



WESTERN DAIRY ANNUAL REPORT

2018–19





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INTRODUCTION

Western Dairy is a profit-for-purpose organisation enabled by dairy farmer levies which are matched by the Australian Government and channelled through Dairy Australia. Our activities are substantially augmented with additional funding partnerships led by the WA Department of Primary Industries and Regional Development (DPIRD).

WA dairy farmers are the beneficiaries of the RD&E Hub project, co-funded by Dairy Australia and the DPIRD, that has local dairy science operating in tandem with local dairy extension. WA dairy farmers also have the capability to directly influence the dairy science activities and ensure regional relevance.

Striking the right combination of research, extension, training, industry promotion and positioning is a key responsibility of the Western Dairy Board to ensure that it is meeting the needs of its levy payers – comprising some 150 farms that are operating on average, the largest herds in the country. This phenomenon together with our geographic isolation and our pasture-dominated dairy systems provide the basis for Western Dairy’s set of priorities and projects.

Larger herds bring with them an ever-increasing need to manage farm finances; to prudently optimise the feed inputs; to capably and responsibly manage farm systems including effluent and nutrients; and to consider the health, safety and training needs of the growing teams of people that keep the dairies operating.

Our vision a vibrant, profitable and responsible dairy industry in Western Australia based on dairy farmers having the business acumen and capacity to value opportunities

Western Dairy responded to these needs over 2018–19 by:

- Investing in locally-based research activities that are unique to our region, including a focus on trials to increase our knowledge of pasture and smarter irrigation on WA dairy soils;
- Substantially increasing its efforts in environmental management through the delivery of the DairyCare project;
- Increasing support functions around dairy farm finance;
- Developing the Year 12 Graduate Placement Program to help drive the interest of young people taking up traineeships on dairy farms;
- Focusing on the seasonal response needs at a farm level, particularly in the area of feedbase and animal health and reproduction; and
- Continuing to support our next generation of farmers and dairy farm service providers through our Young Dairy Network program.

The following pages highlight our activities and achievements. We thank you for your support.

GOVERNANCE

Western Dairy’s directors chose to augment their farmer representation on the Board this year in recognition of the increased responsibilities that are being imposed upon farmer directors.

An open call for directors resulted in Nick Brasher’s appointment to the Board as a non-farmer director with special skills (replacing Ruben Zandman who did not seek re-election); and Andrew Jenkins appointment (replacing Mat Daubney who did not seek re-election). The Board took the decision to co-opt farmers Robin Lammie in February 2019 and Scott Hamilton in August 2019.

Three appointed director positions will be contested at the 2019 Annual General Meeting. Vicki Fitzpatrick will complete her first term as director and is not seeking a second term. Brian Piesse will re-stand for his third and final term. Grant Evans is standing down to create an additional vacancy.

CHAIR'S REPORT

Doing more with less is a catchcry that every WA dairy farmer is used to, and perhaps never more so than in this 2018–19 financial year.

Less water, less time, and less cash to buy more feed is something we have all been struggling with. Yet by all accounts this is nothing to what some of our friends in Northern Victoria, parts of Gippsland and large parts of NSW and Queensland have been dealing with.

On top of that our industry has had to deal with external pressures like the threat of activism and the launch of Aussie Farm Maps. When the chips are down on the farm there is nothing worse than reading about what some radical element is up to. It is easy to forget sometimes that they are a tiny minority just hitting on us at a bad time.

That is why I have been so pleased to see the launch of the Dairy Australia marketing campaign Dairy Matters with its 'You ask, we answer' philosophy. This is such a great initiative to reach out to consumers and tell the wonderful stories of dairy. Even though this website and the communication initiatives that go with it are targeted to the conscious consumer, it is good for our souls to have a dose of Dairy Matters sometimes so that we are well-versed to answer any questions that come up.

So how has Western Dairy responded to this tough year? I hope that as levy payers we can all see and feel the benefit of the support and activities that our organisation has offered over this period. I have been particularly proud of the way the team has constantly reviewed its plans to ensure our offering is current.

From our well-attended seasonal response workshops in summer and autumn designed to help us refocus on the essential elements of feed and financial budgeting, to the evening meetings with resilience expert Dennis Hoiberg, to our new initiative promoting dairy traineeships with the Ag Colleges to try and fill that people gap we always struggle with, I hope that farmers are seeing us respond to the key issues.

Meanwhile, as always, our Dairy Innovation Day continues to be the event that brings us all together. This year we were privileged to be able to stage our 20th annual Dairy Innovation Day at what is arguably the most innovative dairy in the state, Bannister Downs. It certainly gave me a big boost of confidence to see the level of investment that has been made in this remarkable establishment. This alone seemed to bring a smile to the 400+ delegates who attended. Further, the in-depth virtual tour exploring the workings of Bannister Downs from pasture to end-product was a total winner. And the successful partnership of top animal and grazing management with innovative technology, demonstrated by both the Daubney and Bettink family businesses is highly relevant to us all.

As I look over this report and reflect on the projects and activities and the personnel delivering them on behalf of all of us, I am confident that Western Dairy continues to punch above its weight. We are a small dairying state in volume and number of businesses. Yet we have an exceptional support organisation that has consistently been able to leverage the levy to attract additional funding to better address local priorities and increase the range of activities we offer.

I encourage farmers, service providers and our industry stakeholders to continue to connect with Western Dairy activities, whenever time and resources permit, and together we can continue to grow and thrive.



A handwritten signature in black ink, which appears to read 'V. Fitzpatrick'.

Vicki Fitzpatrick Chair 2018–19

OUR BOARD



Vicki brings to the board a unique combination of dairy science and extension knowledge together with farming experience. Vicki holds a Masters of Biological Science and runs a 180 split-calving herd at Waroona with her husband Luke. Vicki has worked for government research agencies as well as managing her own private consulting practice, specialising in nutrient and grazing management.

Vicki Fitzpatrick Chair

Appointed 2016



Brian brings a wealth of experience to the Western Dairy Board in board governance, strategic planning, executive and risk management and business development. He is a Fellow of the Institute of Company Directors and of the Australian Institute of Management, and has held senior executive roles in international chemical and fertiliser companies as well as directorships across local government, regional development and educational sectors. Brian is currently President of the Shire of Donnybrook Balingup and Deputy Chair of the South West Catchments Council.

Brian Piesse Vice Chair

Appointed 2013



Grant runs a family dairy enterprise at Busselton that milks 850 cows. He plays an active role in the development of Western Dairy. He has gained significant exposure and insight into succession planning through his own experiences on the family farm, as well as training in the wheatbelt, bringing a breadth of real-world skill to our board.

Grant Evans Director

Appointed 2014



Andrew and his wife Claire farm at Denmark milking 600 cows with an eye on expansion should the opportunity arise. Andrew was co-opted to the Board in 2018 and took the opportunity to move into an appointed role the following year. He brings to the board a valuable combination of skills and keen interests in business management, pasture production and genetics.

Andrew Jenkins Director

Appointed 2018



Nick is a director of FarmWest, which he purchased with his parents Rod and Maxine in 2011. He has travelled extensively within the dairy industry at home and abroad and has a deep understanding of profit drivers. Nick has a life-long passion for the dairy industry and is focused on helping WA dairy farmers to become more profitable via astute use of genetics, data and new technologies. As a specialist director, Nick makes an excellent technical and strategic contribution to the board.

Nick Brasher Director

Appointed 2018

Robin Lammie Director

Co-opted Feb 2019

Ruben Zandman Director

Appointed 2015
Completed first term Nov 2018

Matthew Daubney Director

Appointed 2015
Completed first term Nov 2018

The record of director meeting attendance over 2018–19 can be viewed at westerndairy.com.au

OUR PEOPLE



Agricultural marketing and management consultant Esther was appointed as executive officer of Western Dairy in 1999. She is responsible for its overall management and performance, operating from head office in Denmark. Under her leadership, Western Dairy has grown in stature and recognition to become a quality provider of services and information to the WA dairy industry. She is passionate about industry advancement.

Esther Jones Regional Manager



Kirk supports the Western Dairy research and extension program based in Bunbury. He is responsible for guiding current research projects to best meet the needs of WA dairy farmers. With a strong background in agricultural science and business, Kirk is widely connected within the WA dairy industry stemming from previous roles with CSBP and as a former director of Western Dairy.

Kirk Reynolds Dairy Hub Team Leader

Became an independent consultant on 1 July 2019



Jess coordinates Western Dairy's extension portfolio of events and engagement. She holds a Bachelor of Animal Science with Dairy Science Honours from Murdoch University. Jess is from a dairy farming family and is driven to educate and support the WA dairy community.

Jessica Andony Regional Extension Officer



Ya-Chun manages Western Dairy's independent pasture trials and implements pasture projects that meet WA industry needs and priorities. Results are shared with farmers to shape their feedbase management decisions. She holds a Master of Agricultural Science degree from the University of Western Australia, majoring in Crop and Animal Farming Systems. She has worked in agricultural production in her native Taiwan and in Australia. Her passions are establishing best practice dairy pasture production and helping dairy farming to become more profitable and sustainable through home-grown feed.

Ya-Chun Yu Dairy Pastures Research Officer



Rob leads the Western Dairy dairy training program, in partnership with South Regional TAFE. He works with dairy trainees and those undertaking Cert IV in Agriculture (Dairy) to fulfil their training needs, using industry-accredited and recognised training resources.

Rob La Grange Dairy Training Officer



Dan is an agronomist and the Western Dairy DairyCare Project Officer working to improve effluent systems in partnership with the Department of Water. He is experienced in effluent design and works with farmers to produce efficient systems that deliver on-farm benefits as well as improved water quality outcomes within their catchments. Dan also supports the Dairy Farm Monitor Program, the annual benchmarking of the WA dairy industry and delivers Feeding Pastures for Profit workshops.

Dan Parnell DairyCare Project Officer



Tammy is an agronomist with a HR qualification specific to the dairy industry. She leads Western Dairy's workforce development activities, supporting dairy farmers across a range of human resource issues. She aspires to have every WA dairy farm using employment contracts for their staff and to have a safety culture as part of their daily operation. Tammy also makes a considerable contribution to Western Dairy's feedbase and animal nutrition work and has edited the much-loved *Feed Trough* for many years.

Tammy Negus Workforce Development Officer



REGIONAL MANAGER'S REPORT

As I oversee the preparation of what is my 19th annual report for Western Dairy, it is an opportune time to reflect on how the role of Western Dairy has changed over time.

We have moved from an organisation with an executive officer working one day per week to a Western Dairy Hub with a team of six staff and some wonderful contractors providing support and expertise to the industry across a range of disciplines.

While the number of farm businesses has declined in that period to now sitting at 150, our milk production has remained solid over time, albeit with a 10m litre hit last year primarily due to the impacts of a tough season and the lack of incentive to produce more due to feed costs.

While there has been and will continue to be rationalisation of businesses (that is the same everywhere, not only in agriculture but across the spectrum of industry), those choosing not to succumb to rationalisation pressure are mostly growing both in size and complexity. And, it is the complexity of the dairying business that has driven the growth in the Western Dairy service offering.

As our Dairy Farm Monitor Program continues to indicate, it is not the system but the management of it that dictates the success of a dairying business. And supporting the management of dairy business has been our strength.

I would like to pay particular tribute to the Western Dairy team that has connected with our farmer base and made a contribution – even if in just some small way – to their business and business decisions over this tough year.

Kirk Reynolds, who led the Western Dairy Hub so admirably for the last few years and instilled the principals of data-driven decision-making in as many farmers as he could reach. 'Know your data, know your margins' is his mantra. The success of Kirk's discussion groups and the value of the Dairy Farm Monitor Program that he has overseen is a credit to him.

Jess Andony, whose passion is dairy cow animal health and reproduction, has been the driver of many Western Dairy workshops and seminars and the instigator of the pilot Calf Health Research Project in collaboration with Murdoch University.

Peter Hutton, our research scientist who designed and drove the WA Seed Performance Trials until his retirement in April – and was then replaced by pastures research officer Ya-Chun Yu. Together they have shown the value of locally-based applied research, delivered in dairy farmer paddocks and used a great tool to drive understanding of pasture varieties yield x energy.

Dan Parnell, DairyCare project officer is taking on the significant responsibility of 30 effluent system upgrades throughout the state – a project that will enable the industry to genuinely claim it is making a significant improvement in the way it deals with dairy shed effluent.

Rob La Grange, our dairy trainer who has completely reinvented the way in which dairy traineeships are delivered and in doing so, is regularly on farm working directly with our cohort of trainees.

In addition to our staff, we have the benefit of accessing via contract the services of Tammy Negus (Feedtrough editor and workplace development officer); Sam Taylor (working with Dan to deliver effluent system designs and upgrades) and communications specialist Jenelle Bowles of the South West Catchment Council.

The fact that we are able to offer this level of service is due exclusively to the exceptional funding partnerships we have with three state government bodies – the Department of Primary Industries and Regional Development; the Department of Water and Environmental Regulation and the South Regional TAFE.

In addition, our strategic partner in South West Catchments Council, whose offices we share and philosophies we endorse, has enabled environmental stewardship to remain at our core.



Esther Jones Regional Manager and Executive Officer

SNAPSHOT

WA INDUSTRY 2018-19

374
million litres
OF MILK IN 18-19



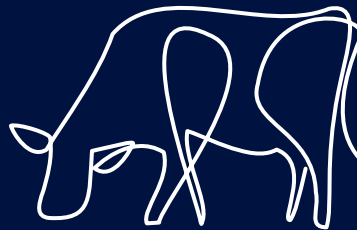
4.3%
OF NATIONAL
PRODUCTION



150
dairy farms



2,500
people
EMPLOYED IN DAIRY



AVERAGE
HERD SIZE
373
COWS

AUSTRALIAN
DAIRY HERD
2.2
million
COWS

Table 1 Western Australia – key data 2018-19

Indicator	2018-19	2017-18	2016-17	2015-16	2014-15
Volume (litre)	374,401,618	385,448,491	384,827,863	392,209,893	367,071,062
Farmgate value (¢/litre)	50.17	49.87	50.58	52.31	51.00
Value generated by milk production (\$)	187,837,292	192,233,005	194,646,794	205,180,781	187,207,691



EDUCATION AND EXTENSION

In the 2018–19 financial year Western Dairy delivered 40 extension activities to the WA dairy industry, encompassing farmers, service providers, students and industry personnel. These activities focused on the five key elements of a dairy farm business: farm business management, animal performance, feedbase and nutrition, land-water-carbon, people and capability.

Western Dairy aims to roll out workshops and events that are informative, relevant and timely for the WA industry. Our suite of extension activities grows each year with new research and information that is developed, and as seasonal conditions on farm change. As such no two years of extension activities look the same, and what we offer is largely driven by farmer need.

In this past financial year there were two seasonal response workshop series: Summer Feeding and Autumn Management, and both were well attended. These workshops aimed to address some of the growing concerns and issues farmers were facing with undesirable weather conditions and high feed costs. Certain workshops remain each year, such as Cups On Cups Off and Feeding Pasture for Profit, as farms always have new employees to train. Western Dairy also continues to produce its monthly *Dairy Digest* e-news, monthly *Tanker Drop* newsletter and quarterly *Feed Trough* newsletter.

Our annual events such as the Spring Forum, Innovation Day and Business Breakfast continue to be well attended and supported and we thank all of those who come along to these events, and particularly our sponsors who help make these events possible.

As well as extension activities, Western Dairy was also involved in presenting lectures to Murdoch University students on a range of dairy-related topics. This year consisted of seven lectures and three tutorials over three weeks, as well as providing questions to the students' end of semester exam.

Table 2 Extension activities

Event	Attendance	Information
Who's got grass paddock walk 24 July and August 2018, Cowaramup & Waroona	31 total (2 sessions) 22 farmers, 9 service providers	Aimed at dairy farmers, this session was on-farm and dealt with seasonal conditions impacting grass growth
Annual business breakfast 26 July 2018, Busselton	87 total 11 farmers, 76 service providers	Aimed at WA's finance sector, this session covered the latest Dairy Farm Monitor program findings, as well as outlooks and trends from the Trade and Industry Strategy Team at Dairy Australia
Feeding pastures for profit 13 August 2018, Albany	15 total	The first on-farm day of FPPF covering off on three leaf grazing principle for ryegrass pastures and paddock rotation
Cups on cups off 15 and 16 August 2018, Busselton	9 total 8 farmers, 1 service provider	Presented by an accredited Countdown Advisor, this two-day workshop covers best practise of reducing the risk of mastitis on-farm
Young Dairy Network winter quiz night 3 August 2019, Bunbury	46 total 33 farmers, 13 service providers	A social evening for young farmers and young service providers to network with one another
Pre-calving nutrition dinner 10 September 2018, Northcliffe	18 total 17 farmers, 1 service provider	Based on the Dairy Australia Transition Cow Management workshops, this session was presented over a dinner and discussed the key dietary requirements of springer cows
Feeding pastures for profit 11 September 2018, Redmond	15 total	The second on-farm day of FPPF covering off on the body of evidence and 'clumpology' when it comes to grazing management
Summer feeding workshop series November/December Waroona & Denmark	92 total (6 workshops) 54 farmers, 38 service providers	Two hour sessions with multiple speakers, in six regions with topics on: feed budgeting, marginal feeding response, hay and grain update and ration formulation for summer

Event	Attendance	Information
Building high performing teams dinner with Mandy Johnson, 22 November 2019, Busselton	29 total 26 farmers, 3 service providers	Aimed at farms that employ multiple staff, this over dinner session covered off on the key staff management principles all farms should have in place.
Springfield Day and AGM 23 November 2019, Bunbury	63 total 22 farmers, 41 service providers	The annual Spring Forum and AGM, presented by Western Dairy team members is an update of the activities and research projects the team are currently working on, and encompasses the AGM and any changes to the constitution
Young Dairy Network end of year celebrations December 2019, Bunbury & Albany	33 total (2 sessions) 29 farmers, 4 service providers	Informal networking events for young farmers to attend
HR fundamentals workshops December 2019, Busselton & Denmark	26 total (2 workshops) 23 farmers, 3 service providers	Delivered by HR consultant Daryl Poole and Western Dairy Workforce Development Coordinator Tammy Negus, these workshops covered all topics when it comes to employing staff in a dairy business
Dinner with guest speaker Dennis Hoiberg February 2019, Harvey & Dardanup	46 total (2 sessions) 38 farmers, 8 service providers	Dennis Hoiberg is an organisational consultant with interests in human psychology. His talk focused on mental health and resilience. This session came at a time when seasonal conditions were trying and feed prices were very high
Young Dairy Network dinner with Catherine Marriott 22 February 2019, Bunbury	22 total 16 farmers, 6 service providers	Catherine Marriott, a motivational and inspiring speaker, was invited to speak to the YDN on 'Persistence, purpose and perseverance in the dairy industry', with the aim to give young farmers good reasons to stay in dairy
Dairy Service Providers forum with Basil Doonan 26 February 2019, Bunbury	35 total 0 farmers, 35 service providers	Aimed at service providers, this session presented the latest Dairy Farm Monitor Project results, and included a presentation from Basil Doonan, a financial consultant
Dairy Farm Monitor Project workshop with Basil Doonan 26 February 2019, Cowaramup	11 total 8 farmers, 3 service providers	Aimed at dairy farmers, this session presented the latest Dairy Farm Monitor Project results, and included a presentation from Basil Doonan, a financial consultant
Autumn workshops April 2019, Harvey & Busselton	32 total (2 sessions) 12 farmers, 20 service providers	Two hour sessions with multiple speakers, covering topics on: Pest management, seeding and autumn fertiliser, kikuyu grazing management and downer cows
Feeding pastures for profit 7 May 2019, Busselton	11 total 7 farmers, 4 service providers	The first theory day of FPPF, covering the managing of pastures and crops to optimise efficiency and dry matter consumption
Dairy Innovation Day 16 May 2019, Northcliffe	400 total	The dairy industry's big day out, which takes place on a different WA dairy farm each year, and aims to highlight the latest innovation and technology in dairy. Please refer to page 12 for full details on Innovation Day
Feeding pastures for profit 29 May 2019, Busselton	10 total 6 farmers, 4 service providers	The second theory day of FPPF, which investigated integrating pastures and supplements for profit and managing cow efficiency
Levy Payer/Board Dinner 4 June 2018, Harvey	20 total 18 farmers, 2 service providers	The Western Dairy board met with levy payers in the Harvey region to keep up-to-date with regional conditions
Cups on cups off 27 June 2019, Scott River	11 total 9 farmers, 2 service providers	A one-day COCO, aimed at temporary staff (e.g. backpackers), to cover best milking techniques to reduce incidences of mastitis
Taking Stock visits	21 visits completed	For businesses that need assistance after a few difficult seasons, Western Dairy offered confidential consultant visits to farmers. These covered many topics and were tailored to meet the farmers' needs
Discussion groups	Members	Information
Dairy Business Network Northern region	14	Facilitated by Kirk Reynolds: met five times over the financial year
Dairy Business Network Southern region	7	Facilitated by Kirk Reynolds: met five times over the financial year



DAIRY INNOVATION DAY 2019

Investing in innovation and sustainability were the major themes of the WA dairy industry's biggest annual celebration, Dairy Innovation Day 2019.

More than 400 farmers and service providers converged on Northcliffe's Bannister Downs and Westland Acres dairies on 16 May for the 20th anniversary of the conference and exhibition event.

At the Bannister Downs Creamery, delegates took a closer look at the new world-class robotic dairy with commentary from owners Mat and Sue Daubney. The crowd was also entertained with a live virtual tour of the property made possible by a drone, six cameras, eight crew and two kilometres of cable.

Like previous years, the Dairy Innovation Day program drew on the host farm for inspiration and this year grazing management, yard design and cow flow, calf health, effluent management, as well as agribusiness management, were the hot topics.

In the afternoon, delegates visited Wally and Julie Bettink's Westland Acres to see their new DeLaval rotary platform and learn more about their effluent management system.

Fostering leading edge dairy research was another highlight of the program with Western Dairy Scholarship recipients and Murdoch University honours students Shilja Shaji and Felicity Searle sharing their research successes.

Later in the evening, delegates recharged at the Pioneer Brand Products Gala Dinner in Pemberton with guest speaker Dr Anneline Padayachee – 'The Simple Scientist'.



Nutritionist Dr Anneline Padayachee and Western Dairy's Rob La Grange



DWER's Debbie Holtham, Geocatch's Bree Brown and Western Dairy's Dan Parnell



Bannister Downs co-owner and host Sue Daubney



Westland Acres co-owner Wally Bettink talks effluent management



Westland Acres co-owner Julie Bettink welcomes delegates to her dairy



WA College of Agriculture – Harvey students Pieter Janse Van Rensburg, Emma Varis and Laura Piggott



Ray, Mary and Doug Kitchen win the DataGene Award for Breeding Excellence

Platinum sponsors



Gold sponsors



Silver sponsors



COLLABORATION

Dairy Business Network discussion groups

The Dairy Business Network (DBN) discussion groups meet every six to eight weeks and are self-driven to open up and share their business learnings with each other. Each host farm discusses their physical and financial performance from the previous financial year. They also share their philosophies on resources management of land, labour and cows as well as what drives their businesses. Group members get a real insight into how each business runs and the opportunity to see first-hand the 'real' performance of each different farm, under the current season. They have the ability to really interrogate each other's thoughts and philosophies and the outcomes of their efforts. As part of the regular meet they also discuss seasonal strategies and the daily marginal feed performance of each business.

The Northern group is entering its third year and is really developing into a strong, trusted network of great businesses. They really interrogate each other and are constantly tweaking their businesses after each meet. The Vasse group was newly formed in February 2019 and is starting to develop into a similar trusted network. Both groups had the opportunity to open their arms to the well-respected Tasmanian and South African business consultant Basil Doonan.

DBN North

Michael Giumelli, Stuart Maughan, Dale Hanks, Michael Partridge, Anthony Commisso, Warrick Tyrrell, Phil Depiazzi, Kevin Depiazzi, Matthew Brett, Michael Twomey, Victor Rodwell, Dwayne Neill, Brian Green and Kim Gardiner.

DBN Vasse

Oscar and Tammy Negus, Kieran Chapman, Garry Haddon, Tahlia McSwain, Scott Hamilton, Wes Lammie, Bryn Jenkins, Scott and Michelle Weldon, Steve and Brad Noakes.

Dairy Farm Monitor Program

With support from DPIRD and the South West Development Commission, Western Dairy continues to collect farm financial and physical data from up to 30 farms to prepare the annual Dairy Farm Monitor benchmarking report. This critical document provides validated evidence of the performance of WA dairy farms. The data enables individuals to compare their own performance against similar systems, but more importantly provides the rationale to support investment decisions in WA dairy.

Technical reference group

The purpose of the technical reference group (TRG) is to provide strategic direction and technical support to the Hub project team, and to specifically:

- Contribute their skills, knowledge and experience to the development of research proposals aligned with the needs of farmers, project funders and WA dairy industry stakeholders;
- Provide advice to the Western Dairy Board on proposed and current research activities;
- Support the Hub Team as required through participation in project workshops and provision of advice on RD&E priority needs of the WA dairy industry;
- Support Western Dairy in identifying and advocating for funding opportunities to ensure the on going sustainability of the program;

The reference group achieved a second WASP and pasture variety trial at two sites in 2018. A new larger site was established in Dardanup at Matt and Angela Brett's farm and was the first year that seed service providers funded the pastures research. The second site at Boyanup continued. The beginning of 2019 saw another new site established, moving into the longer growing season at Peter Duggan's Cowaramup farm.

Over the summer period, Western Dairy researcher Peter Hutton investigated the benefits of kikuyu. Four separate locations were set up each with on-site soil moisture monitoring. The benefits, growth, costs and various management options were investigated. The results have fuelled greater awareness about the value of kikuyu and how to get the most out of it. Ongoing collaborative work with Queensland researchers is improving our understanding of kikuyu.

TRG members

Vicki Fitzpatrick (Chair); Peter Johnson (DA); Bruce Mullan (DPIRD); Dario Nandapi (service provider); Jacqui Biddulph, Warrick Tyrrell, Kirk Reynolds, EO Esther Jones. Regular invitees – Jess Andony and Pete Hutton (Western Dairy).

FOR FURTHER INFORMATION

Email kirk.reynolds@westerndairy.com.au



SCIENCE

WA Seed Performance trial

In direct response to the dairy industry's loud request for independent evaluation of annual ryegrass seed performance in local conditions in Western Australia, the Western Dairy Research Hub developed the WA Seed Performance (WASP) trial at the beginning of 2017.

The WASP trial was established to provide dairy farmers with directly relevant information on seed selection for their farming systems. The value of this trial is not just limited to the WA dairy industry however. It is an independent trial run by Western Dairy, providing unbiased local results. Ryegrass seeds entered in the trial are selected from major seed distributors in WA and partially chosen by trial co-investors. The latest commercially available seeds in WA are also included into the trial each year to provide the most current information to our dairy farmers.

Trial setup and measurements

Key measurements of the WASP trial are dry matter (DM) yield, feed quality, and milk production potential (MPP), a unique and value-based productivity index created by the Western Dairy research team. Results from 2017 and 2018 were made available at the end of the growing seasons and on the Western Dairy website. Furthermore, the trial has expanded from one site with six seed types in 2017 to two sites with eleven seed types in 2018. It also extended from support block to milking platform to reflect the variation of paddock conditions. In 2019, the trial increased seed lines further to fifteen and two milking platforms, and a new site in the wetter country in the southern region.

There are two trial sites established this year. The first is a continuation of the trial at Matt Brett's Dardanup property on fertile clay loam, and the second is at Peter Duggan's Cowaramup property on loamy sand. Four replicates of each seed line that is assigned to one site were strategically allocated once in each of the four blocks. Soil amendment with lime was carried out at the beginning of growing season if the site requires. Non-growth-limiting amount of fertiliser is applied after each harvest, as nutrient is constantly removed without recycling from grazing animal. The ryegrass is harvested using a 'cut and dry' method in appropriate industry trial protocol, with harvest time based on canopy closure and leaf stage of the first ready ryegrass line.



Evans Dairy's Nikki Pinnell and our dairy pastures research officer Ya-Chun Yu

Key learnings so far:

- The difference between seed brands and varieties will need to be reinforced to growers
- Repetition of the trial over multiple sites and seasons in local regions builds confidence in the data produced locally
- Pasture management still plays a crucial role in seed performance despite seasonal variation.

The results of the 2019 growing season will be reported at the Western Dairy Spring Forum and will be available on the pasture trials and demonstrations page of Western Dairy's website. The final report of the three-year data will be available on this website and shared with farmers via Western Dairy's extension activities.

Key messages so far:

- Choose ryegrass seeds that suit your farming system and needs, including soil characteristics, feed demands over the year, and management style
- Seed performance potential may be affected by a shorter season
- The value of a seed should be on the MPP thus profit, which considers both yield and feed value.

Next steps

Evaluation of the trial and discussion among farmers, co-investors, and industry stakeholders is required to direct the next steps of Western Dairy's pasture research project.

FOR FURTHER INFORMATION

Email yachun.yu@westerndairy.com.au



Calf health project

The aim of the calf health project was to generate baseline data on rates of failure of passive transfer of immunity (FPTI) in WA dairy calves.

While studies have been undertaken in various dairying regions interstate and internationally, this type of study has not been undertaken in WA. Given WA's geographically isolated location, environmental conditions and large average herd size, it is difficult to extrapolate data from other regions to relate to our systems. Data from WA dairy herds is needed to determine a local prevalence of FPTI.

What is failure of passive transfer of immunity?

Calves are born without circulating immunoglobulins and they must ingest these from colostrum. Once ingested, immunoglobulins are absorbed in the gut. The time frame for absorption is relatively short, with very little able to take place after 24 hours of life. The absorption of immunoglobulins from colostrum is termed passive immunity. Passively acquired immunity is of the highest importance to the health of the calf, from the period of birth until they are capable of generating their own antibodies. A serum immunoglobulin concentration less than 10g/L indicates that ingestion and/or absorption of immunoglobulins from colostrum has been unsuccessful and is termed failure of passive transfer of immunity.¹ Calves are at a higher risk of preweaning morbidity and mortality, reduced growth, increased pathogen shedding, higher duration of illness and reduced milk production in their first lactation and higher culling rates if associated with FPTI.²

In some WA dairy herds, blanket antibiotic treatment in calf rearing practises is used in varying degrees, to ensure calves remain disease free until they are able to make their own antibodies. This is somewhat of an 'insurance policy' for the farm and may mask poor calf rearing and colostrum management practises, and it does not reflect the FPTI status of the calves. Additionally, blanket antibiotic therapy is not a prudent way of using antimicrobials because it increases the risk of antibiotic resistance, which is of global concern both in the agricultural and human health sectors.

FOR FURTHER INFORMATION

Email jessica.andony@westerndairy.com.au

What is the project measuring?

Blood samples from approximately 150 calves across 10 dairy farms in WA have been collected from calves aged between 24 hours old and seven days old. These were analysed to determine the calves serum total protein – an accepted method of determining failure of passive transfer rates in calves. Along with the blood samples, the participating farms colostrum management practises and herd and calf health data were also collected.

What we hope to learn from the project

If we are successful in obtaining a prevalence rate for failure of passive transfer for Western Australian dairy farmers, this data can then be used to improve calf health and management directly. While collecting this information, we are also collecting data on farm management practises such as colostrum collection and feeding, along with herd management. Combining this with the rate of passive transfer for calves in the project will allow us to draw conclusions around what it really takes to achieve good levels of immunity in calves. Increasing the understanding of colostrum management for calves to receive passive transfer of immunity, only stands to improve on-farm conditions and allows farmers greater control over the health of their animals.

We hope this information can be used to reduce morbidity and mortality rates of calves on dairy farms, as well as reducing the requirement for antibiotics and other drugs to be used in calf rearing facilities. This is important to growing consumer concerns worldwide and locally – giving consumers confidence that the dairy industry is an effective user of antimicrobials and cares about the health of our animals.



Murdoch University's Dr Josh Aleri (right) with Serpentine farmer Geoff Manning and research assistant Aprille Jack.

1 O. Radostits, C. Gay, K. Hinchliff and P. Constable, *Veterinary Medicine*, vol. 10th edition, London: Saunders Ltd, 2007, pp. 149–156.

2 D. J. Atkinson, M. A. G. von Keyserlingk and D. M. Weary, Benchmarking passive transfer of immunity and growth rates in dairy calves, *Journal of Dairy Science*, no. 100, pp. 3773–3782, 2017.

ENVIRONMENT

DairyCare

Dairy shed effluent is a highly visible source of nutrients that can impact waterways, and be a valuable source of nutrients for farmers, if recycled on farm. In a partnership between the Department of Water and Environmental Regulation, Geocatch and Western Dairy, the DairyCare project aims to reduce the nutrient footprint by working with up to 60 dairy farms to drive awareness, decisions and change to improve effluent management on farm.

Effluent system reviews

Reviews comprise a short walk through the assessment of existing dairy shed effluent management systems against the current Code of Practice. The reports give farmers guidance on how to improve their existing system and also help the industry focus on areas of higher priority. As of 30 June 2019, 51 of the target number of 60 reviews have been completed. Work on the balance of these will be completed by the end of 2019. These highlight that a significant number of participating farms are below best practice in the assessment category areas of:

- application of effluent; and
- pond storage.

As a consequence, design efforts are focused on these areas. On a positive note, a recent effluent system review on the south coast was largely compliant to the WA code.

Effluent plans

The main focus for the Western Dairy team is to get as many effluent plans completed and ready for implementation over the drier months of late 2019 and early 2020. Steady progress is being made, but timeframes will remain tight.

Effluent system upgrades

In the REI, two upgrades have been completed with four in progress and at least five to commence in the spring/summer of 2019. In the Geocatch region, 10 upgrades are planned to be implemented in the spring of 2019. Progress has slowed somewhat due to the financial constraints, the late start to the growing season and higher grain and forage prices. The main upgrades are effluent pond construction and the expansion of application systems.

Table 1 Dairy effluent plans regional estuaries initiative, 30 June 2019

Number of plans	Stage A In progress this quarter	Stage B Completion pending	Stage C Supported by PRG (cumulative total)	Sub total*	Target
Geocatch	1	0	9	9	10
REI	1	9	10	20	20

*Current plans in the system at various stages of development (A+B+C)

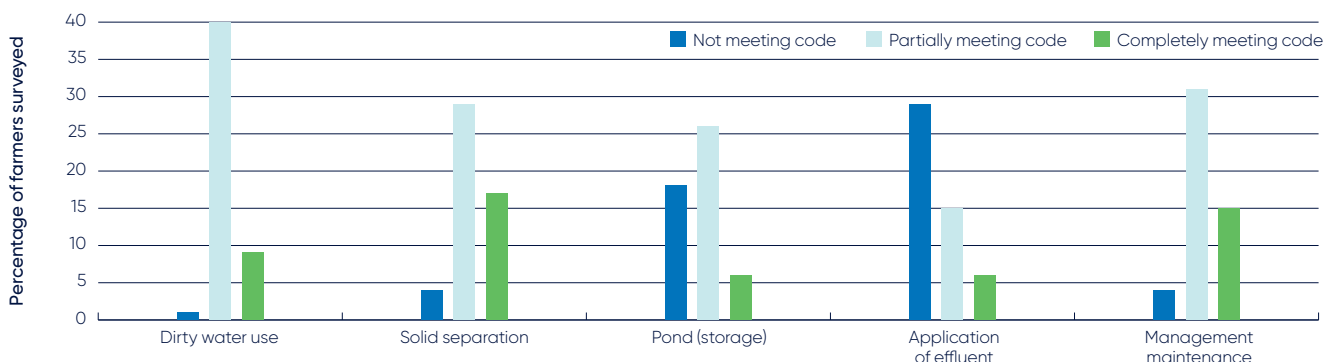


Upgraded effluent pond, Harvey

FOR FURTHER INFORMATION

Email dan.parnell@westerndairy.com.au

Figure 2 Effluent review summary – 30 June 2019



DAIRY FUTURES

Young Dairy Network

The Young Dairy Network (YDN) continues to grow in Western Australia, with 244 members currently on the database. The network not only includes young people working on dairy farms or within the industry, but also university students with an interest in dairy.

The aim of the YDN is to attract, retain and educate young people working in the dairy industry. In WA the YDN receives fantastic support from dairy farmers and the commercial sector. In the 2018–19 financial year the YDN ran four events for young people and had a total of 102 people attend these events. For a state that has 150 dairy farms, this is a great number of young people to be attracting to events. The events the YDN runs are a mixture of educational and social. Both are important in retaining young people in the dairy industry.

The network recognises that young people working in agriculture often do not have the funds to attend conferences and networking events when there is a cost involved, despite the fact that often these events are fantastic networking and learning events for young people. To combat this the YDN funds members to attend events each year.

Two members were sponsored to attend a local conference, the WAFarmers dairy conference on the 26 July 2018, and as well as local events, the network also sent members to national conferences. Three young farmers attended the Dairy Research Foundation Symposium in Camden in July 2018 and two young farmers attended the Australian Dairy Conference in Canberra in February 2019.

The YDN in WA is governed by a steering committee made up of two service providers and five young dairy farmers.

The 2018–19 committee

Jessica Andony, Western Dairy – Coordinator (service provider)

Roxanne Schoof – Assistant Coordinator (farmer)

Russell Hall – Chair (farmer)

Tahlia McSwain – Member (farmer)

Lachlan Fry – Member (farmer)

Luke Ieraci – Member (farmer)

Jarvis Polglaze, Zoetis Australia – Member (service provider)



From left: YDN Committee members Lachlan Fry, Tahlia McSwain, Jessica Andony, guest speaker Catherine Marriott, Roxy Schoof and Luke Ieraci

Year 12 Graduate Placement Program

Securing dairy jobs for young people and building a sustainable future for the dairy industry are the impetus behind Western Dairy's new Year 12 Graduate Placement Program launched in June 2019.

Seven farms partnered with Western Dairy, WA College of Agriculture Harvey, WA College of Agriculture Denmark, and South Regional TAFE to launch the first program of its type in WA.

Through a professional recruitment process, the partners sought to match enthusiastic Year 12 College graduates with participating dairy farms. Five student candidates have since been offered full-time employment in 2020 and formal training through South Regional TAFE, either through completing a Certificate III in Agriculture (dairy units), or in the case of outstanding applicants a Certificate IV in Agriculture (dairy modules).

Participating farms have committed to providing best-practice employment systems, a safe working environment and a positive workplace culture.

Western Dairy will provide trainees and farmers with support and guidance throughout the one-year traineeship, including external training and development opportunities. Trainees can also access confidential consultations with Western Dairy on their employment and career pathways.

Dairy Training Program 2019

Western Dairy and South Regional TAFE have partnered to deliver the Certificate III in Dairy Production and the Certificate IV in Agriculture to farm staff employed on dairy farms in Western Australia. These qualifications comprise an on-farm skills training component and a knowledge training component. Staff completing the Certificate III should be confident and competent to effectively carry out most duties on a farm with the knowledge of why they are doing what they are doing. Staff completing the Certificate IV should understand the farm business at the operational management level and be able to contribute to the decision-making process.

SRT delivers the training through Western Dairy. Employers are entitled to financial incentives in taking on a traineeship and the cost of training for the trainee is subsidised.

These courses take around 12 months to complete and trainees are visited on a monthly basis by Western Dairy's Rob La Grange to support them in completing the units they are enrolled to do.

Since the start of the training program, 27 trainees have completed their qualifications and feedback has been positive. Students say they appreciated the program and the value gained from the training. Some 11 trainees are currently enrolled with a further three before year end 2019.

An exciting development this year has been the Year 12 Graduate Placement Program. Students completing their final year at the Harvey and Denmark agricultural colleges were given the opportunity to be employed as trainees on the Cert III program for a year. This would allow them to gain experience in the dairy industry to better prepare them for careers in agriculture. Western Dairy looks forward to supporting these aspiring trainees in their training.

FOR FURTHER INFORMATION

Email rob.lagrange@westerndairy.com.au



From left: Western Dairy's Esther Jones, farmer Tammy Negus, WA College of Agriculture Harvey students Laura Piggott, Charlyse Lo Presti, teacher Paul Dyson, farmer Dale Hanks, students Ethan Gellatly and Kyle Symington

Workforce development

One of the most important aspects of Western Dairy's Workforce Development project is assisting dairy farmers to become better employers on their farms. People management is a challenging but critical aspect for all dairy businesses. Whether employing one or 20 staff members, every dairy operation needs to have certain standards of employment, be compliant in industrial relations and maintain a safe and fair workplace. Western Dairy takes pride in providing dairy farmers with support and information in this space.

In the past year Western Dairy has held a series of employment fundamental workshops which were well attended by dairy farmers. These workshops covered details of the employment awards that govern the dairy industry and provided guidance on employment contracts, policies, procedures and how to better attract, engage and retain staff.

Western Dairy continues to distribute some great resources to dairy farmers including ESKi (Employment Starter Kit initiative), FSSK (Farm Safety Starter Kit) and Dairy Australia's Farm Safety Manual, which includes essential templates for farm policies and procedures.

Dairy farmers also find it hard to attract and retain staff so Western Dairy proactively seeks opportunities for dairy farmers to source labour. The Year 12 Graduate Placement Program is a good example of this, where Western Dairy has helped to match dairy farmers to students that are interested in careers pathways in the dairy industry. Another win for the industry has been the recent news that eligible skilled migrants can now gain easier pathways to permanent residency.

FOR FURTHER INFORMATION

Email tammy.negus@gmail.com

Cows Create Careers

Western Dairy is a strong advocate for Dairy Australia's Cows Create Careers program which reached 480 students this year at eight schools between Harvey and Pemberton.

There are eight dairy farms involved in the program: SB and SL Hamilton (Busselton), Bannister Downs (Northcliffe), Negus Enterprises (Tutanup), V and G Ieraci and Sons (Brunswick), Westland Acres (Northcliffe), Carenda Holsteins (Boyanup), KM and CA Chapman (Busselton) and the WA College of Agriculture Harvey. These farms deliver two calves to local schools for students to feed and look after for three weeks.

Each participating class received an industry advocate visit from one of the five advocates in WA: Jessica Andony (Western Dairy), Kirk Reynolds (Western Dairy), Rob La Grange (Western Dairy), Ralph Papalia (Summit Fertilizers) and Michael Partridge (WAFarmers and Whiterocks Farms). Advocates speak to students about the day-to-day activities of a dairy farmer, as well as the many career opportunities in dairy.

Western Dairy was also invited to speak to a year three class at Busselton Primary School with dairy farmer and WAFarmers member Ian Noakes. The school was also involved in the Picasso Cow program run by Dairy Australia.

Western Dairy was thrilled to attend the Cows Create Careers 2019 presentation event in Busselton where the best student projects were awarded.



Extension Officer Jessica Andony with Cows Create Careers students from Georgiana Molloy Anglican School, Busselton

Financials



COMMITTEE'S REPORT

The committee members present their report together with the financial report of Western Dairy Inc. for the year ended 30 June 2019 and auditor's report thereon.

Committee member names

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

- Vicki Fitzpatrick (Chair November 2018 to present, Vice Chair to November 2018)
- Brian Piesse (Vice Chair November 2018 to present)
- Esther Jones (Executive Officer)
- Grant Evans (Chair to November 2018, Director to present)
- Mat Daubney (to November 2018)
- Nick Brasher (November 2018 to present)
- Ruben Zandman (to November 2018)
- Robin Lammie (co opted Director from February 2019)
- Andrew Jenkins (co opted Director to November 2018, Director to present)

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

Principal activities

The principal activity of the association during the year was to organise projects by managing funds received in the best interest of Western Australian dairy farmers.

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.

Signed on behalf of the members of the committee.



Vicki Fitzpatrick
Chairperson



Esther Jones
Committee Member

Dated this 24th day of September 2019

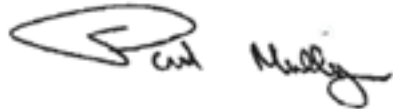
WESTERN DAIRY INC.
ABN 42 316 849 846

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE MEMBERS OF WESTERN DAIRY INC.**

In relation to the independent audit of Western Dairy Inc. for the year ended 30 June 2019, to the best of my knowledge and belief there have been no contraventions of any applicable code of professional conduct.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
Executive Director
Perth, 24 September 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2019

	Note	2019	2018
		\$	\$
Revenue and other income			
Revenue	2	877,109	1,081,667
Other income	2	–	(6,359)
Total revenue		877,109	1,075,308
Less: expenses			
Advertising expense		(2,858)	(993)
Consultant and contractor expenses		(685,948)	(615,258)
Depreciation and amortisation expense		(2,405)	(9,190)
Meeting and seminars expenses		(130,884)	(64,540)
Other expenses		(55,915)	(94,663)
Total expenses		(878,010)	(784,644)
Profit/(loss) before income tax expense		(901)	290,664
Other comprehensive income for the year		–	–
Total comprehensive income		(901)	290,664

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2019

	Note	2019	2018
		\$	\$
Current assets			
Cash and cash equivalents	3	1,350,107	992,556
Receivables	5	104,854	107,736
Other assets	6	104,962	177,549
Total current assets		1,559,923	1,277,841
Non-current assets			
Property, plant and equipment	7	10,657	13,062
Total non-current assets		10,657	13,062
Total assets		1,570,580	1,290,903
Current liabilities			
Payables	8	186,920	65,421
Other liabilities	9	694,520	535,441
Total current liabilities		881,440	600,862
Total liabilities		881,440	600,862
Net assets		689,140	690,041
Members funds			
Contributed capital		1,010	1,010
Accumulated surplus		688,130	689,031
Total members funds		689,140	690,041

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN MEMBERS FUNDS

For the year ended 30 June 2019

	Contributed equity	Reserves	Retained earnings	Total equity
	\$	\$	\$	\$
Balance as at 1 July 2017	1,010	–	398,367	399,377
Profit for the year	1,010	–	290,664	290,664
Total comprehensive income for the year	–	–	290,664	290,664
Balance as at 1 July 2018	1,010	–	689,031	689,031
Profit/(loss) for the year	–	–	(901)	(901)
Total comprehensive income for the year	–	–	(901)	(901)
Balance as at 30 June 2019	1,010	–	688,130	689,140

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

	Note	2019	2018
		\$	\$
Cash flow from operating activities			
Receipts from customers		1,032,898	1,463,770
Payments to suppliers and employees		(681,519)	(1,159,955)
Interest received		6,172	10,664
Net cash provided by operating activities	4(b)	357,551	314,479
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		–	29,673
Net cash provided by investing activities		–	29,673
Reconciliation of cash			
Cash at beginning of the financial year		992,556	648,404
Net increase in cash held		357,551	344,152
Cash at end of financial year	4(a)	1,350,107	992,556

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

1 Statement of significant accounting policies

The committee has determined that the association is not a reporting entity on the basis that, in the opinion of the committee, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly, this financial report is a special purpose financial report, which has been prepared to satisfy the financial reporting requirements of the *Australian Charities and Not for profits Commission Act 2012* and *Associations Incorporation Act (WA) 2015*.

The financial report covers Western Dairy Inc. as an individual entity. Western Dairy Inc. is a association, formed and domiciled in Australia. Western Dairy Inc. is a not for profit entity for the purpose of preparing the financial statements.

The financial report was approved by the committee as at the date of the committees' report.

The financial report has been prepared in accordance with the *Australian Charities and Not for profits Commission Act 2012* and *Associations Incorporation Act (WA) 2015*, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of:

- AASB 101: Presentation of Financial Statements
- AASB 107: Statement of Cash Flows
- AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1054: Australian Additional Disclosures

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial 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 and liabilities as described in the accounting policies.

(b) 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.

(c) Comparatives

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

(d) 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.

(e) Contributions – grants and donations

A non reciprocal contribution or grant is recognised when the entity obtains control of the contribution or grant and it is probable that the economic benefits will flow to the entity, and the amount of the contribution or grant can be measured reliably.

If conditions attached to the contribution or grant that must be satisfied before the entity is eligible to receive the contribution, recognition of contribution or income is deferred until those conditions are met.

When the entity receives grants but is obliged to give directly approximately equal value to the contributor, recognition of grant income will be deferred until the delivery of service.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 June 2019

(f) Property, plant and equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis.

Depreciation

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Class of fixed asset	Depreciation rates	Depreciation basis
Plant and equipment at cost	8–33%	Diminishing value

2 Revenue and other income

	2019	2018
	\$	\$
Revenue		
Interest income	6,172	10,664
Donations and grants	870,937	1,075,703
Other revenue	–	(4,700)
	877,109	1,081,667
Other income		
Profit on sale/revaluation of non-current assets	–	(6,359)

3 Cash and cash equivalents

Cash on hand	1,350,107	992,556
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4 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 on hand	1,350,107	992,556
	1,350,107	992,556

(b) Reconciliation of cash flow from operations with profit after income tax

	2019	2018
	\$	\$
Profit/(loss) from ordinary activities after income tax	(901)	290,664
Adjustments and non cash items		
Depreciation	2,405	9,190
Net (gain)/loss on disposal of property, plant and equipment	–	(6,359)
Changes in operating assets and liabilities		
(Increase)/decrease in receivables	2,882	(11,713)
(Increase)/decrease in other assets	72,587	(172,849)
(Increase)/decrease in payables	280,578	205,546
Cash flows from operating activities	357,551	314,479

5 Receivables

Current

Receivables from contracts with customers	67,104	73,326
Other receivables	37,750	34,410
	104,854	107,736

6 Other assets

Current

Refundable grants	104,962	177,549
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7 Property, plant and equipment

Plant and equipment

Plant and equipment at cost	24,862	24,862
Accumulated depreciation	(14,205)	(11,800)
	10,657	13,062
Total property, plant and equipment	10,657	13,062

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 30 June 2019

8 Payables

	2019	2018
	\$	\$
Current		
<i>Unsecured liabilities</i>		
Trade creditors	154,412	28,568
Sundry creditors and accruals	32,508	36,853
	186,920	65,421

9 Other liabilities

Current		
Grants received in advance	694,520	535,441

10 Events subsequent to reporting date

There has been no matter or circumstance, which has arisen since 30 June 2019 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2019, of the association, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2019, of the association.

11 Association details

The registered office of the association is:

Western Dairy Inc.
PO Box 668
Denmark, WA 6333

STATEMENT BY MEMBERS OF THE COMMITTEE

The committee declare that:

- 1 there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- 2 the financial statements and notes satisfy the requirements of the *Australian Charities and Not for profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not for profit Commission Regulation 2013*.



Vicki Fitzpatrick
Chairperson



Esther Jones
Committee Member

Dated this 24th day of September 2019

WESTERN DAIRY INC.
ABN 42 316 849 846

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WESTERN DAIRY INC.**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Western Dairy Inc. "the Registered Entity", which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income and statement of changes in members funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the committee.

In our opinion the financial report of Western Dairy Inc. has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Registered Entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *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 Report section* of our report. We are independent of the Registered Entity in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* "ACNC Act" and 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. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Registered Entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Registered Entity's Committee's report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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.

WESTERN DAIRY INC.
ABN 42 316 849 846

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WESTERN DAIRY INC.**

Responsibility of the Responsible Entities for the Financial Report

The responsible entities of the Registered Entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the committee members. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the Registered Entity'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 the responsible entities either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

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 the 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 the 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 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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of responsible entities' 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 Registered Entity'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 Registered Entity to cease to continue as a going concern.
- 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.

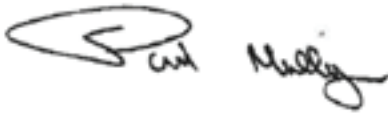
WESTERN DAIRY INC.
ABN 42 316 849 846

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WESTERN DAIRY INC.**

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.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
Executive Director
Perth, 24 September 2019

Disclaimer

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