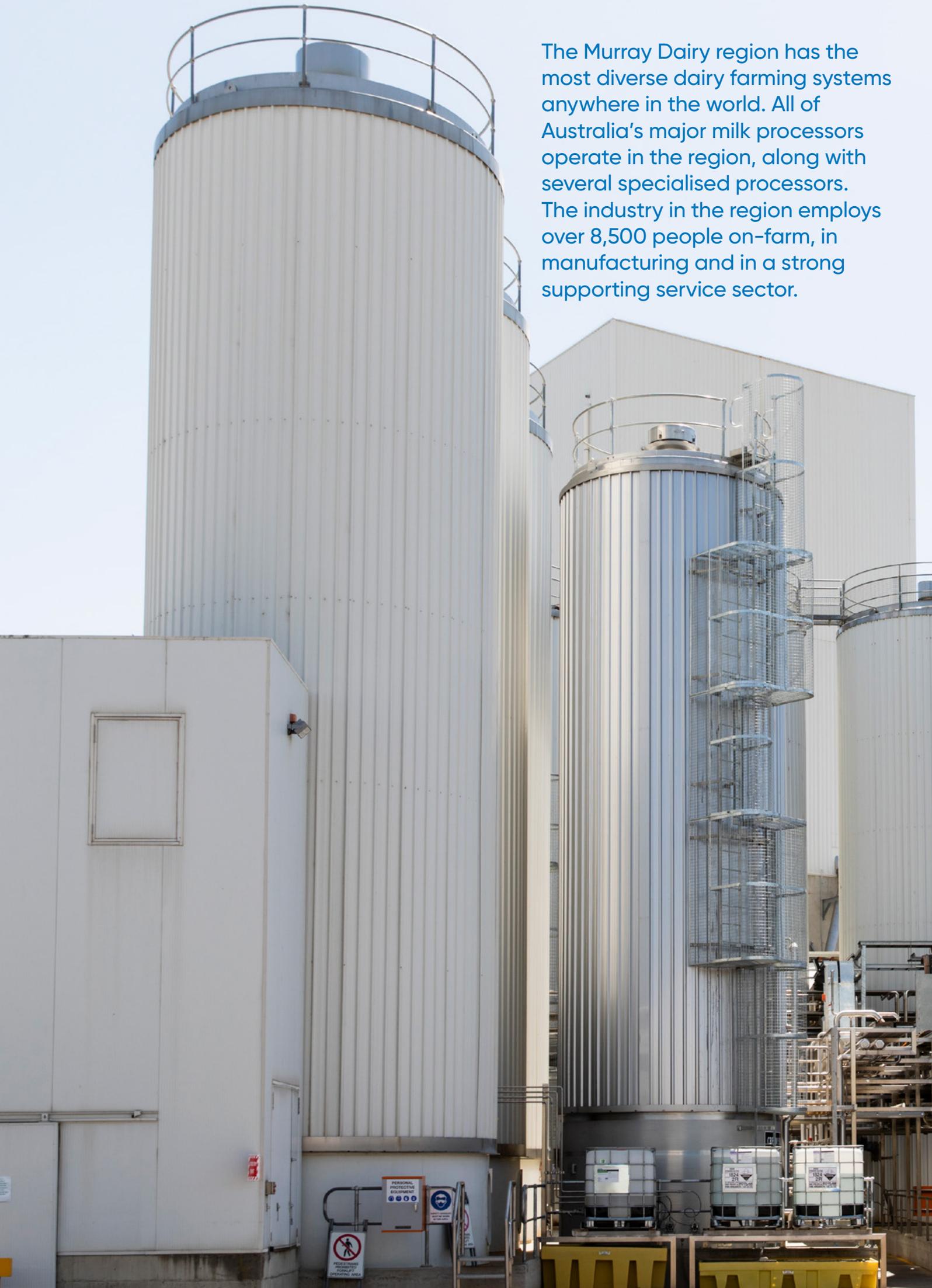


MURRAY DAIRY ANNUAL REPORT

2018–2019



The Murray Dairy region has the most diverse dairy farming systems anywhere in the world. All of Australia's major milk processors operate in the region, along with several specialised processors. The industry in the region employs over 8,500 people on-farm, in manufacturing and in a strong supporting service sector.



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ABOUT MURRAY DAIRY

Murray Dairy is a not for profit regional development program (RDP) led by farmers from the Murray Dairy region. Murray Dairy is funded by Dairy Australia through the dairy service levy, with matching investment from the Australian Government. Murray Dairy also attracts funding from other dairy and agricultural bodies such as the Gardiner Dairy Foundation, Victorian and NSW state governments and a number of other regional partners.

Each year Murray Dairy invests and delivers a broad range of research, development, extension and education programs for farmers and the broader dairy industry. Priorities for program delivery are identified via a number of industry led engagement activities and incorporated into an annual operating plan which outlines resource allocation for the year.

Murray Dairy is a not for profit regional development program (RDP) led by farmers from the Murray Dairy region. For every \$1 of levy funding a further \$4.00 of additional funding was leveraged via other investment sources in 2018–19.

THE MURRAY DAIRY BOARD

Murray Dairy is governed by a Board of Directors.

An independent selection panel recommends appointments to the Board. The recommendations are based on criteria relating to skills, experience and a strong commitment to positive industry leadership.



Karen Moroney Chair

Dairy Farmer,
Eskdale



Chris Thomas

Managing Director,
CT Consulting



Tony McCarthy Deputy Chair

Dairy Farmer,
Dhurringile



Mark Bailey

Manager Water Resources,
GMW



Andrew Tyler Deputy Chair

Dairy Farmer,
Tongala



Tom Acocks

Dairy Farmer,
Rochester



Andrew Mann Treasurer

Senior Rural Manager,
Rabobank



Lachlan Marshall

Dairy Farmer,
Blighty

OUR STAFF

Jenny Wilson

Chief Executive Officer (FT)

Lisa Birrell

Regional Extension Officer (PT)

Ross Read

Regional Extension Officer (FT)

Lachlan Barnes

Regional Extension Officer (FT)

Lisa Menhenett

Regional Extension Officer (FT)

Melva Tyson

Regional Extension Officer (FT)

Harriet Bawden

Engagement and Communications Officer
and YDN coordinator (FT)

Amy Fay

Strategic Project Manager (PT)

Megan Bicknell

Project and Administration Officer (PT)

Liz Byrne

Project and Administration Officer (PT)

CONTRACT

Mandy Coulson (PT)

Shelley Lissington (PT)

COMMUNITY LIAISON OFFICERS

Rob Schloss (PT)

Cindy Lucas (PT)

Karen Rowlands (PT)

Jodi Hay (PT)

GROUPS AND COMMITTEES

Murray Dairy supports a number of dairy industry groups and committees either through direct funding, facilitation or coordination support role. These include:

- 10 Discussion Groups
- 8 Dairy Business Network Groups
- 4 Young Dairy Network Discussion Groups
- Regional Extension and Education Committee
- Regional Network Groups (Riverina, Eastern, Western, Central)
- Alpine Valleys Dairy Pathways Project Steering Committee
- Murray Dairy Young Dairy Network
- Project-specific Steering Committees





CHAIR'S REPORT

The 18–19 year will be remembered as a pivotal time in the Murray Dairy region; it has been a year of immense challenges but also of opportunities.

Our region has experienced three challenging years, negatively impacting on farm performance and eroding regional industry confidence and resilience. This includes a dry 15–16 season, the milk price drop and low milk prices in 2016, followed by a very wet winter and spring in the same year. The 17–18 year was characterised by favourable operating conditions but these were not significant enough to completely mitigate the impact of previous seasons on business resilience and profitability. These events have resulted in a busy and challenging past 12 months, with our industry in a state of change, and while there are many positive attributes in dairy, we cannot deny we find ourselves in a challenging position. These challenges can be put into three broad categories:

- Our industry has not evolved as fast as the market has – this pertains to our global markets, the supply chain and consumer dynamics.
- Making a profit on farm has become more difficult. Here we look at on-farm dynamics, farming systems becoming more complex as we try and mitigate climate change, less water and the high input costs we are currently faced with.
- Our people and the structures they operate in need to adapt in order to succeed and meet these challenges. This means up-skilling, its about positive promotion of ourselves and our industry, its about our industry structures, are our existing structures serving our needs?

Each year Murray Dairy invests in and delivers a broad range of research development, extension and education programs for both farmers and the broader dairy community. We identify priorities and incorporate these into an Annual Operating Plan which defines resource allocation for the year.

This past year our focus has been on supporting farm businesses in our region through education and extension programs, to understand their current financial situation, to understand their current options for feed and water management and to guide key decision making relating to feed, forage, cropping requirements, animal nutrition and herd management.

At Board level, our commitment is to ensure that Murray Dairy's strategic plan supports our region to build profitable and valued dairy businesses and, as this year marks the final year of our current strategy (19/20), it was timely to review how we have performed against current trends and issues facing dairying in our region. The priorities in our three-year Strategic Plan were: 1) Growing Skills and Capability, 2) Protecting and promoting the dairy industry in the Murray region and 3) Strengthening Murray Dairy's partnerships. As with any strategy, Murray Dairy has responded and focused on increased support to our farmers this past year, dictated by a unique and extraordinarily challenging set of trends and issues. It is also fair to say, that our very capable Murray Dairy team, led by CEO Jenny Wilson, have ensured that our vision and strategic objectives to date have been implemented with leadership, integrity, innovation and responsive organisational values and behaviours.

During the year Murray Dairy hosted several events of significance.

Our signature event this year was the Murray Muster held in May, a two day event focused on the themes of automation, consumers and climate. This was a change of pace for us as in previous years we ran a more formal Business Forum. Feedback from attendees was that this event was much more interactive, practical and farmer oriented, with guest speakers presenting topics to stir participation and interaction. We will continue this format into 2020.



Another highlight was the regional Farm Systems and Feedbase stakeholder tour held in April, a fantastic showcase of the diverse farming systems found in the Murray Dairy region with visits to three farms based on different farming systems of Pasture based, PMR and TMR. Thank you to those farmers who so generously shared their time and knowledge to allow the day to happen. It gave many who participated in the tour a unique insight into the versatility of our farmers and why future consideration must be given to continuous improvement processes under variable climates and market volatility, underpinned by risk management.

Another significant development has been the release of Future Focus, a regional dairy industry plan that has been 12 months in the making. It has been an initiative between Murray Dairy and The Committee for Greater Shepparton, assembled in collaboration with Dairy Australia, Agriculture Victoria and the UDV. Future Focus provides recommendations for research, education and training, investment planning, communication and promotion to support our dairy industry to continue to adapt and, most importantly, it outlines the roles that all levels of government, industry and supporting organisations and agencies can play to achieve its goals.

On a broader scale, another important development has been the Australian Dairy Plan, an initiative driven by Dairy Australia, Australian Dairyfarmers, ADIC, ADPF and Gardiner Foundation. This project aims to bring the whole of industry together to identify where to focus and where the industry needs to apply its collective efforts to achieve the goals that have been identified through intense consultation held across Australia over the past few months. As at writing, these consultations have been completed and a number of issues identified, however, the number one issue was reform of our current industry structures and advocacy arrangements – consequently, a dedicated taskforce (JTT) has been appointed (by application) to guide and recommend options for this transformational change.

More than ever, our partnerships, stakeholder relationships and various other industry groups need to find a voice that speaks clearly and is unified and that through strength of leadership, it can bring cohesion and focus to inform the strategic direction of our industry into the future. I think that's something to get excited about and look forward to seeing the outcomes in the coming months.

Our Board has taken the opportunity to rotate our meetings around the region for the past twelve months. This has given us the opportunity to meet farmers and industry representatives across the region. It has also highlighted how important dairy is in our communities and the impacts of recent challenges faced by our industry. These opportunities to discuss your priorities help us to prioritise programs and information, to ensure that the current needs of the dairy industry in all our sub-regions are being met. We will continue to rotate our meetings, as these discussions are valuable. Understanding our farmers needs helps us make better decisions in the Board room.

An essential ingredient for any board's development is agreement and alignment among Directors on where the Board needs to be on the path from providing strategic oversight and compliance through to providing forward-looking insights to drive future performance. The current Board has displayed these 'essential ingredients' and I particularly want to thank my fellow Board members, Andrew Tyler (D Chair), Tony McCarthy (D Chair), Mark Bailey, Chris Thomas, Tom Acocks, Lachlan Marshall and Andrew Mann, your commitment and support has been unwavering.

Finally, thank you to the Murray Dairy Team and particularly our CEO, Jenny Wilson, your professionalism, integrity and drive to meet the challenges this year has been exceptional and reflects the values and behaviours that are the standard for our organisation.



Karen Moroney Chair

CEO'S REPORT

Murray Dairy has continued with a concerted effort on the delivery of innovative activities to help build critical thinking, knowledge and capability. We recognise and are responding to the change drivers that continue to shape our region including water policy reform, climate change, rising input costs, volatile seasonal conditions and challenging commodity markets.

Particularly important was the development and release in February of Future Focus – Dairy Industry Strategy Murray Region 2019, which has provided an in-depth analysis of dairy in the region. It identifies Profit, Systems, Water, People, Planning and Promotion as areas requiring attention by all arms of industry, government, commercial and private organisations that will underpin the approach needed to transition our dairy industry in the future.

Murray Dairy's projects continue to work towards supporting farmers as they operate within an incredibly diverse region with many complexities.

At the close of the 2018–19 season, Murray Dairy had delivered over 160 events to well over 3000 participants, including farm owners, managers, staff, students and service providers.

Regional projects have been delivered through collaborative partnerships and investments; some of these include:

- Accelerating the adoption of farm business management skills funded through the Dairy Industry Fund NSW
- Understanding the future skill requirements for the dairy industry funded through Regional Development Victoria's Regional Skills Fund.
- *Dairy businesses for future climates* funded through Dairy Australia

- Accelerating transitions for stronger dairy communities funded through the federal government's Building Better Region's Fund
- Optimising summer cropping management through improved data collection using soil moisture probes funded through Murray Local Land Services
- An eight-part water management video series funded through GMW and DELWP and;
- Continued focus on land-use mapping in the GMID funded through a regional partnership providing evidence for policy and supporting dairy transition strategies.

There were a number of key events held throughout the year including:

- Impacts of heat stress with US speaker Dr Geoff Dahl
- Employer of choice with international speaker Dr Nollaig Heffernan
- The Murray Muster – Automation, Consumers and Climate and;
- Regional farm system and feedbase stakeholder tour

There were 41 Dairy Australia funded priority courses and workshops delivered including; Cups on Cups Off (CoCo), Nutrition Fundamentals, Feeding Pastures for Profit (FPFP), Farm Business Fundamentals & Analysis, Employment Basics, Stepping Up/Stepping Back, Cool Cows and Farm Safety sessions.

In addition, Murray Dairy continued to deliver a dry conditions seasonal response program as part of Dairy Australia's Feed Shortage campaign. These activities included:

- Delivery of Taking Stock consultations with 285 initial visits and a further 93 re visits throughout the year
- Technical workshops with 1,086 participants across 70 events covering seasonal settings, summer cropping options, nutrition over summer, autumn planning and start-up, and a focus on water
- Over 1,190 phone calls have been made by the Dairy Liaison Officers – taking people through support available from government and industry, resulting in a large number of referrals into other supporting services and;

- Support for service providers including several Occasional Counsellor workshops and the production of a monthly Situation Report providing valuable information about current and outlooks for climate, farm inputs and service support.

Groups remain an important mechanism to engage with farmers and the service sector. In 2018–19, 22 groups were supported with Dairy Australia funding engaging over 300 businesses including ten discussion groups, eight Dairy Business Network (DBN) groups and four Young Dairy Network groups.

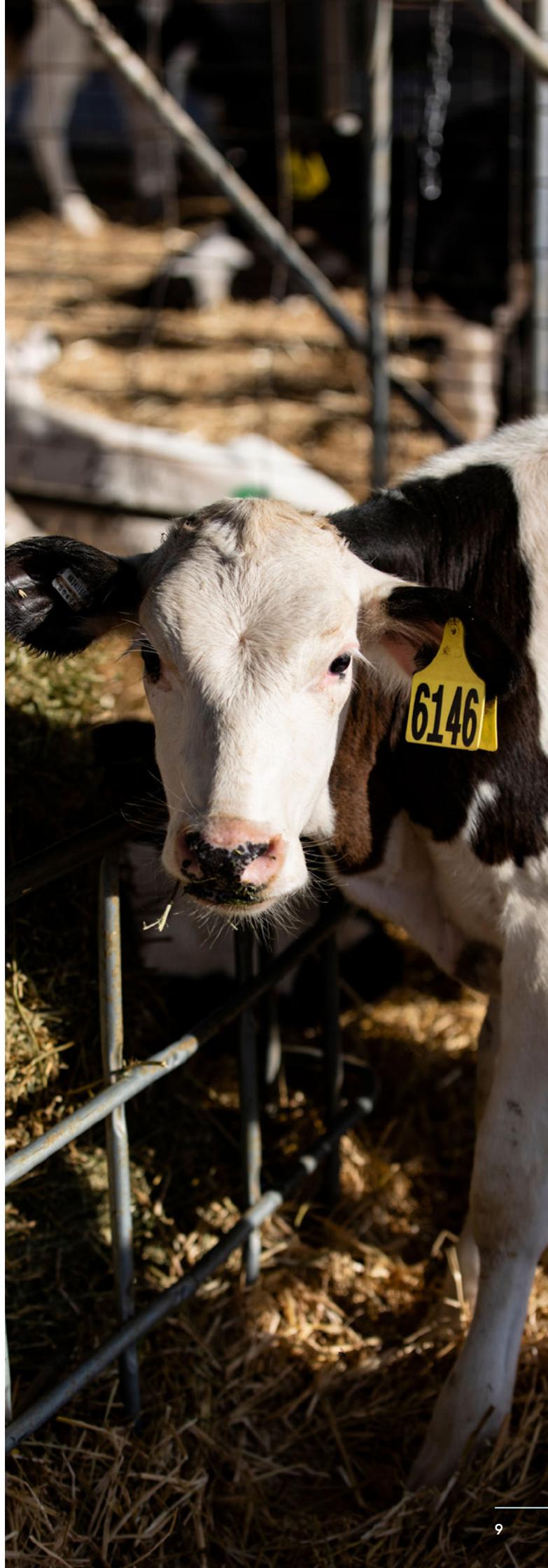
Murray Dairy's partnerships continue to grow. Murray Dairy engages with over 40 different government and non-government agencies. It is through these important partnerships that dairy levy funds are leveraged by a further \$4 which brings additional resources and technical expertise to the region to support our dairy industry.

I would like to thank our passionate Murray Dairy team who remain committed to delivering targeted, quality projects, programs and services for our industry in somewhat uncertain and challenging times. I would also like to thank our board who continue to demonstrate their passion and determination for the betterment of our industry. Finally I would like to acknowledge the tremendous support and professionalism that our chair Karen Moroney brings to our organisation and the industry as a whole.



A handwritten signature in black ink, appearing to read 'Jenny Wilson'.

Jenny Wilson Chief Executive Officer



OUR REGION

The Murray Dairy region covers a diverse geographical landscape that encompasses the Goulburn Murray Irrigation District – including the Murray, Ovens and Goulburn River systems – high rainfall areas and the Great Dividing Range east to Corryong, and the drier, flatter Mallee landscape toward Swan Hill in the west.

The Murray Dairy region is one of the largest dairy regions within Australia. The diversity of geography and climate across the region is matched by the diversity in farming systems. A range of farm business

models operate within the region from low cost entry-level options to high production large scale operations, and everything in between.

Whilst conditions remained favourable in the North East of the region, conditions across the irrigation areas deteriorated significantly throughout the 2018–19 season as a result of drought and escalating fodder and grain prices on a scale and price never experienced in history. Further there were high temporary water costs (~\$450/ML temporary trade), driven by low inflows into storages last year resulting in a continued 0% GS allocation in NSW and escalating competition for irrigation water in the GMID. Consequently there have been increasing number of farm businesses exit dairying this year.



KEY TRENDS

The Murray Dairy region had been continuing to recover from a decade of dry conditions which saw milk production drop from its peak of over 3 billion litres in 2001 down to 1.7 billion in 2009, recovering to 2.36 billion in 2015. However with dry conditions throughout the 2015–2016 season, followed by low milk prices and then one of the wettest springs on record, milk production again dropped to 1.75 billion litres. The 2016–2017 season saw more favourable conditions resulting in milk production of 1.90 billion litres, up 8.4% from the year before.

There continues to be an emergence of highly adaptable, resilient dairy farming businesses now operating across our region in response to changing climatic, policy and market driven influences. The response at a farm level to the changing operating environment has seen an increasing diversity of dairy farming systems occur, with increasing ability to adapt decision making in response to seasonal, policy and market fluctuations.

Most noticeable is the increasing shift to a more complex and variable feedbases with a more opportunistic water-use strategies being applied.

OUR ORGANISATION

Vision

Committed to building profitable and valued dairy businesses.

Mission

Enabling the dairy industry to have the capacity to adapt to change.

Strategic Priorities

1 Growing skills and capability in the Murray Dairy Region

Building the skills and capability of the dairy industry is the major strategic priority of Murray Dairy and accounts for 70% of expenditure.

Delivery is aligned to the National Dairy Moving Forward strategic themes of:

- Feedbase and animal nutrition
- Animal performance
- Land, water and carbon
- Farm business management
- People

2 Protecting and promoting the dairy industry in the Murray Dairy Region

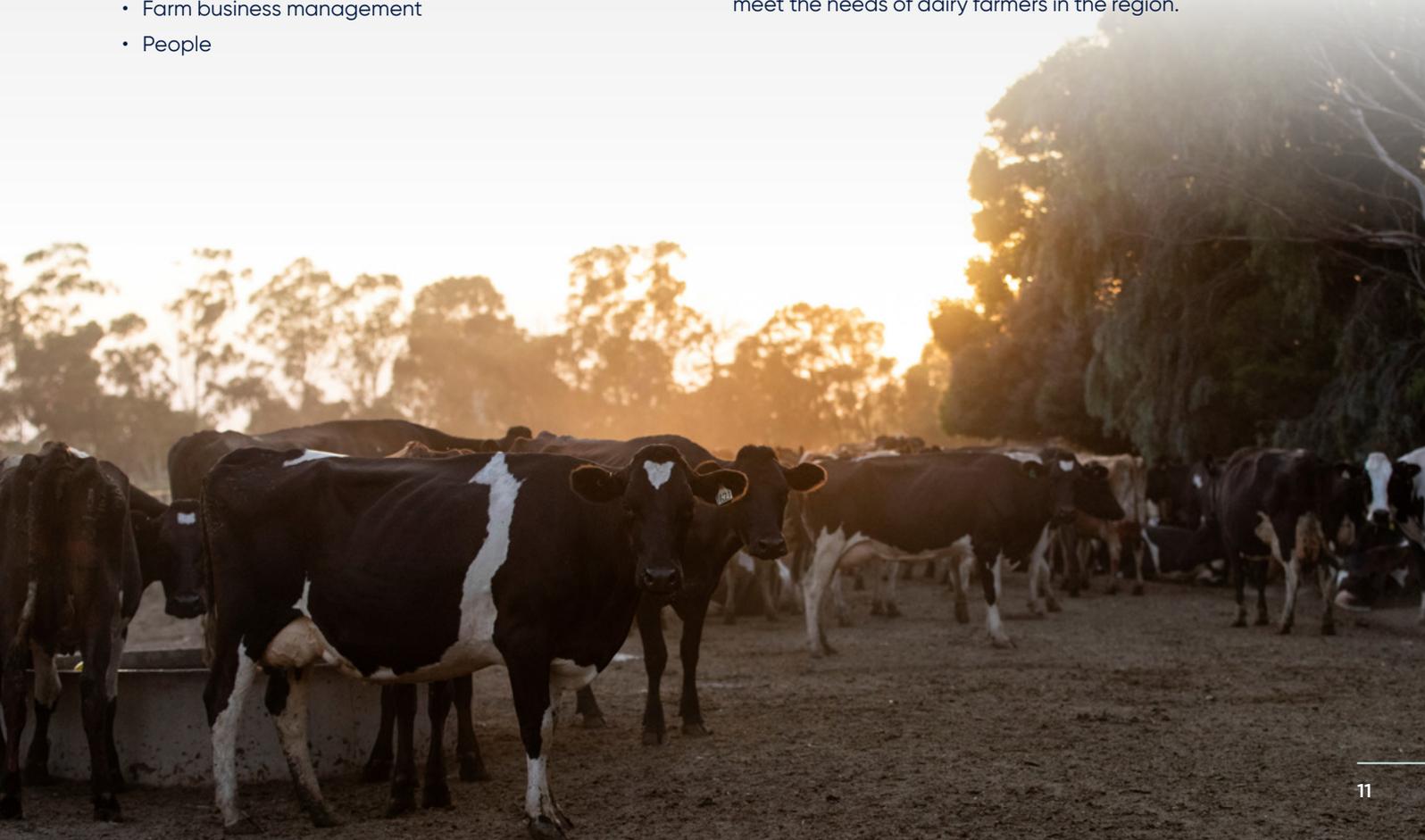
Activities in the Murray Dairy region build on and implement the initiatives taken at a National scale to maintain the industry's social licence to operate, respond and recover from emergencies and to attract people to work in the industry.

Murray Dairy delivery themes include:

- Business risks
- Disaster response and recovery
- Biosecurity and Animal welfare
- Careers and employment opportunities
- Encouraging and supporting new entrants

3 Strengthening Murray Dairy's partnerships

Murray Dairy is one of many organisations that provide services and resources to dairy farmers in the region. Opportunities exist to build on a number of collaborations aiming to attract more resources, improve delivery, access additional successful programs and skills to better meet the needs of dairy farmers in the region.



OUR VALUES

Murray Dairy's four organisational values and behaviours outline how we go about achieving our vision and strategic objectives. They create a long term framework that is not negotiable even when times are tough. In addition Murray Dairy operates under the auspice of the Murray Dairy Code of Conduct which sets the standard by which our values and behaviours are implemented.

Leadership

Behaviours

- 1.1 We have a clear strategic vision
- 1.2 We celebrate our successes
- 1.3 We encourage and support professional development

Responsive

Behaviours

- 2.1 We deliver outcomes on time and as agreed
- 2.2 We have a diversity of two-way communication mechanisms in place to understand and respond to the needs of the region's dairy farm businesses.
- 2.3 We collaborate with partner organisations to deliver the best outcomes
- 2.4 We are well connected with relevant local, regional, national and international organisations
- 2.5 We work proactively to deliver on the needs of dairy farm businesses over short, medium and long term timeframes

Integrity

Behaviours

- 3.1 We maintain an ethics based culture with continued monitoring and oversight by the Board.
- 3.2 We hold ourselves accountable for our actions
- 3.3 We receive and give feedback to strengthen the organisation
- 3.4 We respect others and encourage a diversity of views

Innovation

Behaviours

- 4.1 We actively seek and embrace new ideas and different ways of doing business
- 4.2 We learn from our mistakes
- 4.3 Incremental innovations form part of our culture of continuous improvement.



MURRAY DAIRY ACHIEVEMENT REPORT

2018–2019



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REGIONAL PROJECTS AND EVENTS

There were a number of regionally specific projects, events, courses, reports and products developed and delivered throughout the year. Some were strategically important such as Future Focus - our regional dairy industry strategy, others such as the water videos and soil moisture monitoring projects were of high technical merit. Some activities were recognised for strengthening our regional partnerships and investment opportunities for the dairy industry in the region, such as the farm systems and feedbase stakeholder tour held in April 2019.

Our delivery is categorised across eight key themes of Murray Dairy's strategic plan:

- Feedbase and Animal Nutrition
- Animal Performance
- People
- Farm Business Management
- Land, Water and Carbon
- Industry Promotion
- Industry Protection
(Seasonal Response - Feed Shortage Campaign)
- Regional Networks and Partnerships.

Some of the highlights for the year are outlined below.

Future Focus Dairy Industry Strategy Murray Region 2019



The need for a dairy industry strategy specific for the Murray region cannot be underestimated, taking into consideration the enormous changes the industry has been tackling and continues to face in adapting to market, climate and policy driven volatility. The Future Focus - Dairy Industry Strategy Murray Region 2019 (Future Focus) brings together in a single plan an outline of what the industry must collectively focus on to achieve its goal. Future Focus is designed to directly contribute to and be aligned with the 2019 Australian Dairy Plan, as well as other state, industry and agency plans and strategies where agriculture and dairy features. Future Focus identified six key themes to co-ordinate effort, guide investment and ensure a long-term sustainable future. Since its release in February 2019, it has been a fundamental document for use in discussions with state and federal government, regional agencies and industry on positioning dairy in the region, as the industry works through its current challenges.

Seasonal Response - Feed Shortage Campaign 18-19



As the dry conditions continued across the state throughout 2018-19, Murray Dairy, working with industry partners and with funding support from Dairy Australia and Gardiner Foundation, provided a range of targeted support initiatives for farmers and service providers.

Taking Stock – Free, confidential one-on-one Taking Stock sessions were made available to all dairy farm businesses to work through key decisions and planning with a trained advisor. Sessions were well received, with nine out of ten farmers who have done it saying they understand their situation better, feel more confident to make decisions about their farm and would recommend it to other farmers. The Taking Stock 2018-19 program saw 285 Taking Stocks and 93 Taking Stock reviews delivered by several consultants across the region. Advice covered feed budgeting, business planning, water budgeting, succession planning and transitioning out of the industry.

A number of 'in-season' technical workshops were delivered aimed at providing information to support key decision needs as the year progressed. Workshops included:

- Avoiding decision paralysis – providing information on input settings and highlighting the need to put plans in place
- Summer feedbase options and nutrition over summer – covering summer cropping options and management, and maintaining a balanced diet in a water and feedbase constrained environment
- Advance your Autumn – covering autumn pasture and crop start up options in consideration of water availability and affordability
- Water in Focus – highlighting developments regarding the Murray Darling Basin Plan, water trading and allocation trends, seasonal outlooks and strategies for water portfolio management.

Overall across the Murray region there were 70 technical events delivered with 1,086 attendees.

Dairy Liaison Officers (DLOs) remained an integral part of Murray Dairy's seasonal response throughout the feed shortage campaign. DLOs were first employed by Murray Dairy in 2016 and are members of the dairying community employed to reach and connect with dairy farm businesses and their workers across the Murray region. Throughout 2018-19 over 1,191 dairy farm families and/or associated workers were contacted by the DLOs with information provided about government and industry services, training and events relevant to their needs. The DLOs play a significant role in referring dairy farm clients through to other services and have become one of the leading referral mechanisms into the services of the rural financial counselling service in this region. The DLOs were funded through the Building Better Regions Fund and Dairy Australia.

Accelerating Adoption of Farm Business Management



This project is funded through the Dairy Industry Fund NSW and aims to design and deliver Farm Business Management (FBM) projects to farmers and service providers based on guidance from market research into the barriers to adoption of industry standard FBM skills. The market research component has been completed by the University of Queensland and the project has entered the second phase with provision of training for service providers and developing and delivering pilot FBM programs. The market research found that there was adequate effort and resources being made available to dairy farmers in NSW, but there is a gap in the targeting, messaging and delivery mechanisms. The final stage of the project will look to provide training for 120 dairy farm businesses across NSW in farm business management by December 2021.

Dairy Businesses for Future Climates

Irrigated farm systems in the Murray Dairy region have been heavily impacted by changes in water availability and price, caused by declining rainfall and changes to water policy and increasing demand and competition for water from other industries. A variety of production systems are practiced but there are questions about what systems are best suited in the future. This project investigated climate change impacts on a dairy farm in northern Victoria and analysed the performance (biophysical and economic) of some potential adaptation options particularly related to changing the feedbase.

Through funding from Dairy Australia an economic and risk analysis was undertaken of farm development that considered the combination of cash, profit, wealth creation and risk perspectives. The report provides perspectives important to the long-term sustainability of farm businesses, variability and risk. It also provides insight into potential distributions, defined by key variables, such as milk price, irrigation water price/availability, grain price, hay price and pasture/crop consumption. Probability distributions have been based on a combination of historic data and input from a reference group.

Historical climate scenarios and future scenarios centred on 2040 were created and simulated for each of the selected farm development options, particularly impacts of variable irrigation water availability.

The project aims to increase industry's understanding about how different farm development options may impact on farm profit and potential implications with respect to infrastructure, management skills and risk exposure. The report highlighted that there is no one

system that is best suited to the region – all have their considered risks and opportunities and that careful consideration of the resources you have, your comfort levels relating to risk, your skills and capability and your life stage are of utmost importance.

Accelerating Transitions for Stronger Dairy Communities

This project focused on improving industry and dairy business capability by actively providing business mentoring on finance and farm transition and driving dairy farm engagement through Dairy Liaison Officers and community events. This was one-year project funded through the Australian Government's Building Better Regions Fund.

In conjunction with AgBiz Assist, this project has enabled an offering of personalised, one to one consultations to farm businesses undergoing transition, either for growth, succession, structural change or exit. This offering complements the series of succession workshops offered by Murray Dairy and Dairy Australia across the region providing information participants need to start planning their transition.

Over 170 dairy farm families were mentored in farm transition and/or financial management. 'Succession, expansion and transition consultations' – included workshops and one on one sessions with an agricultural consultant to help scope, plan, discuss and proceed with confidence in developing a succession, expansion or transition plan for their individual circumstances. Further, a number of service providers built capability in the topic of farm transition, financial mentoring and the use of supporting business management tools.





Increasing soil testing on irrigated dairy farms

A partnership with Goulburn Broken CMA and North East CMA saw the delivery of a series of on-farm workshops to 58 participants to help raise awareness of soil management techniques. The days were designed to provide opportunity to discuss options for soil management, to get the best from your pastures or crops, including remediation of potential soil issues. Soil scientist Christian Bannan used soil pits, in conjunction with soil tests, to see what goes on beneath the surface and provide the basis for discussion and management options.

Optimising summer cropping management using improved data collection

As dairy in the region experiences significant challenges relating to water availability and high-water prices, it is clear that farmers are keen to optimise efficiencies relating to water and associated feedbase production. Well-informed irrigation scheduling, understanding efficiencies of irrigation management across different soil types and impacts on production are key drivers of success and essential information for farmers to make decisions during the growing seasons.

To fully understand and appreciate the use of soil moisture technology to help drive on farm decisions, a collaborative project focusing on this technology, with Murray Local Land Services and Murray Dairy, is currently underway. Three soil moisture probes have been installed across three separate sites, each operating under different management regimes within the Riverina region.



Three C capacitance probes, alongside an irrometer, tensiometers and watermark sensors (electrical resistance granular matrix sensor), used to measure soil water tension and soil water status, have been installed. The idea being that this will help understand the advantages and disadvantages of using each technology and their ability to measure soil moisture increments (usually 10cm) down the soil profile to depth of 0.8 cm to 1.2cm, for local soil conditions.

Although many advantages exist with such technology, moisture monitoring should not replace the farmer's intuitive estimates of when to water, rather encourage verifying soil moisture data with field inspections to increase confidence in timing of water applications. The project has been extended into 2019–2020.

Water Toolkit Videos

Murray Dairy, in partnership with Goulburn Murray Water (GMW) and Department of Environment, Land, Water and Planning (DELWP) developed a series of videos aimed at improving farmers' understanding of the water market, trading and associated water management. Eight videos have been produced. Each video features a spokesperson explaining the various concepts underpinned by technical information and messaging provided by GMW and DELWP. The videos have been well supported and acknowledged, particularly in their ability to assist irrigators understand the complexities based around water allocation and trading rules.



Understanding the future skill requirements for the dairy industry

Through this project the industry has taken an industry led approach to identifying future dairy sector skill requirements and defining career pathways that will meet the rapidly changing environment that the dairy industry now operates within.

Working with the three Victorian RDPs GippsDairy, WestVic Dairy and Murray Dairy, with supporting funding from Dairy Australia Gardiner Foundation and Regional Development Victoria, a market analysis of dairy service sector in Victoria mapping current and future skill needs has been completed. A report was released in January 2019.

The outcomes from this project will support and guide the implementation of a second Regional Development Victoria funded project 'New generation skills for the dairy industry', starting in July 2019. The aim of this project is to attract people into the dairy industry by working closely with the education sector to better define pathways and describe opportunities for stronger engagement, careers and skill attainment.

Land Use Mapping (LUM) project

Murray Dairy, in partnership with the Goulburn Broken CMA, Agriculture Victoria, Goulburn Murray Water and Dairy Australia, have been involved in a regional land use mapping program monitoring land use change across the GMID. The project investigates land use trends in the GMID, in particular looking at changes in water entitlements (shares) and water use, milk production and the impacts of water reform and the Basin Plan. The information has been an important base to understanding how dairy in the region is adapting and underpins the regional response to water security, water management, irrigation practices and investment.

Water Guardians Project

The Gannawarra Water Guardians is a community-based investment project that is taking a partnership approach to supporting the local irrigation industry and local businesses.

The Gannawarra Water Guardians project is a platform that seeks investment from local businesses and community members in order to purchase High Security Water Rights (HSWR) which are then leased back to local irrigators. The platform will be designed to provide financial value, to both investors and end users of water purchased, as well as to support community resilience through the retention of economic activity in the local area.

Overseen by a Steering Committee and with funding support from Murray Dairy, the project has invested in the development of a business feasibility study and continues to explore opportunities for a community driven approach to securing regional assets.

Preventing Heat Stress – Dr Geoff Dahl USA



Heat stress impacts on the production, performance and health of cows which is of critical importance in our region. Murray Dairy, supported by Dairy Australia, hosted three events on managing heat stress on dairy farms with international expert, Geoff Dahl. Geoff is the Chair of the Department of Animal Sciences at the University of Florida and the President of the American Dairy Science Association. He conducts applied and basic research on animal production and health, focusing on managing photoperiods and reducing heat stress at various stages of the lactation cycle for better animal health outcomes for cows and their calves. Geoff presented on farm, offering practical advice for managing heat stress. Geoff covered some of his new research on heat stress and management of dry cows to increase milk production and in-calf rates and the impact of heat stress in dry cows on calf growth and development.

Employer of Choice – Dr Nollaig Heffernan

Through support from Dairy Australia 'Employer of Choice' sessions were delivered with over 60 farmers. The sessions provided attendees with an opportunity to hear from Dr Nollaig Heffernan, an expert in workplace psychology, including organisational restructuring, selection and retention of labour, stress management, business mentoring and psychometrics. Dr Heffernan discussed the challenges around attracting and retaining labour to work on farms and offered advice for businesses to address this through their business culture, career opportunities and management of staff.

Agriculture in Transition – Dan Sumner

Murray Dairy hosted international Economics Researcher and Policy Advisor, Dan Sumner, who shared his insights on climate, policy and regulatory challenges, cultural shifts and market forces impacting agricultural industries worldwide. A large audience engaged in an informative presentation with specific comparisons of the agricultural policy agenda in California and the Murray Dairy region.

The Murray Muster 2019 – Automation, Consumers and Climate

The inaugural Murray Muster replaced the Business Forum as the major regional industry event for 2019. The event saw Australian and international guest speakers bringing innovation and rigorous discussion on Automation, Consumers and Climate.

Day one saw 63 attendees at Dookie College Dairy. Topics covered included:

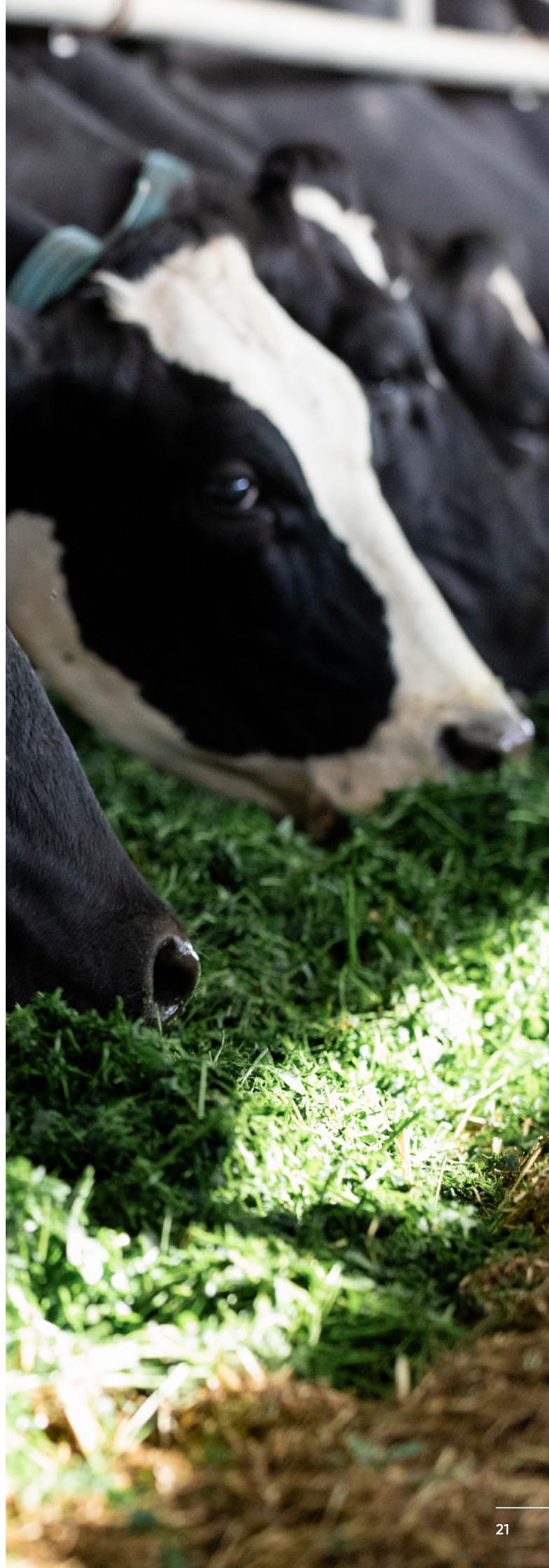
- Automated Milking Systems (AMS): Milking from the armchair – fact or fiction? Guest speakers, Nicholas Lyons of the Milking Edge project, and farmers Gary and Bev Carpenter, shared their experiences with AMS.
- Close encounters of the mammary kind. Guest speaker Russ Hovey discussed the importance of mammary gland development in successful high milk producing cows.
- Dairy Australia's leadership team including Chair, Jeff Odgers and Managing Director, David Nation provided an update on industry's current projects in the areas of research, extension, trade and strategy and the possibilities these present for dairy farmers and businesses in the Murray Region.



An industry dinner was held that night and attracted 78 people. Highlights from the evening were:

- Professor Hovey on the topic, 'Dairying in parallel', providing insights from the USA when it comes to our 'right to farm'. Professor Hovey discussed the parallels between the dairy industry in California and in the Murray region on topics such as water reform, changing farm systems, shifting perspectives on animal welfare and new consumer trends.
- Georgia Nicholls from Dairy Australia discussed social licence and the expectations that consumers have of our industry. Georgia's presentation highlighted the importance of industry best practice, positive communication about our industry and how changing consumer demands are driving changes in the way we think about our industry.

Day two, held in Kyabram, covered the topic of operating in a volatile water market and attracted a further 73 people. In a panel session, Jeff Odgers (Ardmona), Scott McKillop (Dederang), Rachelle Moon (Numurkah), Andrew Tyler (Tongala) and Erwin Van Den Berg (Katamatite), discussed their different approaches to managing the volatile water market, including their thoughts on sustainability, management strategies and investment needed for the future.



Regional Farm System and Feedbase Stakeholder Tour

Murray Dairy hosted a farm system and feedbase tour in April 2019 with attendees from industry, government and other agencies. The tour provided a regional overview, current industry status including seasonal conditions, changes occurring in farm business and farm systems, with some examples of transformations good and bad. Goulburn Murray Water and Agriculture Victoria provided a water overview and presented on water availability with respect to land use and water use data. Consultants provided insightful observations on the changing landscape and transition they are seeing within farm businesses across the region.

Three different farm systems were explored as part of the two-day field trip; a pasture-based system at Lancaster, a PMR system at Tongala and a TMR system at Blighty. Host farmers discussed specific technical areas including water security, decision making, feeding infrastructure and adaptation strategies in a more volatile regime of climate, water policy and market influences.

International Dairy Week

International Dairy Week (IDW) is one of Australia's premier dairy events. Over five days 1000+ head of first class Australian dairy cattle and 180 dairy breeders compete for prestigious awards. Over 100 dairy companies and businesses make up a large dairy focused trade exhibition displaying the latest in products and technologies. A series of seminars allow industry professionals to provide up-to-date information on the Australian and global dairy industry.

Murray Dairy have hosted a stand at the IDW in Tatura for a number of years, this year in collaboration with DataGene and GoTAFE. Murray Dairy supported a seminar featuring Sarah Chaplin from Agriculture Victoria on Biosecurity as part of the IDW seminar series and sponsored the 'Women in Dairy' event.

Industry Promotion - Careers Days

Murray Dairy extension staff have had significant presence at career days. Of those included, Dookie Open Day, GOTAFE Open Day and Shepparton Careers Days. Attendance at such events presents an opportunity to showcase the dairy industry and career pathways, including various roles on farm, post-farm gate roles and supporting roles across technology and IT.



COURSES, EVENTS, TRAINING AND WORKSHOPS



Animal Performance

The focus of investment in the area of Animal Performance is to ensure dairy farmers and industry stakeholders are implementing or advising on practices which improve cow productivity, reproduction, health and welfare.

SPECIFIC ACTIVITIES INCLUDED:

- 6 Cups On Cups Off workshops
- 3 Euthanase Livestock workshops
- 1 Preventing Heat Stress event with International guest speaker - Geoff Dahl
- 1 Biosecurity workshop
- 1 Raising Healthy Calves workshop

Cups on Cups off (COCO) and Euthanase Livestock workshops were most popular in 2018-19



COCO workshop evaluation summary:

Knowledge before

6.2/10

Knowledge after

8.6/10

Quality of event

9.5/10

Value to business

9.3/10

Euthanase Livestock workshop evaluation summary:

Quality of event

9.3/10

Value to business

9.2/10



Farm Business Management

The focus of this investment in the area of Farm Business Management is to increase dairy farmers' and industry stakeholders' business capability and enable them to respond to the challenges and opportunities within their business.

SPECIFIC ACTIVITIES INCLUDED:

- 3 Dairy Farm Business Analysis workshops
- 1 Farm Business Fundamentals workshop
- 1 Dairy Farm Monitor Project event
- 1 Situation and Outlook event
- 22 funded Discussion groups and DBNs
- 1 Meet the bank workshop
- 1 Governance and Investment course (Refresher)
- 8 Businesses participating in Plan2Dairy Our Farm Our Plan

Risk and strategic planning is an important supporting program for farmers who are looking to progress their farm businesses. Murray Dairy developed Plan2Dairy which has now transitioned into a Dairy Australia National Program called Our Farm Our Plan. Throughout the year eight farm businesses participated in Plan2Dairy, covering personal and business goal setting, managing staff, business change, risk in all its forms, taking opportunities, setting strategy and enacting a realistic plan in a working business.

Participants highly recommended the course.



Feedbase and Animal Nutrition

The focus of investment in Feedbase and Animal Nutrition is to provide knowledge and skills to improve the variety and quality of forages grown, managed and optimised through feed conversion to aid profitability and sustainability.

SPECIFIC ACTIVITIES INCLUDED:

- 3 Feeding Pastures for Profit courses
- 1 Advanced Nutrition in Action program
- 3 Agronomy Network group meetings
- 2 Designing and Balancing your Ration workshops

Feeding Pastures for Profit continues to be a popular course and 3 courses were run throughout the year.



40 participants at Feeding Pastures for Profit courses

Participants' course value rating (on average)

9/10

Optimising pasture management, whether it be for grazing or ensiling, was cited as the key benefit of the course.



Land, Water and Climate

The focus of investment in the area of Land, Water and Climate is to increase dairy farmers' confidence to manage long term sustainability relating to impacts from climate change, water for productive use, soil and nutrient management.

SPECIFIC ACTIVITIES INCLUDED:

1 Cool Cows event
with International speaker Geoff Dahl

3 Successful Soil Management workshops

5 Water in Focus events

The Water in Focus events and the Geoff Dahl events generated considerable interest.



Content rating from participants at the Geoff Dahl event

8.9/10



People

The focus of investment in the area of People is to ensure dairy businesses are better equipped to manage, attract and retain staff and have access to training programs to improve their knowledge, skills and competence to contribute to the industry's wealth and sustainability.

SPECIFIC ACTIVITIES INCLUDED:

1 Farm safety workshop

12 Stepping Back and Taking Steps workshops

6 Career pathways days

3 Employer of Choice events

Stepping Back and Taking Steps workshops are designed for people scoping the next steps in transition or family succession.



Participants' value of the activity to their business rating (on average)

8.4/10



NETWORK AND INDUSTRY PARTNERSHIPS

Industry Partnerships

Murray Dairy's collaborative approach benefits the industry by attracting additional resources, improving delivery, and providing access to additional programs and information to better meet the needs of dairy farmers in the region.

In the 2018–19 year, Murray Dairy has significantly leveraged investment and resources through its strong focus on partnerships. For every \$1 of levy funding, a further \$4.00 of additional funding was accessed, delivering in excess of \$2 million in programs to the dairy industry in the Murray region. Partnerships across several regional organisations and agencies including milk processors, Catchment Management Authorities (CMAs), government and private providers to the industry, have continued to grow over the 2018–19 year.

Examples of successful partnerships in 2018–19 year include:

- A program involving AgBiz Assist, Dairy Australia, Murray Dairy and regional consultants which has contributed to improved dairy business capability by actively providing one-on-one business mentoring on finance and farm transition.
- A collaborative effort between DPI NSW, Murray Dairy and Dairy NSW through the Dairy Industry Fund focussing on developing and delivering Farm Business Management projects to farmers and service providers, based on guidance from market research into barriers of adoption of industry standard FBM skills and processes in NSW.
- Through funding support from Gardiner Foundation the Young Dairy Network was supported in their Study Tour – Paddock to Plate – 'What consumer trends mean for the future of dairy' and to participate in a workshop on 'Fearless Leadership'.
- A partnership with Goulburn Broken CMA and North East CMA, saw the delivery of a series of on-farm workshops to help raise awareness of soil management techniques including opportunities to discuss options for soil management to get the best from your pastures or crops, including remediation of potential issues.
- Through supporting funding and partnership with Murray Local Land Services and Murray Dairy, soil moisture probes have been installed across three separate sites, each operating under different management regimes within the Riverina region. The project enables farmers to fully understand and appreciate the use of soil moisture technology to help drive on farm decisions.

Networks

Supporting networks is an important mechanism to engage with industry across the region to identify issues and opportunities and support the delivery of programs and services.

Regional Network Groups and Regional Extension and Education Committee

Murray Dairy, along with Dairy Australia and the State Government, utilises farmer participation in **Regional Network Groups (RNGs)** and the **Regional Extension and Education Committee (REEC)** to help identify and prioritise future dairy industry projects, courses and events.

Murray Dairy continues to host RNG meetings across the region 3–4 times a year, which are open to all farmers and service providers. Overarching the RNGs is the REEC which is a sub committee supported by Murray Dairy. The main role of the REEC is to work through the priorities identified by the RNGs and determine appropriate actions. The information provided to the REEC from the RNGs helps service providers build their businesses plans and align their funding and priorities.

In total 216 people participated in either a REEC or RNG meeting during the year. Of those, 164 participants were farmers. Meetings were held in locations across the Murray Dairy region including Kyabram, Gunbower, Finley, Cohuna, Gunbower, Numurkah, Echuca and Tatura.

Dairy Business Networks

Dairy Business Networks (DBNs) are closed discussion groups which focus on farm financials and business development, goals and strategies. Collectively during the 2018–19 year, 155 farmers, 18 service providers and 19 others attended a dairy business network group, which receive funding support through Dairy Australia.

Agronomy Network

The generation of a 75 member Agronomy Network demonstrates the importance of having a learning platform for agronomists and others working in the technical feedbase sector including dairy industry professionals and researchers. The Agronomy Network has been an extremely valuable vehicle for Murray Dairy to connect with agronomists working directly with farmers on the ground. Murray Dairy continues to host the Agronomy Network enabling agronomists to undertake peer to peer learning, hear about the latest research development and extension and gain access to professional development.

Young Dairy Network (YDN)



The Murray Dairy YDN is specifically designed to address the needs and interests of young farmers and service providers or newer entrants to the dairy industry. It provides opportunities for networking, personal and professional development, peer-to-peer learning and exposure to technical ideas and information.

The Murray Dairy YDN is guided by a Steering Committee of representatives from across the region including dairy farmers, processors, educational institutions and service providers. The committee has welcomed some new members this year. Rachele Moon has taken on the role of YDN Chair and Nick Minogis is Deputy Chair.

Murray Dairy also maintains a number of social media pages associated with the YDN, which have proved beneficial for engaging current audiences and successful in increasing new engagement with the network. New information is posted to the Murray Dairy YDN Facebook page several times a week and is cross-promoted through the network by individuals and organisations such as Agriculture Victoria and the UDV. Murray Dairy also administers closed Facebook groups for each of the YDN Discussion Groups, which can be used as a discussion platform and to provide information about upcoming events and technical topics.

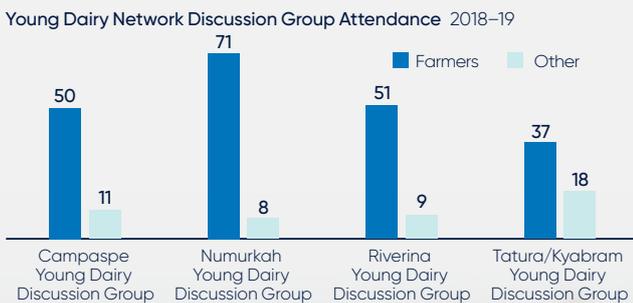
The Murray Dairy Young Dairy Network remains a strong network for young dairy farmers and industry service providers across northern Victoria and southern NSW.

Membership continues to grow, with a range of programs on offer that provide opportunities for social networking, skills building and information sharing.

Due to its success over the last 12–18 months, the Murray Dairy Young Dairy Network continues to run Young Dairy Discussion Groups as the key mechanism for engaging young farmers and service providers. Discussion Group membership has risen across four established groups: Campaspe (based around Bamawm, Lockington and Rochester); Tatura–Kyabram; Numurkah; and Riverina (based around Tocumwal, Finley and Blighty).

The YDN is connected through a range of communication channels including a bi-monthly newsletter and social media pages, which have proven beneficial not only for engaging current members but increasing engagement with the network. Closed Facebook groups keep Discussion Groups connected online and provides an opportunity for Murray Dairy to share additional information and resources to participants.

Figure 1: Young Dairy Network Participants 2018–19



These groups aim to meet monthly, providing a combination of social networking opportunities, information sharing and technical skills development for members. The benefit of this approach is that meetings are accessible and time-sensitive, which suits young farmers who find it challenging to get time away from the farm, studies and, often, young families. The regularity of these meetings helps to build stronger relationships between participants.

With the support of the YDN Coordinator, these groups develop their own schedule for guest speakers and workshops to address their interests. Dairy Australia and Murray Dairy resources are utilised to support these groups, as well external providers such as vets, agronomists, consultants and retailers. Some of the topics covered by the groups are outlined below:

Campaspe

- Alternative forages with Dan Hoch
- Lameness Prevention and Hoof Trimming with Dean Fry (Zinpro)
- Fertiliser Requirements and Nutrient Management with Brook Nichol (Nichol Trading)
- Calf Rearing and Disbudding with Ash Phipps (Rochester Vets)





Tatura/Kyabram

- Nuffield Scholarship experience and research on profit margins with Brendan Hehir
- Soil Management under maize, with a soil pit demonstration with Christian Bannan (SE Soil and Water)
- Seasonal strategies with Brian Crockart (CRC Agri)
- Feedbase alternatives with Dan Hoch
- Calf health and colostrum with Ian Gill (Tatura Vets)

Numurkah

- Milk Quality and Plant Maintenance with Hamish Hunt (Daviesway)
- Summer cropping with Chris Scott (Landmark)
- Silage Management with David Lewis (Lallemand Animal Nutrition)
- Emotional resilience and looking out for one another with 'The Unbreakable Farmer'
- Systems for animal health and welfare with Rob Bonnano

Riverina

- Transition Cow Management with Claire Flanagan (Finley Vets)
- Herd Decisions with Scott Rathbone (CRC Agri)
- Silage Management with David Lewis (Lallemand Animal Nutrition)
- Lameness Prevention and Hoof Trimming with Dean Fry (Zinpro)



Recognising that Discussion Groups aren't the preferred activity for everyone, the YDN runs additional events for a broader audience. These events include a 'Tech Talk' in the North-East, two Trivia Nights themed around Animal Health and Welfare, a series of Christmas dinners and a series of social nights under the 'Feed Shortage' campaign to encourage farmers to take a break.

The annual YDN 2019 Study Tour, themed 'From Paddock to Plate - what consumer trends mean for dairy', was held in May, which gave participants exposure to a range of businesses addressing challenges around animal health and welfare concerns, chemical use and a changing operating environment, as well as opportunities presented by new markets, consumer trends, and entrepreneurship.

The YDN is a stepping stone for young farmers and service providers who are interested in developing their leadership capabilities for other roles in the dairy industry. This year, the group was supported by the Gardiner Foundation to participate in a workshop on 'Fearless Leadership'. The workshop was also opened up to aspiring leaders across Discussion Groups, the UDV, Breed Societies and community groups. YDN continues to be a valuable network within our dairy industry with increasing engagement and opportunities to provide targeted information to key contributors of our industry.



COMMUNICATIONS

Murray Dairy uses multiple platforms to engage and communicate its services in the region and our communication effort is supported by the production team in Dairy Australia. Outlined below is a summary of some of the communication highlights throughout 2018–19 year.

- Widespread coverage of the launch of Murray Dairy's *Future Focus* regional dairy industry strategy and Stakeholder Tour, including on three major TV stations.
- Publication of a six-part Water Toolkit video series, developed in conjunction with Goulburn Murray Water, DELWP and Agriculture Victoria.
- Features on *The Murray Muster* in the Weekly Times, Country News and on ABC radio. The event was also the focus of Episode 7 of Dairy Australia's podcast.
- The filming of our 2019 national World Milk Day video 'Cheers to Milk' with community groups and businesses in Tatura.
- Murray Dairy has provided updates capturing the key messages from our seasonal events: 'Avoiding Decision Paralysis', 'Spring into Summer', 'Advance your Autumn' and 'Water in Focus'. These have been published to our website, in print media and through video.
- Murray Dairy has produced 10 monthly Situation Reports since September, providing detailed updates on conditions to better inform industry service providers and other key stakeholders.
- In December, information packages were sent directly to 1350 dairy households in the region covering support services available from industry and government.
- 350 USB sticks with tools and resources for dairy business planning were handed out to farmers at Murray Dairy events.

Murray Dairy works closely with the media to capture news about the dairy industry and community. In addition, Murray Dairy produces its own content, in the form of press releases and technical articles, for publication by media outlets. Twelve copies of the Murray Dairy monthly column were also published in the Country News, detailing Murray Dairy's upcoming events and opportunities. Twenty four editions of the eNews were produced in 2018–19, received fortnightly by over 2,000 recipients, with an average open rate of over 30%.

Facebook has seen a consistent increase in followers across both Facebook pages – Murray Dairy and Murray Dairy Young Dairy Network, resulting in a wider reach of information. There is an average of 2–3 posts published on each page weekly.

Figure 2 Total page followers: Murray Dairy, from 1 July 2018 – 30 June 2019*



*As of July 2019.

Murray Dairy has produced several high-quality videos this year that have been published to YouTube, Facebook and the Murray Dairy website

Title	Partners	Views to date
Six-part Water Toolkit series	GMW and DELWP	1.18k views
Advance your Autumn 2019 – what are my options? (Lisa Birrell and Luke Nagle, Advanced Ag)	Advanced Ag	325 views
Summer Cropping – things to think about this season (Lisa Birrell and Brad Caldwell, Landmark)	Landmark	315 views
Seven tips for better quality silage (David Lewis, Lallemand and Lachlan Marshall)	Dairy Australia	2.3k views
Seasonal updates 2018 'What can I be doing right now?' – Brian Crockart and Lisa Birrell 'Tips for summer cropping' – Brian Crockart and Lisa Birrell 'Feeding canola hay to dairy cows' – Kate Bourke 'Feed Budgeting Tools' – Lachlan Barnes	Dairy Australia	341 views
Promotional video on Taking Stock consultations	Published by Country News Online	12,501 impressions

DIRECTORS' REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 MURRAY DAIRY LIMITED | ABN 84 414 519 559

The directors present their report on the company for the year ended 30 June 2019.

Directors

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

- Karen Moroney Chairperson
- Tony McCarthy Co Deputy Chairperson
- Andrew Tyler Co Deputy Chairperson
- Andrew Mann Treasurer
- Chris Thomas
- Mark Bailey
- Tom Acocks (Appointed 18 October 2018)
- Lachlan Marshall (Appointed 18 October 2018)
- Richard Cross (Resigned 18 October 2018)
- Greg Ault (Resigned 18 October 2018)

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

Principal activities

The principal activities of the company during the financial year remained unchanged and is to drive profitability, efficiency, skills growth, and to protect and promote the dairy industry in the Murray Dairy region.

Review of Operations

The profit/(loss) of the company for the financial year ended 30 June 2019 after provision for income tax was \$73,886 (2018 \$97,657).

Information on Directors

Board Member	Qualifications	Experience
Karen Moroney Chairperson	Diploma in HAM (Dairy) (2011 Goulburn Riverina Institute TAFE), Rural Women's Governance Program through Alpine Valleys Community Leadership Program; Completed in May 2012, Diploma Rural Women's Leadership, April 2010 - Australian Government and DPI Program. Topics covered included building strong teams, leadership styles, communication and presentation skills, adapting to change, working with and lobbying government and local leaders, Various Small Business Courses through Albury TAFE: Units in Articles Writing, Law Commercial and Company and Small Business Administration. Graduate – Australian Institute of Company Directors (2016)	Azured XB Pty Ltd (2011 to current), Partner and Director Ausred Genetics Pty Ltd (1989–2011), Partner and Director Arajarra Red Breed Stud (2002 to current), Farm Stay Red Oaks (2014 to current), Head Bookkeeper and Administration Assistant – Albury Private Hospital (1980–1984)
Tony McCarthy Co Deputy Chairperson	Certificate in Farm Husbandry, Agricultural College, Ireland Graduation in Farm Management, Dairy and Beef Husbandry Certificate IV in Agriculture, Goulburn Ovens Institute of TAFE Diploma of Agriculture, Goulburn Ovens Institute of TAFE Advanced Diploma of Agriculture, Goulburn Ovens Institute of TAFE	Owner and Manager of dairy farm at Dhurringile Chairperson of the Goulburn Dairy Business Network Attendance at Regional Industry Updates Scholarship to New Zealand to work on dairy farms to gain knowledge on their farming systems
Andrew Tyler Co Deputy Chairperson		Owner and Manager of dairy farm at Tongala, Director of Australian Dairy Conference, Deputy Chair of the Australian Dairy Conference Board, Member of the Dairy Advocacy Reform Team, Chair of Rochester Bamawm Dairy Business Network Group
Andrew Mann Treasurer	Bachelor of Applied Science(Agriculture) Melbourne University – Dookie College Graduate Diploma of Rural Science (Grain Production) – University of England	Fairley Leadership Program Agribusiness Manager-NAB Agribusiness Penrith, Credit and Risk Manager-NAB Agribusiness Toowoomba, Senior Rural Manager-Rabobank Shepparton
Chris Thomas Member	Certificate IV in Training Assessment and Evaluation – GoTAFE Shepparton Masters in Corporate Leadership – Deakin University Masters in Applied Science (Rural and Regional Development) Uni of Western Sydney – Hawkesbury, Certificate in Rural Management, TAFE SA Diploma Management Practices, Australian Institute of Management (SA) - 1994 Graduate – Australian Institute of Company Directors (2017)	GMH Agcare – Rural Financial Counselling Services – Director Murray Dairy Regional Development Program – ISG Committee Member (14 years), DIAA (Dairy Industry Association of Australia) – Member Farm Business Enterprise – Owner Operator, Dairy SA Founding Board Director, Field Officer – National Foods Ltd Milk Supply Officer – Bonlac Foods Ltd., Milk Supply Manager Northern Region – Fonterra AgBiz Assist Board Member
Mark Bailey Member	Bachelor of Engineering (Civil) 1991 University of Melbourne Doctor of Philosophy (PhD) 2002 Monash University Australian Inter-service Incident Management System (AIIMS) certification 2013 PRINCE2 Foundation certification, 2013 International Association for Public Participation (IAP2) Certificate of Engagement 2016	Manager of Resources at Goulburn-Murray Water Project Manager for Amendments to GMW bulk entitlements implementing the Connections Project and the Northern Regional Sustainable Water Strategy Project Executive for projects on actions required under the Northern Regional Sustainable Water Strategy Member of the Carryover Review Committee for Murray, Goulburn and Campaspe systems

Board Member	Qualifications	Experience
Tom Acocks Member – Appointed 18 October 2018	Bachelor of Agricultural Science University of Melbourne Owner Manager Course Institute of Business Owners (IBO)	Partner and Manager of Dairy Farm at Rochester VIC Australian Dairy Conference – Executive Director 2017, Elected Director 2016, Finance Committee Member, Communications Committee Member, Programming Chair 2016, Programming Committee 2013 and 2014 Dairy Advocacy Review Team (DART) – Member November 2016 – August 2017 Campaspe Mutual Cooperative Ltd – Chairman Rabobank Global Young Farmer Master Class participant 2014 Dairy Farmers Milk Co-operative – Ward representative 2013-2014, Development Program participant 2009
Lachlan Marshall Member – Appointed 18 October 2018	Advanced Diploma of Agriculture University of Queensland Rural Business Management University of Queensland	Owner and Manager of Dairy Business at Blighty NSW Manager of Dairy Business in South-East Queensland QDO State Representative Council – Member 2004 – 2005 Deniliquin Drovers Rugby Union Club – Committee Member 2015
Richard Cross Member – Resigned 18 October 2018	B.Ag.Sci (Hons), Graduate of the Australian Institute of Company Directors	Owner and Manager of dairy farm at Toolamba, Associate Director Tatura Milk Industries (2000 to 2002), Director Tatura Milk Industries (2002 to 2011), Deputy Chairman Tatura Milk Industries (2009 to 2011), discussions Member of Tatura Milk Industries Audit committee (2005 to 2007), Led the Tatura Milk Industries directors in merger with Bega Dec (2011), Director Bega Cheese (2011 to current), Assessor for innovation grants for Gardiner Foundation (2007 to 2011), Member of Horizon 2020 working group, Director of Murray Dairy (2013 to current)
Greg Ault Member – Resigned 18 October 2018		Owner and Manager of dairy farm at Rochester, ISG member for 8 years, UDV Member, Member of the Campaspe VFF branch Murray Dairy Board, Member as the ISG Representative, Extensive Farm Business Management, Broad Industry Knowledge and Networks, Strong Industry Funding Sources, Strong knowledge of Farming Systems

MURRAY DAIRY LIMITED DIRECTORS' REPORT

Meetings of Directors

The number of Directors meetings attended by each of the Directors of the company during the year were:

	Directors Meetings	
	Number eligible to attend	Number attended
Karen Moroney	8	8
Chris Thomas	8	8
Tony McCarthy	8	7
Andrew Mann	8	8
Mark Bailey	8	8
Andrew Tyler	8	7
Tom Acocks	6	6
Lachlan Marshall	6	5
Richard Cross	3	3
Greg Ault	3	3

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the company that occurred during the financial year, other than those referred to elsewhere in this report.

Events Subsequent to the End of the Reporting Period

There are no matters of circumstance that have arisen since the end of the financial year that have significantly affected or may significantly alter the operations of the company, the results of those operations or the state of affairs of the company, in future years.

Indemnification of Officers

No indemnities has been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307 C of the Corporations Act 2001 is set out on page 36.

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



Karen Moroney
Chairperson
Dated this 5th day of September 2019



Andrew Mann
Treasurer
Dated this 5th day of September 2019



**AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
MURRAY DAIRY LIMITED**

ABN 84 414 519 559

FOR THE YEAR ENDED 30 JUNE 2019

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been:

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

Adam Purtil RCA 419507
Date: 6 September 2019
160 Welsford Street Shepparton, VIC 3630

Directors:					
Adam Purtil, CPA	160 Welsford Street, Shepparton VIC 3630	T (03) 5821 4622	56 Denton Street, Finlay NSW 2713	T (03) 5883 1477	
Karen Collins, CPA	P.O. Box 5, Shepparton, VIC 3632	F (03) 5821 1598	P.O. Box 229, Finlay, NSW 2713	F (03) 5883 2240	

Goulburn Murray Audit Service is a division of Stokes Wallace

Liability limited by a scheme approved under Professional Standards Legislation

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

		2019	2018
	Note	\$	\$
Revenue	2	2,353,128	2,021,837
Contracted employee benefits expense	3	(978,802)	(1,013,609)
Depreciation	3	(1,023)	(1,023)
Consultants and contractors		(822,212)	(454,827)
General and administrative expenses		(72,137)	(67,284)
Advertising and seminar/workshops		(210,889)	(196,863)
Occupancy and associated costs	3	(25,273)	(25,000)
Other expenses		(168,906)	(165,574)
Profit before income tax expenses		73,886	97,657
Income tax expenses		-	-
Profit/(Loss) after income tax expense	1	73,886	97,657
Other comprehensive income:			
Items that will not be reclassified to profit and loss		-	-
Items that will be reclassified subsequently to profit or loss when specific conditions are met		-	-
Total other comprehensive income for the year		-	-
Total comprehensive income attributable to members of the entity		73,886	97,657

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

		2019	2018
	Note	\$	\$
Current assets			
Cash and cash equivalents	4	1,257,918	1,364,033
Trade and other receivables	5	326,494	69,372
Other current assets	6	-	55,500
Total Current Assets		1,584,412	1,488,905
Non-current assets			
Property, plant and equipment	7	1,621	2,644
Total Non-Current Assets		1,621	2,644
Total Assets		1,586,033	1,491,549
Current liabilities			
Trade and other payables	8	316,336	295,738
Total current liabilities		316,336	295,738
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		316,336	295,738
Net assets		1,269,697	1,195,811
Equity			
Retained Earnings		1,269,697	1,195,811
Total Equity		1,269,697	1,195,811

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

		Retained Earnings	Total Equity
	Note	\$	\$
Balance at 1 July 2017		-	-
Profit for the year		97,657	97,657
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to members of the entity		97,657	97,657
Transaction with owners, In their capacity as owners			
Transfer of member funds Murray Dairy Inc	9	1,098,154	1,098,154
Balance at 30 June 2018		1,195,811	1,195,811
Profit for the year		73,886	73,886
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to members of the entity		73,886	73,886
Balance at 30 June 2019		1,269,697	1,269,697

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 30 JUNE 2019

		2019	2018
	Note	\$	\$
Cash flow from operation activities			
Receipts from customers		2,317,264	2,325,401
Payments to suppliers and employees		(2,432,506)	(2,196,469)
Interest received		9,127	10,954
Net cash provided by/(used in) operating activities	10	(106,115)	139,886
Cash flow from operating activities			
Transfer of cash - Murray Dairy Inc		-	1,259,873
Net cash used in investing activities		-	1,259,873
Cash flows from financing activities			
Repayments of borrowings		-	(35,726)
Net cash used in financing activities		-	(35,726)
Net decrease in cash held		(106,115)	1,364,033
Cash and cash equivalents at the beginning of the financial year		1,364,033	-
Cash and cash equivalents at the end of the financial year	4	1,257,918	1,364,033

The accompanying notes form part of these financial statements

Note 1 Summary of Significant Accounting Policies

Murray Dairy Limited applies Australian Accounting Standards – Reduced Disclosure Requirements

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB). The company is a non-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor; otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from rendering a service is recognised upon delivery of the service to the customer.

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

(b) 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).

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(c) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(d) Cash and cash equivalents

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

(e) Trade and other receivables

Trade and other receivables include amounts from customers for goods sold and services performed in the ordinary course of business. 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.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to note 1(h) for further discussions on the determination of impairment losses.

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line or diminishing value basis or over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation Rate
Plant and equipment	15-40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(g) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between the initial amount and the maturity amount calculated using the *effective interest method*.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Classification and subsequent measurement

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a 'loss event') having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors (or a group of debtors) are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivable), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account, or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises that impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(h) Impairment of assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. 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 to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(i) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 60 days of recognition of the liability.

(j) Employee benefits

Short-term employee benefits

No provision is made for short-term employee benefits as the company does not have any employees. Murray dairy services are delivered by employees of Dairy Australia. A cost recovery charged by Dairy Australia.

Other long-term employee benefits

No provision is made for other long-term employee benefits as the company does not have any employees. Murray dairy services are delivered by employees of Dairy Australia. A cost recovery charged by Dairy Australia.

(k) Provisions

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

(l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction and production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(m) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives of the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

(n) Comparative figures

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

(o) Critical accounting estimates and judgements

The director's evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on the current trends and economic data, obtained both externally and within the company.

Key Estimates

(i) Impairment

The company assesses impairment at each reporting period by evaluating the conditions and events specific to the company that may be indicative of impairment triggers. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing the recoverable amounts incorporate key estimates.

Key judgements

(i) Provision for impairment of receivables

Current trade receivable are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence than an individual trade receivable is impaired. As at 30 June 2019 trade receivables of \$9,850 (2018: \$2,775) were past due but not considered impaired as it is expected that these amounts will be received.

Note 2 Revenue and other income

	2019	2018
	\$	\$
Project income	1,847,238	1,837,920
Interest received	9,127	10,954
Reimbursement	443,937	123,734
Other income	52,826	49,229
	2,353,128	2,021,837

Note 3 Expenses

Contracted employee benefits expense (* Expense recovery is paid to Dairy Australia - the legal employer)	978,802	1,013,609
Depreciation	1,023	1,023
Rental expense on operating leases	25,000	25,000
Rental repairs	273	-
	25,273	25,000

Note 4 Cash and Cash Equivalents

	2019	2018
	\$	\$
Current		
Cash on Hand	500	500
Cash at bank	1,025,525	1,132,796
Short-term investments - bank deposits	231,893	230,737
	1,257,918	1,364,033

Note 5 Trade and Other Receivables

Current

Trade receivables	310,152	69,372
ATO receivable	16,342	-
	326,494	69,372

Note 6 Other Assets

Current

Prepayments	-	55,500
	-	55,500

Note 7 Property, Plant and Equipment

Non-Current

Plant and equipment

Plant and equipment		
At cost	3,667	3,667
Accumulated depreciation	(2,046)	(1,023)
	1,621	2,644
Total property, plant and equipment	1,621	2,644

Note 8 Trade and Other Payables

	2019	2018
	\$	\$
Current		
Trade payables	175,649	140,547
Sundry payables and accrued expenses	9,209	14,674
Discussion group funds held	131,478	107,538
ATO payable	-	32,979
	316,336	295,738

Note 9 Change to legal structure

During the previous year the entity changed its legal structure from an incorporated association to a company limited by guarantee. The members funds of previous entity Murray Dairy Inc were transferred to the company based on values as at 30 June 2017. The following assets and liabilities were transferred;

Cash	-	1,259,873
Trade and other receivables	-	176,425
Plant and equipment	-	3,667
Trade and other payables	-	(304,764)
Borrowings - Dairy Australia	-	(35,726)
Income in advance	-	(1,320)
	-	1,098,155

Note 10 Cash Flow Information

Reconciliation of cash flow from operations with profit after income tax

Profit/(Loss) after income tax expense	73,886	97,657
Non-cash flows in profit:		
Depreciation	1,023	1,023
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(257,122)	107,053
(Increase)/decrease in other assets	55,500	(55,500)
Increase/(decrease) in trade and other payables	20,598	(9,027)
Increase/(decrease) in income in advance	-	(1,320)
Cash flow from operations	(106,115)	139,886

Note 11 Capital and Leasing Commitments

	2019	2018
	\$	\$
(a) Finance lease commitments		
Payable - minimum lease payments:		
not later than 12 months	-	-
between 12 months and 5 years	-	-
later than 5 years	-	-
Minimum lease payments	-	-
Less future finance charges	-	-
Present value of minimum lease payments	-	-
(b) Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements.		
Property lease		
not later than 12 months	25,000	25,000
between 12 months and 5 years	-	-
later than 5 years	-	-
	25,000	25,000

The property lease is a non-cancellable lease with a one-year term, with rent payable in advance. Contingent rental provisions within the lease agreement require that the lease agreement shall be increased by CPI per annum. An option exists to renew the lease at the end of the term.

(c) Capital expenditure commitments

No capital commitment exist at 30 June 2019.

Note 12 Director and Related Party Disclosures

Related parties include key management personnel, close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

Note 13 Contingent Liabilities and Assets

The company's directors are not aware of any contingent liabilities or assets as at the date of signing this financial report.

Note 14 Company Details

The registered office of the company is:

Murray Dairy Limited
23 Nixon Street
Shepparton Victoria 3630

The principal place of business is:

Murray Dairy Limited
255 Ferguson Road
Tatura Victoria 3616

MURRAY DAIRY LIMITED DIRECTORS' DECLARATION

The directors of the registered entity declare that, in the directors' opinion

- 1 The financial statements and notes, as set out on pages 37 to 47, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of Murray Dairy Ltd's financial position as at 30 June 2019 and of its performance for the year ended on that date.
- 2 In the directors' opinion there are reasonable grounds to believe that Murray Dairy Ltd will be able to pay its debts as and when they become due and payable



Karen Moroney
Chairperson
Dated this 5th day of September 2019



Andrew Mann
Treasurer
Dated this 5th day of September 2019



INDEPENDENT AUDITOR'S REPORT

To the Members of Murray Dairy Limited

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Murray Dairy Limited, which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, 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 responsible entities' declaration.

In my opinion the financial report of Murray Dairy Limited 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 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the registered 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The responsible entities are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

Directors:
Adem Purlil, CPA
Karen Collins, CPA

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If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Responsible Entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

The responsible entities are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 the 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My 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.

I communicate with the responsible entities regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Adam Purtil RCA 419507

Date: 6 September 2019

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Disclaimer

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