 2021, Online

21 April 2021, Online

10 June 2021, Online

29 June 2021, Online

MEETINGS OF DAIRY NSW MEMBERS' COUNCIL, AGM AND BOARD OF DIRECTORS – 2022 (TBC)

Board meeting and Members' Council

February 2022

Board meeting

April 2022

June 2022

August 2022

December 2022

Board meeting and AGM

October 2022



STRATEGIC PLAN

Launch of 2021–2025 Strategic Plan

In July 2021, the board of Dairy NSW was proud to launch the new strategic plan. The plan is an important roadmap that defines the priorities and activities of Dairy NSW for the next five years.

In developing the plan, the major challenge was catering to a complex region, with a very broad range of production systems, geographies, and stakeholders. Dairy NSW has 354 farms that produce 787 million litres of quality milk in close proximity to the major populations of Sydney and Brisbane. In turn, the Dairy NSW industry employees 5,100 staff and is vitally important to the state economy.

To develop the plan, the board undertook extensive industry consultation, across a range of online and face-to-face meetings. Through various iterations; feedback and ideas were canvassed, especially from representatives from the six regional dairy groups in NSW.

Five key strategic priorities were developed as a result of this consultation. The priorities align with Dairy Australia's broader strategic plan while recognising regional needs.

The Dairy NSW team will now focus on activities to deliver against the key priority areas.

For the complete plan, including actions and measures of success, visit dairyaustralia.com.au/dairynsw

	1	2	3	4	5
	CULTURE OF PROSPEROUS FARM BUSINESSES	OUR PEOPLE, OUR FUTURE	THRIVE IN A CHANGING NATURAL ENVIRONMENT	ADOPTION OF RESEARCH AND TECHNOLOGY	COLLABORATIVE AND RESPONSIVE ORGANISATION
OBJECTIVE	Nurture a positive culture of prosperous farm businesses that are skilled, informed, and innovative in managing market volatility	Our passion for people enables farm businesses to attract great people, build their capability, careers, and foster a safe and caring work culture	Prosperous farm businesses that adapt to the changing natural environment and provide good stewardship of resources	Improved adoption through higher engagement that leads to an increase in productivity and a culture of evidence-based decision making	Collaborate effectively with stakeholders including farmers, regional and national entities to influence positive outcomes for dairy farm businesses
	a Farm businesses understand their profitability drivers	a Dairy industry is seen as an excellent work choice with multiple career paths and opportunities	a Greater ability to accept and adapt to changes in the natural environment	a Better access and understanding of feed base and grazing management options	a A team committed to driving engagement and influencing practice change through quality extension and trusted service
OUTCOMES	b Improved productivity through implementing business planning practices across key aspects of dairy farming	b A culture of businesses that foster progression, values growth, who inspire and encourage their people	b Efficient and profitable use of land, water, carbon, and energy resources which nurtures and sustains the natural environment	b Commitment to continuous improvement in animal performance, health and wellbeing	b Regional needs are prioritised and actioned through collaboration with Dairy Australia and our partners
		c Access to capable service providers and skilled farm employees	c Proactive approach to positively addressing climate and environment changes to preserve or enhance our natural capital	c Farm businesses have the capability to evaluate the suitability of adopting various technologies	

PROJECTS SUPPORT

DNSW and LLS Mid North Coast and Hunter Pasture Discussion Groups

The Hunter LLS Making the Most out of Nitrogen Project is a program focused on helping farmers get the most out of their pastures in an ever-changing climate. This is a joint funded initiative by Hunter Local Land services (LLS) and Dairy NSW.

By utilising well known facilitators and service providers in a discussion forum, the project aims to help farmers improve their pasture consumption per hectare by enhancing knowledge and skill, as well as encouraging collaboration between farms. The project was delivered over four farm field days across the Hunter and Mid-North Coast regions and two online webinars, converted to YouTube reference videos. The field days attract strong interest and numbers and conclude with a social lunch for the farmers which was particularly important given this marked another challenging year for farmers, culminating in a severe flood event in March 2021. This event follows several years of drought and bushfires as well as an ongoing pandemic.

These discussions were very well received across the region, and DNSW would like to thank Hunter LLS for their contributions, as well as the discussion facilitators for their expertise.

Young Dairy Network

The Dairy NSW Young Dairy Network has aimed to provide its members opportunities to develop dairy farming knowledge and skills, provide leadership opportunities and ultimately assist connection across a network of young people in regions through NSW and Australia-wide.

The Dairy NSW Young Dairy Network (YDN) is an initiative for young people who are:

- New to dairying
- New to the dairy industry
- Local farmers
- Local dairy service providers, and
- People who want to develop both professionally and personally while building a social network.

A key purpose of the YDN is to connect farmers and industry professionals with young farmers and service providers through networking. Networking is an important pathway for young dairy stakeholders to grow their capacity and ability to perform in the Australian dairy industry.

While it has been a particularly challenging year for extension and face to face delivery Dairy NSW's service delivery has been anchored by the Regional YDN

Coordinators across the various network regions with supervision and support from experienced Regional Extension Officer Greg Duncan. Wherever possible YDN prioritised delivery of face-to-face events, with workshops from Cool Cows, Rearing Healthy Calves, heifer replacement pathways, bull proofs, genomics, and farm walks with automated milking systems (AMS) just to name a few. Wherever possible a social gathering was also incorporated into these events.

With the evolving nature of Covid, Dairy NSW flexed delivery into online where appropriate and saw good uptake and engagement with events focusing on general health, mental health & wellbeing. By using online delivery Dairy NSW was able to access a broad range of skilled facilitators whilst also reaching all corners of the state.

We were though also required to cancel several events that were planned to "get things back on track" with the traditional field trips and study tours deemed inappropriate given the various restrictions.

To enable success of the Young Dairy Network into the future Dairy NSW in the last quarter of the financial year formerly announced it was in the process of reviewing our Young Dairy Network strategy.

The review aims to analyse the effectiveness of YDN with the view to provide recommendations for the development of young people in the industry that align with the newly released Dairy NSW and Dairy Australia strategic plans.

To ensure continued support and continuity until the review is complete Dairy NSW will assign the relevant Regional Extension Officer with the YDN responsibilities.

Dairy NSW would like to take this opportunity to sincerely thank the previous YDN Coordinators of Adam Cooke, Emily Neilson, Sally Downie, Jessica Pearce & Michaela Jeffery for their passion and dedication to others in the Young Dairy Network over the last few years.

In the meantime, the activities of YDN can be followed via their dedicated column in the quarterly Milkflow publication, the monthly Dairy NSW e-newsletter "Snapshot" and Facebook.

For further information or to subscribe to these media, please contact info@dairynsw.com.au

Dairy Business Support Services Project

The NSW Department of Primary Industries Dairy Business Advisory Unit continued to collaborate with Dairy NSW to deliver farm business support services to dairy farmers across all dairying regions in NSW. A combination of individual and group activities, aiming to offer support to help improve performance, profitability and business resilience were offered. The Dairy Business Support Services Project (DBSS) project plan has been supported by a project team consisting of Ian Zandstra, Kerry Kempton, Carly Potts and Sheena Carter. The project runs through until December 2022.

The DBSS project has run 96 one-on-one consultations embedding farm business management skills. Seven group/state-based activities have been conducted with 64 individuals attending across the events. 20 consultants contracted with 5 training sessions offered to upskill across Dairy Australia farm business management tools. Funding utilisation is at 40% across ten months, with increased awareness and demand for the project services, the project is on track to deliver the full funding commitment within a 24 month period (noting there was a slight delay in project commencement).

The project has been led by Carly Potts. If you are interested in finding out more or would like to sign up for a consultation, please contact Carly Potts on carly.potts@dairynsw.com.au or 0455 227 707.

REGIONAL DAIRY GROUP SUPPORT

Across NSW, there are six Regional Dairy Groups (RDGs) these are:

- Mid Coast Dairy Advancement Group
- Hunter Dairy Development Group
- Inland Wagga Dairy Network
- Central West Dairy Group
- South Coast and Highlands Dairy Industry Group
- Far South Coast Dairy Development Group.

The groups organise and conduct activities for the dairy industry in their local areas.

RDGs provide a link to dairy farmers in their sub-regions and feedback information on their regional priorities, needs and issues. This in turn informs the Dairy NSW annual operating plan and the extension activity we run in the different regions.

Dairy NSW provides support to regional dairy groups via activities and some supplementary funding. In 2020/21, we have seen increased collaboration via emergency response groups, chairs meetings, members council and a director training course.



EDUCATION AND EXTENSION PROGRAMS

Dairy NSW, has delivered a significant annual operating plan in 2020/21, hosting more than 80 events with over 1,000 attendees.

Events are organised in response to farmer and industry feedback and strategic priority areas. A number of events were conducted online as part of a Covid safe plan. The plan was also impacted by the mid coast floods in March which saw resources allocated to critical response activity.

The programs delivered in the 2020/21 financial year include:

Farm business management

- Farm Business Fundamentals
- Dairy Farm Monitor Project
- Focus Farm
- Dairy business networks
- Service Provider Training
- Good Business Governance
- Milk supply agreements

Feedbase and nutrition

- Feeding Pastures for Profit
- Advanced Nutrition in Action

Work capability

- Young Dairy Network
- Farm safety
- Dairy Passport
- Cows Create Careers
- Succession planning
- Women in Dairy groups and events

Animal health and welfare

- Cups on Cups off
- Cool Cows
- Rearing Health Calves
- Milking and Mastitis management

Land, water and carbon

- Solar Thermal storage project
- Dairy Businesses for future climates

Critical response

- Flood response working group meetings
- Covid-19 stakeholder meetings
- Flood response Support services program

COMMUNICATIONS

- Dairy NSW Communications has continued to grow and develop in 2020–21. The Facebook page has expanded from 500 people to a following of 885 people. Dairy NSW Facebook content reaches over 3,589 people on average and averages 1,284 engagements per month which counts the number of times that people engaged in our posts by reactions, comments, shares and clicks. This content is a mixture of upcoming events, Dairy Australia content, videos, interviews, podcasts, collaborative programs with other industry organisations and content of interest to NSW dairy farmers.
- Updates from the Focus Farm / people profiling, story-telling, Regional specific engagement activity posts receive the highest engagement with followers sharing comments.
- Snapshot our monthly e-news is also continuing to grow, with us reaching 950 subscribers. We have received positive feedback from key stakeholders around the new look and feel of our e-news.
- Our printed publication 'MilkFlow' continues to deliver a mixture of technical, regional and support based articles, sharing new information as well as updates from regional events and natural disaster/inclement weather events.
- The Dairy NSW website has a new look and feel, in line with Dairy Australia's website updates. The updated website presents information in a more user-friendly way and includes a month-by-month calendar of national and regional dairy events.
- Covid-19 continued to provide challenges for events running on farm, however, most events were able to be run with Covid safe plans, QR check-ins and vigilant sanitisation. The Dairy Australia Covid-19 Directory of resources continues to be updated in line with new health advice.
- Elise Jeffcott continues to grow and manage the Dairy NSW communications presence.
- To subscribe to any of Dairy NSW media channels or provide suggestions for the continued development of our communications please contact Elise Jeffcott at elise.jeffcott@dairynsw.com.au.

FOCUS FARM

After being pronounced Dairy Australia's most successful Focus Farmer to date by John Mulvaney, Dairy NSW was excited to receive an application to facilitate the next focus farm from Justin Walsh.

Justin has experience in the Dairy NSW Focus Farm program, both as a support group member and as a Focus Farmer. His aim as facilitator is to replicate the structure applied to his Focus Farm. Following a second successful application of this approach, Dairy NSW could look to adopt this method to the program going forward and further refine the Focus Farm program.

Dairy NSW has a strong interest in growing the state's consultant base. The appointment of Justin presents an opportunity to demonstrate this commitment, and to define and refine how we support the development of future consultants. Dairy NSW support Justin through his facilitation journey by the appointment of Phil Shannon as a mentor. Phil's role is to support Justin and coach his facilitation skills, whilst allowing Justin to define his own brand.

In 2021, Kevin and Brodie Game were announced as our new Focus Farmers. Kevin and Brodie lease a 240ha home block at Bemboka, 35km west of Bega, where they milk 250 cows through a 25-a-side swingover shed. They were milking 450 cows at one stage, but the drought meant they had to sell cattle because of the lack of feed. They also have an additional 160ha used for growing and harvesting silage and for dry and young stock.

For Kevin and Brodie, the importance of a facilitator who highlights a pasture-based system as foundational was key in the selection criteria. Justin and Phil both promote this approach and so together, they were an ideal facilitation pair. Both Justin and Phil are excited at the opportunity to replicate the success Justin enjoyed during his time as Focus Farmer, on with Kevin and Brodie's Focus Farm.

To date, we have had two well-attended support group meetings on Kevin and Brodie's farm. Members have been getting up to speed with Kevin and Brodie's current position, have completed a SWOT for their business, and have identified the areas that Kevin and Brodie would like to concentrate on through the Focus Farm program this year. The support group contains a wide range of life and business experience, and expertise and this has made for some robust discussions to date.



DIRECTORS' REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021 DAIRY NSW LIMITED | ABN 19 075 742 157

Your directors present this report on the company for the financial year ended 30 June 2021.

Directors

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

- James Neal (Chairperson)
- Jane Sherborne (Deputy-Chairperson)
- Paul van Wel (Secretary)
- Anthony Burnett
- Delia Dray
- Andrew Smith
- Graeme Hollis (Appointed 13 October 2020)
- Andrew Farr (Appointed 13 October 2020)
- Michael Rood (Resigned 18 August 2020)

Directors have been in office since the start of the financial year to the date of this report.

Principle activities

The company's principal activities are to assist and co-ordinate the activities of the member Regional Development Groups (RDGs) formed to meet the research, development and extension needs of producers and processors and relevant dairy bodies within a region and to foster the emergence of a dairy industry in the NSW region that is world best, prosperous and fulfilling to the industry's stakeholders, while remaining environmentally responsible.

Operating result

The (deficit) surplus of the company for the financial year amounted to:

	Year ended	Year ended
	30 June 2021	30 June 2020
	\$	\$
Total income	(3,073)	100,830

State of affairs

Dairy Australia (DA) continues to provide accounting and administration services. On 1 July 2015 the company entered into a new funding arrangement with Dairy Australia by signing a Regional Services Delivery and Support Services Accord. As part of this Accord, DA now employs all Dairy NSW staff. Accordingly, DA manages the payroll, staff entitlements and fringe benefits arrangements.

To enable the services of an Executive Officer/Company Secretary to the board of Dairy NSW, DA and Dairy NSW entered into a secondment arrangement for the Regional Manager to serve joint roles.

Matters subsequent to the end of the financial year

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

Likely developments and expected results of operations

There are no likely developments expected to impact significantly on the company and its operations in the future.

Environmental Issues

The company is not subject to significant environmental regulation.

Dividends

The Articles of Association prohibit distribution of realised surpluses and the payments of dividends to its members.

Directors' benefits

No director of the Company has received or become entitled to receive any benefit other than:

- i. a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the accounts; or
- ii. the fixed salary of a full-time employee of the company or of a related corporation;
- iii. by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

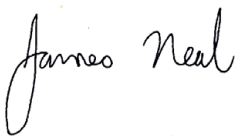
Insurance of officers

Directors and officers insurance was paid in November 2020 to cover the 12 months beginning November 2020 and will be renewed in November 2021 for a further 12 months, including cover for professional indemnity insurance.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* has been included.

Signed in accordance with a resolution of the Board of Directors:



James Neal (Chairperson)
Director



Paul van Wel
DairyNSW Secretary

August 2021

DIRECTORS' DECLARATION

The directors of the company declare that:

- 1 the financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards and the Corporations Regulations; and
 - b. give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the year ended on that date;
- 2 in the directors' opinion, there are reasonable grounds to believe that the company 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.



James Neal (Chairperson)
Director

August 2021



Paul van Wel
DairyNSW Secretary

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		\$	\$
Revenue	2	983,217	1,087,809
Gross surplus		983,217	1,087,809
Marketing		-	-
Operating expenses		(986,290)	(986,979)
Operating (deficit) surplus		(3,073)	100,830
Retained surplus at the beginning of the financial year		1,038,359	937,529
Retained surplus at the end of the financial year		1,035,287	1,038,359
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		1,035,287	1,038,359

BALANCE SHEET

AS AT 30 JUNE 2021

	Note	2021	2020
		\$	\$
Current assets			
Cash assets	3	1,524,742	1,322,534
Receivables	4	-	33,001
Current tax assets	5	8,806	-
Total current assets		1,533,548	1,355,535
Non-current assets			
Property, plant and equipment	6	-	-
Total non-current assets		-	-
Total assets		1,533,548	1,355,535
Current liabilities			
Payables	7	67,924	65,552
Current tax liabilities	5	-	3,444
Other	9	430,337	248,180
Total current liabilities		498,261	317,716
Total liabilities		498,261	317,716
Net assets		1,035,287	1,038,359
Equity			
Retained surplus		1,035,287	1,038,359
Total equity		1,035,287	1,038,359

STATEMENT OF CHANGES IN EQUITY

	Note	Retained Surplus	Total
		\$	\$
Balance at 30 June 2019		937,529	937,529
Surplus attributable to the members		100,830	100,830
Subtotal		100,830	100,830
Balance at 30 June 2020		1,038,359	1,038,359
(Deficit) attributable to the members		(3,073)	(3,073)
Subtotal		(3,073)	(3,073)
Balance at 30 June 2021		1,035,287	1,035,287

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
Cash flow from operating activities		
Funding – Dairy Australia	742,157	773,623
Event income	-	9,180
Specific project income	230,761	292,469
Interest on investments	6,868	12,835
Other income	118,383	297,953
Sponsorship income	100,206	18,200
Payments to suppliers and employees	(996,167)	(1,255,706)
Net cash provided by (used in) operating activities (note 2)	202,208	148,554
Cash flow from investing activities		
Payment for leasehold improvements	-	-
Net cash (used in) provided by investing activities	-	-
Net increase (decrease) in cash held	202,208	148,554
Cash at the beginning of the year	1,322,534	1,173,980
Cash at the end of the year (note 1)	1,524,742	1,322,534

Note 1 Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments. Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash at bank	1,524,742	1,322,534
	1,524,742	1,322,534

Note 2 Reconciliation of net cash provided by/used in operating activities to net (deficit) surplus

Operating (deficit) surplus	(3,073)	100,830
(Increase) decrease in trade debtors	33,001	78,719
(Increase) decrease in sundry and other debtors	-	24,997
Increase (decrease) in sundry creditors and accruals	2,372	(288,897)
Increase (decrease) in GST/PAYG withholding liabilities	(12,250)	15,950
Increase (decrease) in unearned income liabilities	182,157	216,955
Net cash provided by (used in) operating activities	202,208	148,554

Note 1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers DAIRY NSW LIMITED as an individual entity. DAIRY NSW LIMITED is a public company limited by guarantee, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(b) Accounting policies

Income tax

The company has obtained an exemption from the payment of income tax and therefore no income tax provision has been made.

Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value, less, where applicable, any accumulated depreciation or amortisation. The depreciable amount of all fixed assets is depreciated or amortised on a straight line basis over their useful lives, commencing from the time the asset is ready for use. The amortisation rate used for Leasehold Improvements is 33.33%pa.

Financial instruments

a. Credit risk exposure

The credit risk on financial assets of the company which have been recognised in the balance sheet is generally the carrying amounts, net of any provision for doubtful debts.

b. Interest rate risk exposure

The company's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and liabilities is set out below.

	Floating	Non interest bearing
Cash at bank	1,524,742	-
Receivables and other assets	-	-
	1,524,742	-
Average interest rate pa (%)	1	-
Creditors and accruals	-	(67,924)
Net financial assets/(liabilities)	1,524,742	(67,924)

c. Net fair value of financial assets and liabilities

The net fair value of financial assets and liabilities approximates their carrying value.

Provisions

Provision are recognised when DAIRY NSW LIMITED has a legal or constructive obligation, as a result of past events, for which it is probable that the outflow of economic benefit will result and that the outflow can be measured reliably.

Cash and cash equivalents

Cash and Cash Equivalents includes cash on hand, deposits held at call with banks or financial institutions and other short term highly liquid investments with original maturities of three months or less.

Revenue

Funds Income is recognised as revenue when the company obtains control over the assets comprising the funds. Control over fund assets is normally obtained upon their receipt.

Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation 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 balance sheet are shown inclusive of GST.

Note 2 Revenue and other income

	2021	2020
	\$	\$
Revenue		
Funding: Dairy Australia program conduct income	560,000	556,668
Event income	-	9,180
Specific project income	197,760	213,750
Sponsorship income	100,206	18,200
Interest income	6,868	12,835
Other income	118,383	277,176
	983,217	1,087,809

Note 3 Cash assets

Bank accounts

Cash at bank	904,703	708,558
Term deposit	620,040	613,679
	1,524,742	1,322,534

Note 4 Receivables

Current

Trade debtors	-	33,001
	-	33,001

Note 5 Tax assets

	2021	2020
	\$	\$
Current		
Net GST/PAYGW receivable (payable)	8,806	(3,444)
	8.806	(3,444)

Note 6 Property, plant and equipment

	-	-
	-	-

Note 7 Payables

Current		
Sundry creditors and accruals	40,409	49,471
Funds held on behalf of Committees	14,740	16,080
Loans from Dairy Australia	12,774	
	67,924	65,552

Note 8 Provisions

Current		
Employee entitlements	-	-
	-	-

Note 9 Other liabilities

Current		
Unearned grant income	430,337	248,180
	430,337	248,180

Note 10 Auditors' remuneration

Remuneration of the auditor of the company for:

• Auditing the financial report	3,750	3,750
	3,750	3,750

Note 11 Operating lease commitments

There were no material operating lease commitments.

Note 13 Events subsequent to reporting date

Since the end of the financial year have been no material events requiring either adjustment or disclosure in this financial report.

Note 14 Related party transactions

There were no related party transactions during the year.

Note 15 Segment reporting

The company operates in the dairy industry and only in New South Wales, Australia.

Note 16 Members' guarantee

The company is limited by guarantee. If the company is wound up, the Memorandum and Articles of Association states that each member is required to contribute a maximum of \$100 (2020: \$100) each towards meeting any outstanding obligations of the company.

Note 17 Company details

The registered office of the company is:
Dairy NSW Limited
c/- Paul van Wel
14 Boyd Street
Minnamurra NSW 2533

AUDITOR'S INDEPENDENCE DECLARATION

Under section 307c of the *Corporations Act 2001*

To The Directors of: Dairy NSW Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been:

- i no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the Audit; and
- ii no contraventions of any applicable code of professional conduct in relation to the audit

Grant Feitelberg, Chartered Accountant

Hymans Feitelberg
Level 2, 79–85 Oxford Street, Bondi Junction NSW 2022



August 2021
Sydney

INDEPENDENT AUDITOR'S REPORT

Report on the financial report

We have audited the accompanying financial report of DAIRY NSW LIMITED (the company), which comprises the Directors' Declaration, the Statement of Comprehensive Income, Balance Sheet, Statement of Cash Flows, Statement of Changes In Equity, a summary of significant accounting policies and other explanatory notes for the financial year ended 30 June 2021.

The Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of DAIRY NSW LIMITED on 30 June 2021 would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's opinion

In our opinion:

- a. the financial report of DAIRY NSW LIMITED is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001;

**Grant Feitelberg, Chartered Accountant
Hymans Feitelberg**

Level 2, 79–85 Oxford Street, Bondi Junction NSW 2022



August 2021
Sydney

Disclaimer report to Dairy NSW Limited

The additional financial data presented in the following pages is in accordance with the books and records of DAIRY NSW LTD for the year ended 30 June 2021. It will be appreciated that our statutory audit did not cover all details of this additional financial data. Accordingly we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than our client) in regards to such data, including any errors or omissions therein however caused.

**Grant Feitelberg, Chartered Accountant
Hymans Feitelberg**

PO Box 1821, Bondi Junction NSW



August 2021
Sydney

DETAILED INCOME STATEMENT

	2021	2020
	\$	\$
Income		
Funding: Dairy Australia program conduct	560,000	556,668
Event income	-	9,180
Specific project income	197,760	213,750
Sponsorship income	100,260	18,200
Interest received	6,868	12,835
Other income	118,383	277,176
Total income	983,217	1,087,809
Expenses		
Audit fees	3,750	3,750
Bank fees and charges	687	789
Donations	887	1,186
Insurance	5,914	5,879
IT maintenance and support	23	363
Legal fees	383	906
Materials and supplies	1,191	853
Meeting expenses – Directors and Chair fees	29,230	26,842
Meeting expenses – Directors travel	7,881	7,080
Meeting expenses – Directors other expenses	1,596	6,473
Meeting expenses – Members fees	4,201	6,686
Meeting expenses – Members travel	4,845	2,281
Meeting expenses – Members other expenses	11,946	6,134
Motor vehicle expenses	42,252	40,720
Postage	2,371	1,732
Printing and stationery	7,462	5,982
Project costs	296,771	254,713
Rent on land and buildings	3,077	16,510
Repair and maintenance	-	143
Research and education	-	10,000
Salaries and wages	473,971	466,362
Small equipment	202	106
Sponsorship	23,800	10,600
Staff amenities	396	85
Staff training	35	-
Sundry expenses	705	397
Superannuation	43,686	42,363
Travel expenses	19,028	77,044
Total expenses	986,290	986,979
(Deficit) Surplus from ordinary activities	(3,073)	100,830

CONTACTS

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Board

James Neal, Chair
Jane Sherborne, Deputy Chair
Delia Dray, Director
Tony Burnett, Director
Andrew Smith, Director
Graeme Hollis, Director
Andrew Farr, Director

Staff

Paul van Wel, Regional Manager
Carly Potts, Regional Extension Officer – Mid Coast
Elise Jeffcott, Communications and
Administration Coordinator
Jane Woolacott, Regional Extension Officer –
Far South Coast and Wagga
Jonathan Price, Regional Extension Officer –
Hunter and Central West

Acknowledgements

Dairy NSW would sincerely like to thank all those involved in its activities for their participation, encouragement and support.

In particular we would like to express our appreciation to the dairy farmers of NSW and the following organisations: Dairy Australia, NSW Farmers' Association Dairy Committee, Dairy Connect, NSW Department of Primary Industries, Local Land Services, University of Sydney, and our Regional Dairy Groups (Far South Coast Dairy Development Group, Hunter Dairy Development Group, Inland Wagga Dairy Network, Central West Dairy Group, Mid Coast Dairy Advancement Group and the South Coast and Highlands Dairy Industry Group).

Disclaimer

The content of this publication including any statements regarding future matters (such as the performance of the dairy industry or initiatives of Dairy Australia) is based on information available to Dairy Australia at the time of preparation. Dairy Australia does not guarantee that the content is free from inadvertent errors or omissions and accepts no liability for your use of or reliance on this document. You should always make your own inquiries and obtain professional advice before using or relying on the information provided in this publication, as that information has not been prepared with your specific circumstances in mind and may not be current after the date of publication.

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