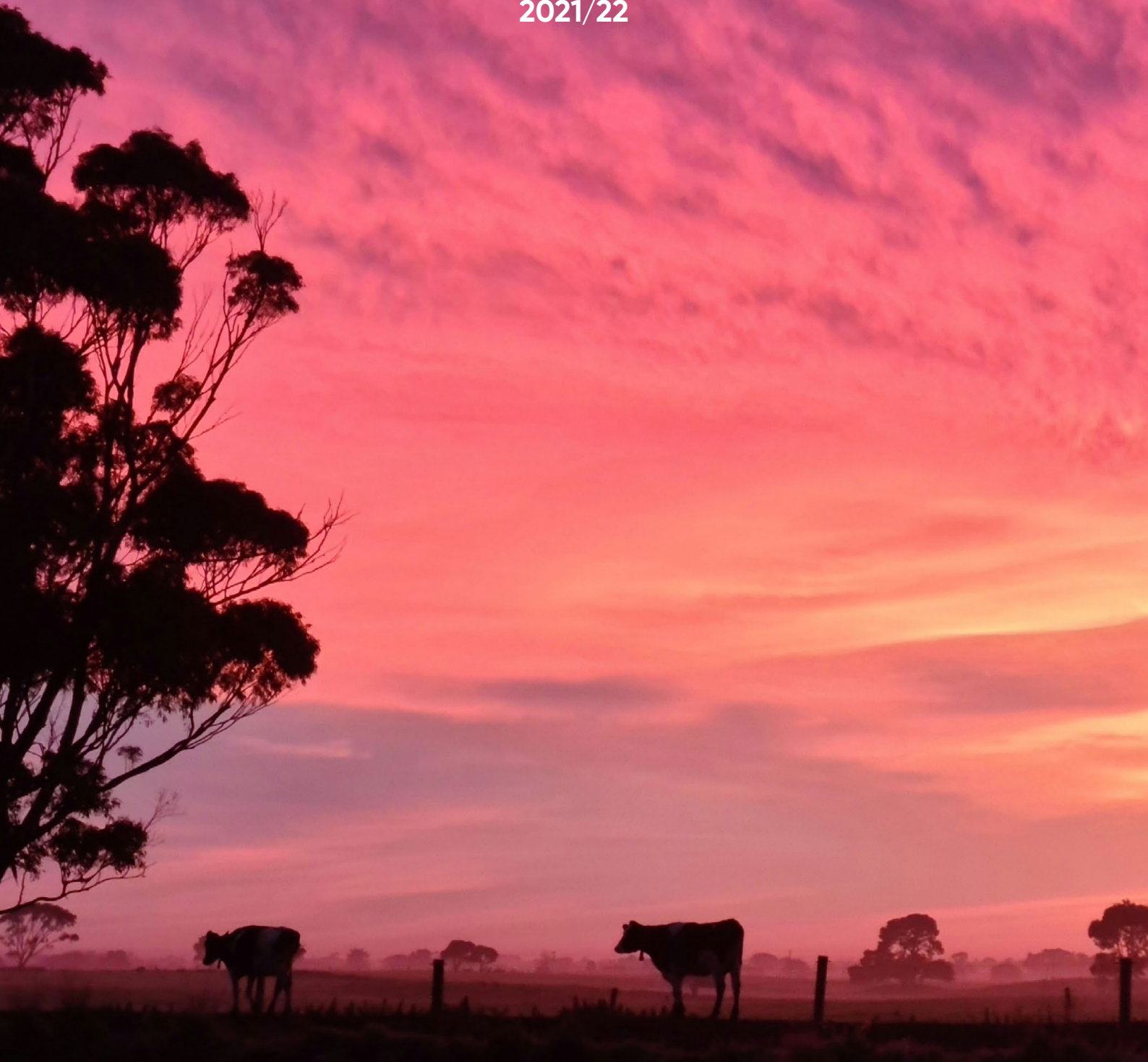




WESTVIC DAIRY ANNUAL REPORT

2021/22





Front cover: Farm photo of the year winner, *Red Hot Summer*
Credit: Karen Angus, Ondit

This page: Farm photo Runner up, *Dairy Sunset*
Credit: Janine Thow

CONTENTS

About WestVic Dairy	2	Financial statements	30
Snapshot	2	Directors' report	31
Chairperson's report	4	Income and expenditure	32
The WestVic Dairy Board	6	Statement of financial position	33
Regional Manager's report	8	Statement of changes in equity	34
Regional activities	10	Statement of cash flow	34
Farm Business Management	11	Notes to the financial statements	35
People	16	Chairperson and Treasurer's declaration	41
Feedbase	20	Independent Auditor's report	42
Animal Performance	22	WestVic Dairy team	44
Land Water Climate	24	Acknowledgements	45
Special Events	26		
Dairy Discussion Groups	28		

ABOUT WESTVIC DAIRY

WestVic Dairy Inc. (WVD) is Dairy Australia's Regional Development Program for western Victoria and is responsible for delivering extension activities and programs. It is overseen by a regional Board of Directors, the majority being dairy farmers. It works closely with Dairy Australia (DA) and local industry partners to facilitate technology transfer for the advancement of the sector.

DA is the national services body for the dairy industry. Its role is to help farmers adapt to a changing environment in order to establish a profitable and sustainable industry. WestVic Dairy aims to accelerate the extent and rate of adoption by farmers of industry standard practices, new ideas and technology. Both DA and WVD are precluded by their charter from agri-political activity, which is the role of representational bodies, such as Australian Dairy Farmers (ADF) and its affiliates (e.g. United Dairyfarmers of Victoria).

DA provides WVD with centralised administrative functions, which allows WVD to focus on extension planning, co-ordination and delivery. We have now built up our capability to provide a wide range of services to our stakeholders.

VISION

A vibrant, profitable and valued dairy region.

MISSION

We strive to advance the industry by delivering programs that promote innovation, skills and sustainability for a successful dairying future.

SNAPSHOT

The western Victorian dairy region extends west from Geelong to the South Australian border, with the largest concentration of farms around the coastal area between Simpson and Koroit. It is one of Australia's biggest dairy producing regions, producing almost two billion litres in 2020/21. This figure equates to about 22% of Australia's milk volume.

The industry has benefited from good seasons through 2021/22. Good rains allowed for another good fodder harvest in 2021 and despite a dry summer most of the region received good autumn rain (albeit late) to kick off the winter pasture production. These conditions, along with a good milk price, have raised farmer confidence and enabled many farm businesses to improve their financial position moving forward.

COVID and global conflicts have disrupted manufacturing and supply chains for key inputs. Significant price rises for these and general inflationary pressure have dampened what might have otherwise been record profits in the region.

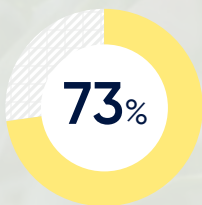
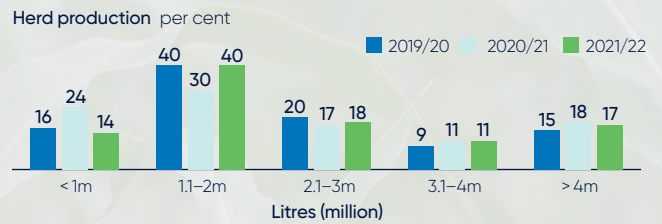
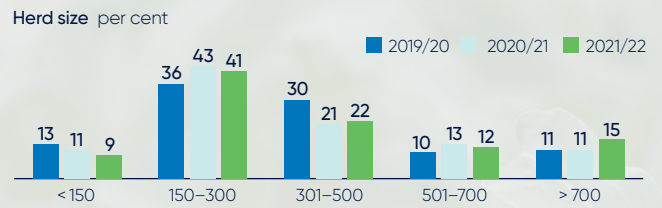
Industry Collaboration

WestVic Dairy works collaboratively with a wide range of organisations and individuals in order to deliver its services to industry. As a significant part of the regional economy and the community, working with other stakeholders is part of the way we operate. Key organisations with which we work are Agriculture Victoria and Regional Development Victoria, the UDV, the Catchment Management Authorities, Gardiner Dairy Foundation, local government, the Rural Financial Counselling Service, the Great South Coast Food & Fibre Council and the milk processing firms. Numerous other agencies, educators and private sector service provider businesses are an important part of this network. Much of this collaboration occurs through the regular meetings of the Industry Leadership Group. Considerable additional input on industry matters is provided by WestVic Dairy on issues such as regional strategy and action plans, infrastructure, water, sustainability, skills & employment, and health & wellbeing.

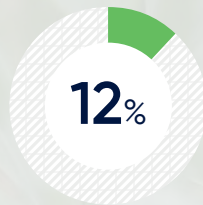
The 'average' western Victorian farm

Approximate herd size	285
Approximate production per cow	6,500 litres
Average grain fed per cow per year	1.6 tonnes
Seasonal calving herds	60%
Split calving herds	35%

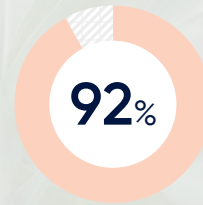
Current herd size and production



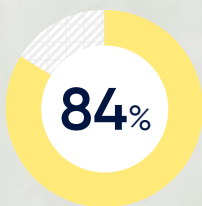
Sentiment
Positive about industry future



Enterprise phase
In a holding pattern



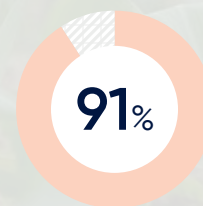
Profitability
Made profit in 2020/21



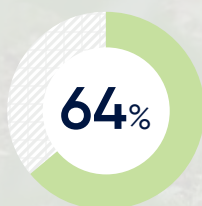
Sentiment
Positive about own business



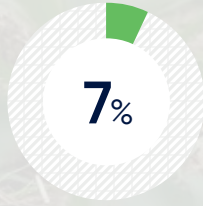
Enterprise phase
Expanding



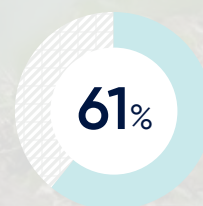
Profitability
Expecting profit in 2021/22



Challenges
Input costs



Enterprise phase
Winding down



Anticipated growth
No change in herd size expected 2024/25 vs 2021/22



Challenges
Labour



Anticipated growth
Increased production 2024/25 vs 2021/22

CHAIRPERSON'S REPORT

Welcome to the WestVic Annual Report for the 2021/22 year. Please take the time to read through the report, which will provide a comprehensive overview of the organisation's activities, achievements and challenges of the past year.

As a region we have enjoyed relatively 'normal' seasonal conditions and solid milk pricing, which collectively engenders a more positive and optimistic outlook, with the one significant challenge being workforce. The WestVic Board and team are cognisant of this persistent impediment to both farm performance and farmer welfare. In a tight labour market – employment hitting rates not seen since the 1970s – workforce will remain a key focus for WestVic for the foreseeable future. This is why 'Capable People' is a central pillar and investment priority. However, we all have a role to play in promoting our industry to the community and potential new entrants – be they employees, new arrivals or new investors. How we "show-up", how we talk and engage matters!

The WestVic team is not immune to workforce challenges and for all the past year has continued to deliver on both our Strategic Plan and Annual Operating Plan with staffing levels less than optimal. Recruitment for new positions continues, however I would like to congratulate Libby Swain on her elevation to the Lead Regional Extension Officer and also welcome Melissa Humphries as our Administration Coordinator. The coming year will see the implementation of new Dairy Australia initiatives in our region and we are pleased to see a greater focus on direct farmer engagement and projects that have a tangible impact at the farm gate.

While the scourge of the COVID-19 pandemic remains with us, defying predictions of a return to life as we knew it, WestVic continues to be flexible in the delivery of core activities whilst preparing to pivot quickly in the event of emerging issues. At the time of writing, significant biosecurity threats to agriculture are on our doorstep. Biosecurity protocols at all WestVic events have been activated, and advice, resources and assistance promoted to the region's farmers.

My thanks to the members of the WestVic Board for entrusting me with the leadership role. The Board is a committed and dedicated group of individuals who are solutions-focussed and collectively advocate for the continued improvement of services to the region. My thanks also to Lindsay Ferguson and the WestVic team for their work on our behalf over this past, sometimes trying, year!

As we look ahead to a year of record milk prices – albeit with record input costs – at WestVic we are committed to achieving our vision of a vibrant, profitable and valued dairy region – and look forward to your participation on the journey!



A handwritten signature in blue ink that reads "Jacqui Soares". The signature is fluid and cursive, written over a white background.

Jacqui Soares WestVic Chairperson



THE BOARD

WestVic Dairy is governed by a Board of eight Directors, made up of six farmers and two industry service providers.

The role of the Board includes ensuring that the levies collected from the region's dairy farmers are directed to relevant research and development and that the findings are communicated to all dairy farmers to increase the profitability and sustainability of the region's dairy industry.

All Board members bring their own set of skills to the team, which ensures that there is a diverse set of talents available to our stakeholders. In 2021/22 WestVic Dairy welcomed a new Chair, Jacqui Soares, and two new Board members, dairy farmer Bryan Dickson from Terang, in the role of Director and Lucy Collins from Dixie in the role of Associate Director.





Jacqui Suares Chair

Dairy Farmer,
Colac



Mike Huth

Service Provider,
Cobden



Brendan Rea Vice Chair

Dairy Farmer,
Allansford



Rhonda Henry

Agribusiness Manager,
Warrnambool



Daniel Parkinson

Dairy Farmer,
Kirkstall



Will McDonald

Dairy Farmer,
Bessiebelle



Brad Collins

Dairy Farmer,
Dixie



Lucy Collins

Dairy Farmer (Associate),
Dixie



Bryan Dickson

Dairy Farmer,
Terang

REGIONAL MANAGER'S REPORT

The ongoing good seasons and the record milk prices are just what we all needed to pull us out of the COVID-19 glumness that has so complicated our lives, both on farm and off.

The latest surveys show a very positive level of confidence amongst farmers in our region. The downside is the inflationary pressures that are affecting inputs and the difficulty in finding farm staff.

All this makes for a dynamic industry, with some people now with their 'heads above water' for a long while and others forging ahead with land purchases and major capital expansions. Yet others, especially many baby-boomers, are taking the opportunity to exit the industry for a well-earned retirement, capitalising on the high property prices.

All these big changes have an impact on the regional industry but have their origin in individual decisions on each farm. Good decision-making relies on good and well-researched information and that is where Dairy Australia/WestVic Dairy comes in. Whether the decisions be relatively small, such as changing pasture varieties or selecting a new line of herd genetics, right through to reviewing your business goals and how to manage succession, we are there to help. This information starts with the scientific or economic researchers doing their trials and simulations; then converted by developers into everyday language in understandable formats; then delivered by our extension team to you on-farm. That includes the flexible modes and online versions which have proved essential over COVID-19 and are still a very viable option for many people. Additional to that are the increasingly diverse ways of communicating and exchanging information, whether in a formal course, podcast/webinar or informally on chats and other social media.

In getting the type, frequency and location of extension across the region as good as possible, we appreciate the many farmers and stakeholders that respond to our surveys and contribute their thoughts and comments in other ways as well. We want to use your levy wisely and we do it best with your input. Your best advice encourages us to continue to focus strongly on our strategy of prioritising support for the 'People' and 'Business Management' aspects of the farm business.

On that note, I also thank our farmer-led Board for its oversight and direction throughout the last year. Our Chair, Jacqui Soares, contributes considerable additional time to her role and we value her leadership. I also thank our team of professional staff who interact daily with the industry that we serve. As the largest milk producing region in the country, I'm pleased to say that our level of extension activity has matched that status. This year we have said farewell to Laurie, Rob, Nadine and Alexis and welcomed Melissa Humphries in administration and Michelle Seabrook (nee Muir), who has returned from maternity leave. Support from our colleagues in Dairy Australia and other regions has been appreciated and reflects our "One Team" values.

Many thanks to our sponsors, collaborators from across the industry and lastly to our region's farmers for your participation in our extension activities. We are always open to any suggestions or comments you have on our work. I hope to see you somewhere about the region over the next year.



A handwritten signature in black ink that reads "L. Ferguson".

Lindsay Ferguson Regional Manager



Regional Activities



FARM BUSINESS MANAGEMENT

Assisting farmers in our region to run profitable and sustainable businesses remains the cornerstone of our extension activity and a key priority in our Strategic Plan 2020–2023:

Profitable dairy farms

To support farm businesses to be more resilient to external impacts to remain productive, sustainable and profitable.

As a result, Farm Performance is a key priority area, with a number of workshops, events and initiatives in place. Below is a snapshot of the main activities.

Workshops

Our Farm Our Plan

Good farm business management is as important when times are good as when they are tough. A good season can often mask inefficiencies in farm business management. It is considered critical by most observers to have a plan of where the business is going and to continually review that plan.

Dairy Australia has invested heavily in programs that offer opportunities to bring all the farm's business owners together to develop a plan.

Our Farm, Our Plan, developed by Dairy Australia with support from Gardiner Dairy Foundation and DairyNZ, aims to identify long term goals, improve business performance, and manage volatility.

Designed for Australian dairy farmers, Our Farm, Our Plan helps put big ideas down on paper and gets everyone on the farm on the same page. Using a simple 'Now, Where, How, Review' planning process and providing one-on-one support for farmers over two years, it assists with putting their plan in place and into action.

Our Farm, Our Plan has seen participants meet in face-to-face forums and online deliveries, with glowing praise for the way that they have developed plans.



Dairy Farm Business Fundamentals

Farm Business Fundamentals shows farmers how to set up and use good record keeping systems, understand the difference between management and tax compliance and learn how to use the Standard Chart of Accounts.

Participants learn about business obligations – tax, banks, people, and the law, prepare an annual farm budget and be introduced to Dairy Australia's DairyBase.



Farm Business Analysis

Farm Business Analysis enables farmers to accurately interpret and analyse their data entered into DairyBase, thereby allowing participants to pull together meaningful financial and physical data about their farms that can be used to track performance over time and provide a solid base on which to make future decisions.

The program encourages calculation of the cost of production for a farm business and allows farmers to populate DairyBase with their own farm figures, leading to detailed analysis of the business.



Business Focus Farms: real farms; real conditions; real decisions

WestVic Dairy's Business Focus Farm project works with selected Focus Farms for a period of two years, enabling farmers to access the information relevant to their business and region, thus facilitating improved decision-making around business management, profitability, and sustainability.

Selected Focus Farms are supported by an experienced farm consultant and a support group of farmers and service providers.

This group is chosen by the Focus Farmers, based on previous relationships and relevant industry experience. We currently have three farms located across south-west Victoria in the program, as well as the Ondit Focus Farm which finished up this year.

Regular updates in newsletters and on social media, along with on-farm field days, help inform the wider region's farmers of how the farm is progressing and shine a light on the business decision-making process. Farmers are then able to use these same principles in their own business decisions.

Ondit Business Focus Farm

Farmer	Dale and Karen Angus
Facilitator	Laurie Hickey
Consultant	Paul Groves (Farm Management Consultant)
Farm size	347 cows, 290ha

Goals of the project:

- Reduce debt to explore the option of purchasing the farm
- Improve herd fertility
- Reduce cost of production, particularly around livestock trading and bought in feed costs.

The farm made a significant profit since the start of the project and saw productivity and homegrown food increase at the same time. The herd has high fertility and the installation of collars with an automatic drafting system last year was aimed at reducing some of the workload on the owners. Significant genomic testing has resulted in better selection of replacement heifers and the access to the live export market with its good prices.

Jancourt East Business Focus Farm

Farmer	Terry and Shannon Blasche
Facilitator	Matt Wood
Consultant	Cath Jenkins (Cath Jenkins Advisory)
Farm size	280 cows, 210ha

Goals of the project:

- Move from a year-round calving pattern to a single seasonal (autumn) calving
- Pasture renovation, potentially including drainage, to allow more home-grown feed to be produced
- Set cost of production goals for this new business to maintain tight control of financial position
- Employ labour, probably part-time, to reduce workload on Terry's dad and allow for quality family time.

This Focus Farm project commenced in May 2021, with a meeting of the Support Group at the Simpson Hotel, where the goals for the two years were finalised. Since then, the group has met most months and was lucky to be only minimally impacted by the various lockdowns. Work towards the project goal continues. A plan to transition to solely autumn calving has commenced. This will see a third calving take place in January for the next year or two, as the spring calving cows move towards a March/April calving date.

The majority of the milking platform has already been reseeded, with plans to renovate the remainder next season. Working with agronomist Glenn Cain, Terry and Shannon have certainly hit the ground running with their pasture production, with the farm growing a large amount of quality feed.

The Blasche family continue to carry out most of the farm work themselves, along with using contractors to carry out the majority of the field work. Employing a part-time employee continues to be a goal of the project and something that will be a focus in the second year of the project.

Terry and Shannon are willing to take on advice from the Support Group and have implemented several of the group's ideas, including increasing cow numbers, feeding fibre on a makeshift feedpad during winter, calf shed design and adopting certain calf rearing practices.

Following COVID delays, the first Field Day was held in November 2021, which introduced the Blasches' and their business to the broader farming community. Despite having to be held later than planned, when harvest was well and truly underway, attendance was good, with around 60 attendees enjoying the day.

Macarthur Business Focus Farm

Farmer	Peter and Fiona Musson
Facilitator	Debbie Twiss
Consultant	June 2020 – Dec 2020 Paul Groves (Farm Management Consultant) Jan 2021/22 Owen Rees (TRAC Total Result Ag Consulting)
Farm size	766 cows, 310 ha milking platform (730 hectares total)

Goals of the project:

- Facilitate peer learning
- Optimise herd management with cow collars
- Examine strategies to maximise consumption of home-grown feed.

From July 2021 to May 2022, the Macarthur Focus Farm project has continued to investigate options to improve quality and quantity of homegrown feed. The farm has struggled with the establishment and management of pasture in wet winter conditions. In 2021/22, continued investment in drainage and pasture renovation activities has resulted in the farm being able to set up a good pasture wedge for Spring 2022. The second Field Day, held in November 2022, gave farmers in the district an opportunity to see the impact drainage was having on paddocks around the dairy.

Following farm visits to see how other farmers are using cow shelters in the same region as the Focus Farm, the decision was made to proceed with a plastic roof cow shelter and to extend the feed pad. The extension of existing infrastructure and construction of a cow shelter will provide the focus farm with ability to manage herd feeding off-pasture in wet conditions. A final Field Day is planned in September 2022 when cow house construction is expected to be completed.



Bostock's Creek Focus Farm

Farmer	Peter and Marnie Kerr
Facilitator	Libby Swain
Consultant	Paul Groves (Farm Management Consultant)
Farm size	300 cows, 282 ha – 182 ha milking platform and 98 ha out paddock

Goals of the project:

- Improve water infrastructure to reduce reliance on town water and improve water supply throughout the farm.
- Improve time efficiency on farm by reducing time for daily chores including milking and feeding.
- Increase profitability through improved management of pastures, feeding and reproduction.
- Reduce debt and increase equity in the business to allow for future expansion.
- Form a support group that provides a valued network which shares relatable ideas, compares benchmark data and works towards achieving business goals.



Peter and Marnie Kerr joined the Focus Farm program in April 2022. The Kerr's share farmed for seven years at Bostock's Creek (5km south of Camperdown) before purchasing part of the milking platform. While share farming, Peter and Marnie built their herd of 300 Holstein cows through purchase and breeding. The farm is a total of 282 ha, of which 120 ha was purchased land.

Peter grew up in Melbourne and his interest in farming developed when he visited family friends at Simpson. He started dairy farming at Simpson as a trainee and has progressed to sharing farming and farm ownership in December 2021. Marnie, who grew up on a sheep and cropping farm near Lismore, is a nurse at the Camperdown Hospital. Peter and Marnie have two young children, 3-year-old Jack, and 1 year old Amelia.

The focus farm commenced in April 2022 with a support group meeting at the Cobden Hotel. The support group is made up of approximately 30 farmers and service providers. The farm requires several infrastructure improvements to reduce the time spent on daily chores including upgrading the dairy and upgrading the water supply to the farm. The Kerr's are looking for the support group to guide and advise them as they make investments on their farm.

The Kerr's employ one full-time employee and have a part-time milker on a Saturday. They do most of the work on farm themselves. One of the major goals of the project will be to reduce the amount of time spent on the daily chores. They are keen cattle breeders with a stud, breeding under the prefix Rookery Holsteins. The Kerr's hope that their involvement in the project will improve their efficiencies on farm to ease their workload and enable them to have more family time.



PEOPLE

The 'People' aspect of our extension is an increasingly important area of focus, with ongoing work in the Young Dairy Network, Career Development and Workforce Planning & Action spaces. People are a significant priority in the Strategic Plan 2020–2023:

Attract and develop great people for dairy

- Support farm businesses in the recruitment, retention and transitioning of personnel and their training and skill development and to recognise the importance of their health and wellbeing.
- training and skill development and to recognise the importance of their health and wellbeing.

Young Dairy Network

The Young Dairy Network (YDN) continues to provide networking, self-development and social interaction opportunities to young people working in the dairy industry. With this social focus, the various lockdowns affected the smooth running of the YDN, particularly in the first half of the year. With these restrictions hopefully now a thing of the past, the YDN can look forward to going from strength-to-strength next year.

Despite the frustrations and disruptions of COVID, the YDN sought to follow its strategic plan as much as possible. This plan includes monthly meetings, alternating between on-farm Field Days and Happy Hour evening events held at a venue. The topics for each meeting are decided by the YDN Coordinator in conjunction with the Leadership Team.

The Leadership Team consists of young industry people, representing a cross-section of the YDN cohort. It continues to help grow the membership base, along with planning relevant, meaningful and engaging events for members.

Team members for this year:

- Xavier Parkinson – Farm owner, Kirkstall
- Rachael McGrath – Farm manager, Orford
- Matt Grant – Farm owner, Cowleys Creek
- David Weel – Share farmer, Simpson
- Pip Bruce – Nutritionist, Colac
- Liam Allan – Share farmer, Terang
- Isaac Hose – Farm employee, Garvoc
- Tess Blake – Farm lessee and agronomist, Deans Marsh
- Esmee de Loof – Farm Consultant, Woolsthorpe

In total, three Happy Hour and three Field Day events took place this year.

At the start of July, wedged in between lockdowns, the group met at the Parkinson family farm at Kirkstall. The day looked at succession and career pathways, with consultant Chris Hibburt leading the discussion – along with farm investor Chris Proctor and host Xavier Parkinson.

The first Happy Hour evening session was held in Terang and focused on silage – the importance of making quality silage, along with best practice for making and conserving this important feed source.

For the group's Christmas break-up, it headed to the Philp's family farm at Garvoc. The main topics covered were the recently adopted 10 in 7 milking system, three-way cross cows and the new rotary dairy. The event was well attended and enjoyed by all, including a BBQ dinner provided by UDC.

Next was a Field Day held at the Place family farm, Pomborneit. The Place's have had cow activity monitors for four years. Grant took the group through how they use the system, all the benefits he has seen, as well as the few small issues they have encountered.

Two Happy Hour events then followed. The first looking at nitrogen. With prices increasing rapidly, agronomist Andrea Roberts discussed effective and economic fertiliser use. Graham Clay then presented the group with an alternative to synthetic nitrogen, when he showed the Biolink 4 Plants product he has developed.

In May, international management consultant Nollaig Heffernan visited western Victoria. The YDN was fortunate enough to have Nollaig present her Influencing your dairy career session. The evening was highly motivating and gave attendees some great insights into how they can progress their career in dairy.

The input of young dairy farmers and service providers remains essential to the YDN. Working together and with other industry partners such as Gardiner Dairy Foundation, DemoDAIRY and UDV, the YDN will continue to provide opportunities, services and inspiration for young dairy industry people.



New Generation Skills Project

The New Generation Skills (NGS) project has run for the past two and a half years and wound up in June 2022. Jim Burrell was employed as the Career Development Coordinator for the project. A replacement program will run in 2022/23.

Broadly, the objective of the project was to actively promote and assist in identifying and supporting career pathways into the industry supply chain, which included farms, service sector business and the education & training sector. Program initiatives included:

- Neil Porter Legacy (Careers Teachers)
- SWLLEN participation
- Guest speakers at schools promoting dairy careers
- Coordinating dairy farm visits for schools
- Rotary Clubs' program - Defying the Drift
- SWTafe and RIST liaison
- Deakin University liaison
- Developing applicable resources to better place students on farm, in school-to-work opportunities
- Gap Year Project
- GALS (Deakin Uni. Girls in Leadership and STEM)
- The Clontarf Foundation/Warrnambool College visit
- Cows Create Careers
- The Careers Teachers STEM Showcase, funded by Gardiner Dairy Foundation
- Working with Agriculture Victoria on the Culturally and Linguistically Diverse (CaLD) project.



Workforce Planning and Action

The 2021/22 financial year saw the lack of suitable, available labour become the main issue facing farmers in our region. This problem had been developing over some time, with overall low unemployment in south-west Victoria, along with competition from other industries. However, the pandemic and associated lack of immigration across all skill levels has exacerbated the situation.

Farmers are having to do more and more themselves, which is only sustainable for a limited time. Some farmers are delaying plans to expand or are scaling back in order to make the workload more bearable. In some cases, the labour issue is causing farmers to sell up or move to other enterprises, such as beef and sheep.

WestVic Dairy and Dairy Australia are aware of the huge impact this is having on the region's dairy farmers and are putting more resources towards helping attract and retain good people to the industry.

During the lockdowns experienced earlier in the year, several online sessions were offered to the region's farmers. Two Farm Fitness Checklists – People webinars, along with an HR Pulse Check drop-in session, were held.

This financial year saw three Employment Essentials workshops delivered throughout the region in Warrnambool, Colac and Timboon, presented by farm consultant Daryl Poole. Daryl covered the basics of employing people in the dairy industry, focusing on navigating and utilising the Employment Starter Kit initiative (ESKi) and the People in Dairy website, along with giving an overview of requirements for compliance and employer obligations.

The ESKi and The People in Dairy website have become standard resources that are used by many dairy farm businesses and service providers. They are frequently updated with changes to National Employment Standards and the Pastoral Award.

A one-off Leading my team workshop held in Colac saw former Geelong Cats captain Cameron Ling pass on his experiences of leading a successful team to victory. The session was enjoyed by all attendees, with great feedback and a request for more similar events in the future.

With more and more farmers looking to overseas workers to fill their workforce needs, an information session was planned for Camperdown in November. However, due to changing lockdown rules, this event had to be moved to a webinar format. A panel consisting of Fadi Malek (Immigration Agent and Director of GSES), Stephen Hoy (DAMA Officer at Warrnambool City Council) and Adrienne Ritchie (FIP Group) each presented and then took questions from the audience. The event was well subscribed and shows the demand for more information on this subject.

The online platform, Dairy Passport, was discontinued this year, with users of the service given help to move over to a digital program of their choosing. Later in the year a commercial platform, Safe Ag Systems was unveiled as the platform of choice by Dairy Australia. This platform is available for all dairy farmers at a discounted rate and offers a more user-friendly experience. All previous Standard Operating Procedures that farmers have drawn up can be used in Safe Ag Systems, as well as a huge library of other resources that can be individualised to personal needs and requirements.

For those that prefer hard copy records, the Farm Safety Manual and Farm Safety Starter Kit continue to be available to farmers to help them put in place procedures and identify safety 'hotspots' on their farms.

WestVic Dairy worked with other organisations to help promote services that are available to farmers. This included assisting the Victorian Farmers Federation to help roll out the Making our farms safer program. A collaboration with the National Centre for Farmer Health saw WestVic Dairy produce a video interview highlighting its Campfire initiative. This is an online program that helps farmers with their general wellbeing and mental health.

In March, WestVic Dairy welcomed international employment consultant Nollaig Heffernan back to the region. Nollaig has presented to farmers in south-west Victoria previously and has a well-deserved reputation as an excellent and inspiring presenter. On this visit three Employer of Choice workshops were delivered by Nollaig – in Colac, Cobden and Warrnambool. These sessions prompt farmers to consider how they interact with their employees. They learnt how becoming an 'employer of choice' can have great rewards for their businesses.

An unexpected opportunity arose in May to have Nollaig visit the WestVic region again. This opportunity was taken and saw Nollaig present another Employer of Choice workshop, this time in Camperdown, along with a session for the Young Dairy Network. The feedback from all of these sessions was excellent with many farmers saying how valuable they were.

A number of resources have been developed with support from WestVic Dairy and are available to download from The People in Dairy website, including:

- Share Dairy Farming in Australia; Model Code of Practice
- Leasing Dairy Assets Resource Pack
- Shared Equity Arrangements Resource
- Farm Safety Starter Kit
- Farm Safety Manual
- Employment Starter Kit initiative (ESKi)

Support is available for farmers to access and utilise these employment resources. From July 2022, there are two extension officers working in this area that can field phone call enquiries and provide in-person, one-on-one assistance as required. This service is well utilised, with around twenty queries answered and several farm visits performed a month.



FEEDBASE

Top Fodder

In July 2021, WestVic Dairy ran a freshly revised Top Fodder program. The updated program used a flipped classroom model. This is where course participants work through some online modules at home, in their own time and at their own pace. After the participants did the pre-learning, they attended the Cobden Golf Club for a 2-day workshop to cement in their learnings and ask any follow-up questions. Frank Mickan, widely regarded as the best fodder conservation specialist in the country, delivered the program and was supported by Peter Gaffy. Some of the activities at the 2-day workshop explored topics such as selecting the right crop, improving the quality of the silage made, evaluating the role of silage in the system, and reducing losses and wastage.

Feeding Pastures for Profit (FPFP)

Two Feeding Pastures For Profit groups concluded during the year in the Purnim and Timboon areas. This included on-farm Spring and Summer days. Traditionally, the program commences each year in Autumn with two classroom days, where participants learn the theory of good pasture management and profitable feeding. This theory is then put into practice during five on-farm practical days which are run to prepare participants to manage their pasture and feeding in Autumn, Winter, early Spring, late Spring and finally Summer. A new FPFP group was formed in May 2022 with industry expert Phil Shannon returning to the region to deliver this program.

Profitable Feeding Systems (PFS)

The Profitable Feeding Systems Steering Committee met in December 2021 to help guide extension activities in the Feedbase area. Each season can deliver unique challenges and the PFS program, under the guidance of the industry based steering committee, helps to tailor information to assist farmers to improve their farming feeding systems. It also has the scope to help farmers respond to seasonal challenges. The WestVic Dairy Board and staff would like to recognise the valuable contribution that Janet Hunter, Jarrod Mead, William Mc Donald, and Graeme Ward contribute to the PFS steering Committee.

The committee identified one of the significant challenges facing growers this year was the rising cost of nitrogen-based fertilisers. Industry Analyst John Droppert from Dairy Australia provided insights into the causes and current trends impacting on-farm input costs.

Then dairy farming consultant Matt Harms described the practical decision-making process that farmers and advisors could use to find the best value feed source as the situation evolved. This included making reasonable assumptions about response rates to urea and pasture utilisation rates. These assumptions helped to calculate the breakeven cost of Urea in comparison to alternative sources of feed.

Nutrition Fundamentals

Nutrition Fundamentals was run in the Ballarat region in May 2022. The foundations of the program are drawn from historical extension programs like Target 10, Feeding Dairy Cows and Agriculture Victoria's Introduction to dairy cow nutrition. This updated course looks to provide the foundational knowledge of dairy cattle nutrition for farmers, service providers and anyone involved with the feeding of dairy cows. This program was delivered by Debbie Twiss and Peter Gaffy. The first two days were held at the Golden City Hotel in Ballarat. The third day was held at Lynette Greenwood's farm, with the aim of providing participants with the opportunity to put into practice what they have learnt at the first two days and to start to develop the keen observation skills that are so important to getting herd diet right. Nutrition Fundamentals will be run again in the year ahead.

Advanced Nutrition In Action (ANIA)

Advanced Nutrition In Action was run at Deakin University's Warrnambool campus this year. The course is made up of three units, each running for a period of 6-8 weeks, during which time each participant works through the online modules and activities relating to that unit. The participants then meet over two days to discuss and identify opportunities to improve nutrition-based outcomes on farm. Pip Gale delivered Units 1 and 2 and Mark Burgemeister delivered Unit 3 with the support of Pip. The purpose of the training is to better equip farmers and service providers with the skills, tools, and strategies to help make effective changes to their nutrition management. Once the group has completed all three units of the course, they then have 5-6 months to apply their Nutrition Change Strategy. The final session is an opportunity for participants to share their progress with the group, discuss what actions and outcomes have occurred and what they'd like to do next. ANIA will be run by West Vic Dairy in 2023/24.



ANIMAL PERFORMANCE

Delivery of effective extension in 2021/22 has been achieved through collaboration across subject areas and regions. As well as considerable skills within the WestVic Dairy team, we are fortunate to have our animal performance extension programs delivered and supported by subject matter experts from DataGene and skilled local service providers in the dairy industry.

Rearing Healthy Calves

The Rearing Healthy Calves (RHC) program has been redeveloped in collaboration with Dairy Australia's Leads in Animal Performance (AP) and Regional Extension Officers (REOs) from other regional development programs (RDPs). The redevelopment of this program better supports farmer discussion and provides an opportunity to engage with calf rearing operations on farm as part of the learning process. As part of the project, a new shed guide resource has been developed to support calf rearing teams to monitor calf health and treat common calf health problems.

The RHC Fundamentals program was piloted in Larpent with support from Dairy Australia's Leads in Animal Performance and Animal Welfare, Dr Stephanie Bullen and Dr Sarah Bolton, along with Donna Gibson, an REO from GippsDairy. The RHC fundamental program has subsequently been delivered across dairy regions in Western Australia, New South Wales, Gippsland and here in south west Victoria.



Cups On, Cups Off

The Cups On, Cups Off program has been delivered across the region in football clubs and community halls from Macarthur to Larpent, by Dr Zoe Vogels, Dr Shane Lyons and Dr Stephen Jagoe. This has increased farmer access to this fundamental milk quality program. The program is being reviewed and presenters will be delivering an updated program with new resources in 2023. WestVic Dairy responded to request from Ballarat Discussion Group for an on-farm session to review current mastitis management practices with Dr. Zoe Vogels.

Healthy Hooves

Dr Tom Loughnan and Mr Paul Dunn participated in the delivery of several hoof health workshops, sharing practical tips, tricks and skills to assist with hoof treatment, helping upskill the next generation of dairy farmers. Healthy Hooves continues to be a well-attended extension program across the south-west region.

Other workshops

Animal welfare and the legal requirements for humane euthanasia were discussed in workshops held at Wangoom Community Hall in December 2021. Attendees came away with an appreciation for practical aspects that must be accounted for when dealing with injured livestock.

The new Genomics extension program provided opportunities for farmers to discuss the application of genomic testing to herd management with Peter Williams and Peter Thurn of DataGene. Peter Williams and Bruce Officer also demonstrated genomic sampling techniques at a workshop held on Neil Dickson's farm in Bookaar.

Small group extension workshops focused on specific issues (calf rearing and hoof health management) have been delivered on farm to provide seasonal refresher training for farm teams. Digital programs developed during 2020/21 have provided useful resources for the online delivery of animal management extension when presenters have been forced to isolate with recent waves of COVID infection.



LAND WATER CLIMATE

Fert\$mart

Two Fert\$mart programs were delivered across the region, one in collaboration with the Corangamite Catchment Management Authority (CCMA) and the other with Glenelg Hopkins Catchment Management Authority (GHCMA). These projects were supported by funding from the Australian Government's National Landcare Program.

The CCMA's Sustainable Agriculture program was a collaboration between AgVic, the CCMA and ourselves and covered a number of topics in addition to the Fert\$mart program, in a four day course is called Sustainable Dairies. The program was fully subscribed with fifteen farms participating. This year we were able to return to face-to-face delivery for the full program, albeit with masks on for a couple of the workshops. Agriculture Victoria's Rachael Campbell presented to the group on effluent management, Lisa Miller from Southern Farming Systems presented on soil acidification and Graeme Ward presented on soil carbon. The final workshop was a field day in Simpson with soil biology expert Dr Pauline Mele, who spoke about the key aspects of soil biology and undertook a quick Visual Soil Assessment (VSA) in the field.

The GHCMA Fert\$mart program was oversubscribed this year, with 11 farms completing the course. This program included a two-day Fert\$mart program and participants were invited to take part in the CCMA Field Day.

Farming Sustainably for Future Generations

In December, the Doolan family at Brucknell hosted a field day to showcase the sustainability practices they have implemented on farm. The Doolan family were the winners of the 2020 Great South West Dairy Awards Natural Resource and Sustainability Management Award. Over 90 farmers, service providers and industry representatives attended the field day to view some of the innovations the family has adopted.

The Doolan family has installed a number of energy saving technologies on their farm as they work towards net-zero carbon farming. The farm has a 90kW solar system and with the use of technical monitoring systems connected to smart phones they are able to use the solar energy at peak times as it is produced.

Alerts to signal peak energy production allow them to crush grain, pump and heat water during the day to utilise the power produced. A number of energy saving upgrades have been installed in the dairy, including new plate cooler, chiller, underground chilled water storage tank and a heat pump system. On-farm energy specialist, Gabriel Hakim, presented to the audience on 'Easy Ways to Start' to reduce energy costs on farm.

Jade Killoran, Heytesbury District Landcare Network, also spoke to the attendees on the research the network is undertaking on cover cropping.

Smarter Irrigation for Profit Project (SIP2)

Dairy Australia's 3 year SIP2 project concluded with the end of the irrigation season in Autumn. The project, 'What's my yield gap? Maximizing water productivity', investigated opportunities to increase irrigation productivity and profit through trial and demonstration of cost-effective management practices and technologies which increase water, energy and labour efficiencies. The project was supported by funding from the Australian Government Department of Agriculture, Water and the Environment as part of its Rural R&D for Profit program and by Dairy Australia.

Local consultant Graeme Ward facilitated the project and worked with WestVic Dairy staff. The research site at Mepunga had regular data collected to measure yield, water use, energy use and overall irrigation system performance. The site was supported by an active group of farmers and service providers.

Findings from the research highlighted the importance of monitoring soil moisture to inform the irrigation schedule, maintaining Readily Available Water (RAW). The 7-day rainfall and evaporation forecasts provided a guide to likely pasture water use and irrigation requirements. Energy was the most expensive variable cost in dry matter production, varying between \$38 and \$58/tDM depending on the demand for irrigation.

The project concluded with a field day in April with guest speakers including Nick O'Halloran, Senior Irrigation Officer with Agriculture Victoria at Tatura; David O'Donnell, Irrigation Consultant from Bega; Tim Powell, Irrigation Consultant from Penola; Cath Lescun, Dairy Australia's Technical Lead – Soils and Irrigation; and Graeme Ward, local SIP2 Site Coordinator.

Silage Plastic Recycling Trial

Around 8,800 tonnes of silage plastic is used each year in Australia. Most is landfilled, while some is burnt or buried. Only a very small amount is currently recycled. With support from the Commonwealth Government's National Product Stewardship Investment Fund, Dairy Australia is developing a national collection and recycling scheme to better manage this waste.

After a year of feasibility studies, stakeholder engagement, and planning, a silage plastic recycling trial started in western Victoria in April 2022. The trial is designed to test different options for collecting, transporting, and recycling used silage plastic – gathering feedback from farmers and other supply chain stakeholders along the way. The trial collection period will continue through to January 2023 and the outcomes will be used to develop recommendations for a nationwide scheme.

Western Victoria was chosen for the trial due to its high rates of silage use, variety of farm types and sizes, spread of farm locations, supportive local councils, supportive regional team and relative proximity to current recycling outlets.

Farms utilising silage were invited to complete a short survey on their habits. Almost 150 responses have been received to date, with 80 farms initially selected to take part in the trial.

In May and June, purpose-built bins and liners were delivered to each farm selected. Many participants had stockpiled their bale wrap and pit cover in preparation for the trial. Participants have the option of taking their plastic to one of the 5 participating council transfer stations (Killarney, Peterborough, Alvie, Naroghid and Simpson) or requesting an on-farm collection. Collected materials will then be transported and recycled at a range of plastic re-processors in Victoria.

The scheme has been initiated by Dairy Australia in respond to widespread concerns from farmers around the lack of sustainable disposal options and to support the industry's target of implementing a system that collects and recycles 100% of silage wrap in the dairy industry by 2030.

The initial intake of farms for the trial is now full. However, depending on trial outcomes and budget, there is potential for the trial to be expanded to additional farms in the coming months.



SPECIAL EVENTS

Great South West Dairy Awards

The Great South West Dairy Awards (GSWDA), now in their 15th year, were held again in 2022. While the categories have changed over time, what has remained constant is the celebration of the very best of the dairy industry across the WestVic Dairy region.

The Gala Night took place on 12 May in the new Matilda Room at the Warrnambool Racecourse.

Adam Jenkins was the MC for the night, with special guest footballer Jonathan Brown joining us to celebrate the winners of the 2022 Awards. Jonathan reminded us all that it is important to celebrate the small wins in life and to plan for our futures. The night also celebrated the Milk Quality Award Winners of the south west.

The 2022 winners were:

- Farm Business Manager of the Year – Maryke Roux, Yambuk Dairies, Yambuk
- Employee of the Year – Liz Mackley, Aurora Dairies, Hawkesdale
- Natural Resource Manager of the Year – John and Rochelle Pekin, Simpson
- Young Dairy Leader of the Year – Renata Cumming, Scotts Creek
- Service Provider of the Year – Meaghan Johnston, Bega Cheese, Koroit
- Farm Photo of the Year – Karen Angus, Ondit
- 2022 Western Victoria Dairy Industry Honour Board inductee – Mark Billing, Larpent.

In total there were 42 nominations for the 2022 Awards, as well as 69 photos entered into the photo competition.

Ladies' Luncheon

The popular South West Dairy Ladies' Luncheon again proved to be a big success even with the challenge of COVID, which prompted the decision to host the event over two venues with reduced numbers at each.

On the 25 November, the first event was held at Deakin University, Warrnambool campus, with 174 people in attendance. The second event was held at the Colac Bowls Club by the Lake, with 144 people in attendance, totalling 314 people at the events.

In the morning we heard from a panel hosted by Panel Facilitator Renata Cumming, founder of Farm Garden Table, a 'life on the land' themed Instagram account.

The three panellists were Anne Roslin of Great Ocean Road Paddock2Plate Cordial syrups, Belinda Cardinal of Caprotek and Jodi Clarke of Great Ocean Ducks. Panellists shared their journeys to develop businesses and their hopes to inspire other women to follow their dreams.

Keynote speaker and world record holding marathon swimmer Tammy van Wisse is sheer inspiration. She has swum one-and-a-half times around the planet, setting six world records – five of which are still current. 'There are no boundaries,' says Tammy. 'Once you have the right mindset, whatever your goal, you can get there.' Her never-give-up world champion stories were enlightening, entertaining and powerfully motivating.

Gardiner Dairy Foundation and Westpac bank were the major sponsors of the day, with further support from many local businesses and organisations.

The Ladies Luncheon is organised and co-ordinated by a committee of women in the south-west with support from WestVic Dairy.



DAIRY DISCUSSION GROUPS

Port Campbell Discussion Group

The year commenced with the Annual General Meeting at the Port Campbell Hotel. This saw Matt Grant and Mat Whitehead step down as Leader and Vice Leader. Linda Whiting took over as the group's leader, with Ash Gristede the new Vice Leader.

Group activity was low during the first half of the year as members made it clear they were not interested in online events and discussions during COVID. Several times on-farm days were planned but then had to be cancelled due to COVID restrictions. Once face-to-face meetings were possible and the late harvest completed, the group met most months.

For something different, the group held its Christmas meeting as an evening event on the Diprose farm managed by Simon and Rachael Richardson. The topics for the night were the export heifer market, genomics and copper deficiency in young stock.

The Annual Dinner again took place at the Timboon Golf Club. The evening was well attended, with members enjoying a three-course meal and an after-dinner speech from DS Derek Verity from the Rural Crime Squad.

The first on-farm meeting of 2022 was held at Ash and Michelle Gristede's farm, where fertiliser was the main topic of conversation. The Gristede's have used a tow and fert system, which uses less nitrogen, for two years. Members also looked at the new calving barn that is under construction.

April saw the group visit the Loveday's farm at Laang, where they looked at the impressive infrastructure that Fred and Jacinta have constructed in the time they have been on the property.

Adrian and Vickie Bond invited the group to visit for the May meeting. With their son Max now home on the farm, the Bond's are looking to the future, with plans to build a brand-new rotary dairy on a greenfield site.

The year concluded with the annual planning and social evening, which this year was held at the Ball and Chain hotel in Simpson.

Whilst each farm visit has a particular topic to focus on, it is the general farm walk and talk that the group enjoys the most and finds most valuable.

Cooriemungle Discussion Group

The Cooriemungle group did not hold its first standalone meeting until December due to restrictions and the harvest commitments of its members. This meeting for the Christmas break-up was again held at the Ball and Chain Hotel, Simpson, with members and their families enjoying the evening.

Meetings are generally hosted by group members on-farm. However, the group has also worked in with other extension events, such as the Jancourt East Focus Farm Field Day in November and Discussion Groups as appropriate.

The new year saw Tyson Sinclair take over the leadership role from Andrew Crole. Tyson then hosted the first meeting of 2022 on his property in Simpson, which included the annual planning session, as well as a general farm walk and discussion.

March saw the group visit Dan and Tanya Campbell's farm. The Campbells moved to the region from north east Victoria two years ago in order to grow their business.

The next meeting was held at the Whiting's farm to look at multi-species cropping along with the new SOILKEE machine that had just been delivered.

The important subject of succession planning was then covered during a visit to the Crole's farm in May. Led by consultant Chris Hibburt, a panel consisting of a banker, lawyer and accountant talked attendees through the succession process.

An informative visit to the Vogel's new cow housing system on one of their three farms concluded events for the year.

Lakes and Craters Discussion Group

It was a quiet year for the Lakes and Craters group. A lack of desire to run any online sessions during lockdowns and the on-farm demands of the group members meant only one meeting took place.

That meeting was the Christmas lunch at the Hampden Hotel in Camperdown. The session also included a presentation from Peter Abernathy on how genomics can be used to improve the genetic merit and subsequent productivity on dairy farms.

Glenelg Hopkins Discussion Group

The Glenelg Hopkins Discussion Group met to discuss farm safety assessment services available through VFF, with Richard Versteegen presenting at Rachel and Dale McLean's dairy farm. In May, Martin Knowles hosted the group on farm to discuss preparation for June 2022 calving.





FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2022 WESTVIC DAIRY (NON-REPORTING) INC.

Your directors present this report on the company for the financial year ended 30 June 2022.

Directors

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

- Jacqui Suares Chair
- Brendan Rea Vice Chair
- Rhonda Henry Treasurer
- Daniel Parkinson
- Michael Huth
- Bradley Collins
- Will McDonald (appointed 5 October 2021)
- Lucy Collins (appointed 5 October 2021)
- Bryan Dickson (appointed 5 October 2021)
- Simone Renyard (retired 5 October 2021)
- Jo-Anne Fife (retired 5 October 2021)

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

Board meeting attendance

Board Member	WestVic Dairy Board Meetings (total 10)
Simone Renyard	2
Jacqui Suares	10
Brendan Rea	9
Rhonda Henry	9
Daniel Parkinson	10
Mike Huth	8
Will McDonald	7
Brad Collins	10
Jo Fife	2
Lucy Collins	6
Bryan Dickson	5

DIRECTORS' REPORT

To the members

Your Directors submit their Report, together with the Audited Financial Statements of the Association for the year ended 30 June 2022.

Directors

The names of the Directors in office at any time during or since the end of the financial year and up to the date of this report are:

Jacqueline Soares (Chair); Brendan Rea (Vice-Chair), Rhonda Henry (Treasurer); Daniel Parkinson; Michael Huth; Bradley Collins, Will McDonald (appointed 5 October, 2021), Lucy Collins (appointed 5 October, 2021), Bryan Dickson (appointed 5 October, 2021), Simone Renyard (retired 5 October, 2021); & Jo-Anne Fife (retired 5 October, 2021).

Principal activities

The principal activities of the Association during the year was as the Regional Development Program (RDP) for the Western Victorian dairy region, and the delivery of dairy extension activities and programs. There were no significant changes in the nature of these activities during the year.

Review and result for the year

The net surplus for the year was \$103,426 (2021 - \$162,227).

Dividends

No dividends have been paid since the date of the last report and no dividends are recommended to be paid out of profits for the year ended 30 June 2022.

Future developments and results

The Directors wish to note that the 2021/2022 year has been another unusual year which has had some financial impact on these Financial Statements.

The restrictions brought about by the COVID-19 pandemic have continued to significantly affect the usual operations of the organisation with the inability to conduct extension meetings and activities as anticipated in the annual operating plan. Delivery by a combination of face-to-face and online methods remained necessary.

Intermittent lockdowns were a feature of the year for the regional business community and have resulted in disrupted activities and some underspend of anticipated expenses. The future is likely to include an element of online delivery and we continue to explore alternative ways to deliver on our strategy.

The Board is confident that the reported surplus, along with its prudent approach of setting aside

contingencies in the Reserves, will allow for responsible financial management in what will be another uncertain year in 2022/23.

The Association intends to retain its present business structure and operations and there will be no likely developments in the operations of the Association in future financial years that would affect future financial results.

Environmental regulation

The operations of the Association are not subject to environmental regulations.

Directors' and executives' benefits and contracts

During or since the end of the previous financial year, no Director or Executive of the Association has received or became entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the accounts, or the remuneration of an employee of the Association), by reason of a contract made by the Association with the Director or Executive or with a firm of which he is a member or with a Company in which he has a substantial financial interest.

Indemnification and insurance of office and auditor

During the year, the Association paid insurance premium to insure the Directors named in this report.

This report is made in accordance with a Resolution of the Board and is signed for and on behalf of the Directors.



Jacqui Soares WestVic Chairperson

12 September 2022

INCOME AND EXPENDITURE STATEMENT

FOR YEAR ENDED 30 JUNE 2022

	Note	2022	2021
		\$	\$
Income			
Events		9,845	-
Extension course fees		16,500	-
Interest received		895	2,968
Other income and refunds		34,310	8,274
Project income		487,272	416,901
Program funding		940,000	940,000
Total income		1,488,822	1,368,143
Expenditure			
Audit and accounting fees (2021 and 2022 included in 2022 year)		9,300	4,785
Advertising, promotion and marketing		23,870	16,546
Bank charges		1,646	1,354
Board fees and development	13	29,149	31,921
Catering costs		8,199	9,153
Contractors		155,022	144,462
Consumables		4,586	2,315
Depreciation		4,692	5,263
Donations and gifts		6,857	5,705
Electricity and gas		3,524	3,093
Extension costs		79,441	26,785
Insurance		9,389	9,008
Interest expense		777	1,287
Employment costs	2	872,188	835,361
Lab tests (soil, plant, animal)		13,531	1,539
Motor vehicle expenses		72,926	19,445
Newspapers and magazines		395	279
Postage		3,783	6,265
Printing and stationery		13,208	13,032
Property - Depreciation of right of use asset	10	33,899	31,200
Repairs and maintenance		3,542	3,332
Sponsorship		-	1,909
Staff development		1,575	10,945
Subscriptions		1,798	2,794
Sundry		2,866	767
Telephone and technology		10,854	3,797
Tools and equipment (under \$700)		2,203	1,870
Travelling and accommodation		16,176	11,704
Total expenditure		1,385,396	1,205,916
Net operating current year surplus attributed to members		103,426	162,227

STATEMENT OF FINANCIAL POSITION

FOR YEAR ENDED 30 JUNE 2022

	Note	2022	2021
ASSETS		\$	\$
Current assets			
Cash and cash equivalents	3	1,157,173	1,101,767
Trade and other receivables	4	45,006	28,420
Total current assets		1,202,179	1,130,187
Non-current assets			
Property, plant and equipment	5	31,340	36,032
Right of use asset	9	59,801	91,001
Total non-current assets		91,141	127,033
Total Assets		1,293,320	1,257,220
LIABILITIES			
Current liabilities			
Trade and other payables	6	22,382	27,773
Carried forward funding	7	-	30,711
Lease liabilities		31,537	31,223
Total current liabilities		53,919	89,707
Non-current liabilities			
Trade and other payables	6, 10(a)	25,000	25,000
Lease liabilities		29,187	60,725
Total non-current liabilities		54,187	85,725
Total liabilities		108,106	175,432
NET ASSETS		1,185,214	1,081,788
Equity			
Retained surplus		936,462	833,036
Extension committee	10(a)	8,752	8,752
Reserves	10(b)	240,000	240,000
Total equity		1,185,214	1,081,788

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Note	Retained earnings	Extension Committee (Note 11b)	Minimum reserve (Note 11a)	Total
Balance at 1 July 2020		670,809	8,752	240,000	919,561
Surplus/(Deficit) for the year attributable to members of the entity		162,227	-	-	162,227
Transfer to/(from) reserves		-	-	-	-
Balance at 30 June 2021		833,036	8,752	240,000	1,081,788
Surplus/(Deficit) for the year attributable to members of the entity		103,426	-	-	103,426
Transfer to/(from) reserves		-	-	-	-
Balance at 30 June 2022		936,462	8,752	240,000	1,185,214

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022	2021
		\$	\$
Cash flows from operating activities			
Receipts from customers		1,440,630	1,371,646
Interest received		895	2,968
Payments to suppliers		(1,352,196)	(1,320,594)
Net cash (used in)/generated from operating activities	8b	89,329	54,020
Cash flows from investing activities			
Payment for plant and equipment		-	-
Cash flows from financing activities			
Movement in lease liabilities		(33,923)	(30,911)
Net increase/(decrease) in cash held		55,406	23,109
Cash at the beginning of the financial year		1,101,767	1,078,658
Cash at the end of the financial year	3	1,157,173	1,101,767

WESTVIC DAIRY INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 1 Statement of significant accounting policies

Financial reporting framework

The financial statements are special purpose statements prepared for distribution to the members of WestVic Dairy Inc. in order to satisfy the reporting requirements of the Associations Incorporation Reform Act (VIC) 2012. The board has determined that the association is not a reporting entity.

Statement of compliance

The financial report has been prepared in accordance with the Associations Incorporation Reform Act (Vic) 2012, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of the following Accounting Standards:

- AASB 16: Leases
- AASB 101: Presentation of Financial Statements
- AASB 107: Cash Flow Statements
- AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1031: Materiality
- AASB 1054: Australian Additional Disclosures

Basis of preparation

The financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

(a) Income tax

The Association is income tax exempt.

(b) Property, plant and equipment

Each class of property, plant and equipment are carried at cost or fair value, less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount of these assets. The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful life commencing from the time the asset is held ready for use.

Class of fixed assets	Depreciation rate
Plant and equipment	10%-100%
Leasehold improvements	10%

(c) Impairment of assets

At the end of each reporting period, the Board reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the statement of profit or loss and other comprehensive income.

WESTVIC DAIRY INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

(d) Employee provisions

All employees working on the activities of WestVic Dairy (Non-reporting) Inc are employees of Dairy Australia. Dairy Australia on charge WestVic Dairy (Non-reporting) Inc for the cost of employing these employees. Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period and is included in the liability to Dairy Australia (Payables) for annual leave. The obligation for the payment of long service leave lies with Dairy Australia as advised in the 2021 Financial Year. Long service leave provision was initially brought to account as a liability of Westvic Dairy for the first time in the 2018 financial year, however the provision was reversed in the 2021 year upon the advice of Dairy Australia.

(e) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provision are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(f) Cash on hand

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

(g) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors/funding providers. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(h) Revenue and other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method.

Revenue in relation to the rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the state of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome can not be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable. Revenue from training services is generally recognised once the training has been delivered. Revenue for training not delivered at balance date is carried as an unearned income liability on the statement of financial position.

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

(i) Leases

At inception of a contract, the association assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the association where the association is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the association uses the incremental borrowing rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

WESTVIC DAIRY INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(j) Goods and services 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 Tax Office (ATO). 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 are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

(k) Accounts payable and other payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(m) Economic dependence

WestVic Dairy (Non-reporting) Inc is dependent on Dairy Australia for the majority of its revenue used to operate the business. At the date of this report the Board has no reason to believe Dairy Australia will not continue to support WestVic Dairy Inc.

(n) Key estimates

- (i) Impairment: The Board assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Association that may be indicative of impairment triggers.
- (ii) Plant and Equipment: As indicated in note 1 b, the Association reviews the useful life of plant and equipment on an annual basis.

WESTVIC DAIRY INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 2 Expenses

		2022	2021
		\$	\$
The disclosure of the following expense items is relevant in explaining the financial performance of the Association:			
Employment			
Wages	12	737,358	747,124
Superannuation		76,442	74,867
Travel allowance		5,030	3,522
Increase/(decrease) in employee provisions		53,358	9,848
		872,188	835,361

All employees working on the activities of WestVic Dairy (Non-reporting) Inc are employees of Dairy Australia. Dairy Australia on charge WestVic Dairy (Non-reporting) Inc for the cost of employing these employees. Employment related expenditure as recorded in these Financial Statements represent payments to Dairy Australia. Workcover and Payroll tax expense relating to expenditure is paid for by Dairy Australia and not on charged to WestVic Dairy. Dairy Australia is responsible for employees Long Service Leave.

Note 3 Cash and cash equivalents

		2022	2021
		\$	\$
Extension Committee account	10A	35,904	35,707
ANZ transaction account		529,976	475,493
ANZ cash management account		340,685	340,397
NAB term deposit	10B	250,608	250,170
		1,157,173	1,101,767

A - Funds are held separately in this bank account on behalf of the Extension Committee. Also refer to note 10A relating to Reserves and Statement of Changes in Equity.

B - \$240,000 (plus capitalised interest) is held with NAB as a Term Deposit as required by the Reserves Policy - refer note 10B.

Note 4 Trade and other receivables

		2022	2021
		\$	\$
Trade debtors		21,395	28,420
Prepayments		2,907	-
Other		20,704	-
		45,006	28,420

Note 5 Leasehold improvements, plant and equipment

		2022	2021
		\$	\$
Plant and equipment			
Plant and equipment at cost		12,083	39,729
Less accumulated depreciation		(11,689)	(39,155)
Net plant and equipment		394	574

WESTVIC DAIRY INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Leasehold improvements		
Leasehold improvements at cost	45,000	45,000
Less accumulated depreciation	(14,054)	(9,542)
Net leasehold improvements	30,946	35,458
Total leasehold improvements, plant and equipment	31,340	36,032

Note 6 Trade and other payables

	2022	2021
	\$	\$
Current liability		
Trade creditors	4,600	18,660
Other creditors - ATO	7,525	5,369
Credit cards	10,257	3,744
	22,382	27,773
Non-current liability		
Share of Extension Committee funds - AgVic and REC	10A	25,000
	25,000	25,000

Note 7 Carried forward funding

	2022	2021
	\$	\$
Project carried forward funding	-	30,711
	-	30,711

Note 8 Cash flow information

	2022	2021
	\$	\$

(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 as follows:

Cash assets	1,157,173	1,101,767
(b) Reconciliation of the net cash increase from operating activities to the net profit/(loss) as shown in the Income Statement		
Net surplus/(deficit) for year	103,426	162,227
Add Depreciation	38,591	36,463
Change in assets and liabilities		
(Increase)/decrease in receivables	(16,586)	13,067
Increase/(decrease) in unearned income	(30,711)	(6,596)
Increase/(decrease) in payables	(5,391)	(93,271)
Increase/(decrease) in provisions	-	(57,870)
Net cash increase from operating activities	89,329	54,020

WESTVIC DAIRY INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 9 Right of use asset

	2022	2021
	\$	\$
Leased building	153,402	153,402
Accumulated depreciation	(93,601)	(62,401)
Total right of use asset	59,801	91,001
AASB 16: Related amounts in the statement of expenditure		
Depreciation charge related to right-of-use assets	33,899	31,200
Interest expense on lease liability	777	1,087

Note 10 Reserves

a) Extension Committee reserves

Funds are held in a separate Extension Committee bank account. Previously WestVic Dairy was part of the Target10 group together with AgVic and Regional Extension Committee (REC). This project was completed with funds retained and controlled by the REC. An estimate of \$25,000 share was owing to AgVic and Rec and was taken up as a non-current liability in 2018. This remained for the 2022 financial year.

b) General reserve

A general reserve is maintained by the Association according to its Reserves Policy, which requires that reserves are maintained at a level to ensure that the Regional Development Program's (RDP) core activity could continue during a period of unforeseen difficulty and to meet obligations in the event of the RDP being wound up. The Reserve should be held in a readily realisable form. Refer note 3B.

Note 11 Events occurring after the balance sheet date

At the date of this report, and subject to the comment below regarding Covid-19, the Directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which have significantly affected or may affect, the operations of the Association, the results of those operations, or the state of affairs of the Association in subsequent financial years.

Covid-19 and the resultant lockdowns and restrictions had some impact on the Association's ability to deliver direct services and undertake activities during parts of the 2022 financial year.

Note 12 Related party transactions

During the year the Association paid the following amounts to the Board:

	2022	2021
	\$	\$
Sitting fees	29,149	31,921
Travel allowance	6,170	4,936
Wages and superannuation	12,833	10,950

Note 13 Entity details

The registered office of the association is:
WestVic Dairy Inc
5 Cressy Street
CAMPERDOWN VIC 3260

The principal place of business is:
WestVic Dairy Inc
5 Cressy Street
CAMPERDOWN VIC 3260

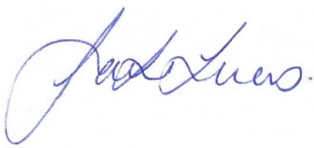
WESTVIC DAIRY INC.

ANNUAL STATEMENTS GIVE TRUE AND FAIR VIEW OF FINANCIAL POSITION AND PERFORMANCE OF INCORPORATED ASSOCIATION

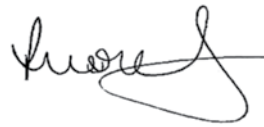
We, being members of the Board of WestVic Dairy (Non-reporting) Inc, certify that:

- the financial statements, as set out on pages 1 to 11, present a true and fair view of the financial position of WestVic Dairy (Non-reporting) Inc as at 30 June 2022 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements, the requirements of the *Associations Incorporation Reform Act (VIC) 2012*.
- at the date of this statement, there are reasonable grounds to believe that WestVic Dairy Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board, and is signed for and on behalf of the Board by:



Jacqui Soares WestVic Chairperson



Rhonda Henry WestVic Treasurer

12 September 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTVIC DAIRY (NON-REPORTING) INC.

Opinion

We have Audited the financial report of WestVic Dairy (Non-reporting) Inc, which comprises the statement of financial position as at 30 June, 2022, the statement of income and expenditure, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Board's declaration.

In our opinion the accompanying financial report gives a true and fair view, in all material respects, of the financial position of WestVic Dairy (Non-reporting) Inc as at 30 June, 2022, of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the requirements of the *Associations Incorporation Reform Act 2012*.

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 entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our Audit of the financial report in Australia. 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 *Associations Incorporation Reform Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibility of the Board [and those charged with governance] for the financial report

The Board of the registered entity is 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 *Associations Incorporation Reform Act 2012* [and the needs of the members]. The Board's 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 Board is 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 Board 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 the Board.
- 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.

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.



**FELICITY MELICAN
PRINCIPAL**

Dated this 13 September, 2022

257 Timor Street
Warrnambool VIC 3280



WEST VIC DAIRY TEAM



Lindsay Ferguson Regional Manager



Debbie Twiss Regional Extension Officer



Amanda Heard Project Support Officer



Nadine Markham Regional Extension Officer



Libby Swayn Lead Regional Extension Officer



Michelle Leech Marketing and Communications Officer



Liza Fahey Project Officer



Jim Burrell Career Development Coordinator



Matthew Wood Regional Extension Officer



Rob Muirhead Young Dairy Network Coordinator



Peter Gaffy Regional Extension Officer



Alexis Grinton Young Dairy Network Coordinator



Laurie Hickey Regional Extension Officer



Danielle Nipe Farm Plastics Recycling Trial Coordinator



Michelle Seabrook (nee Muir) Regional Extension Officer



Melissa Humphries Administration Coordinator

ACKNOWLEDGEMENTS

WestVic Dairy sincerely appreciates the support and financial assistance of many people and organisations. During 2020/21 we again worked closely with the Gardiner Dairy Foundation on several events and training opportunities. We particularly value its willingness to invest in the training and development of young dairy people in our region and we look forward to working together in the year ahead.

We would like to extend our thanks to:

- All dairy farmers in western Victoria
- Dairy Australia
- United Dairyfarmers Victoria (UDV)
- Australian Dairy Farmers
- Agriculture Victoria
- The seven other Regional Development Programs across Australia: GippsDairy, Murray Dairy, DairySA, Western Dairy, DairyTAS, DairyNSW and Sub Tropical Dairy
- The milk factories that source western Victorian milk
- The regional Catchment Management Authorities: Corangamite CMA and Glenelg Hopkins CMA
- The local shires: Corangamite Shire, Warrnambool City Council, Moyne Shire, Colac Otway Shire, Glenelg Shire, Surf Coast Shire, Southern Grampians Shire and those around Ballarat
- Local dairy farm consultants and service providers
- South West LLEN
- RIST and SWTAFE
- Wimmera and South-West Rural Financial Counselling Service
- Great South Coast Food and Fibre Council
- Our project facilitators
- Our sponsors of: Great South West Dairy Awards and Ladies' Luncheon.

CONTACTS

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