



# GIPPSDAIRY ANNUAL REPORT

2020/21



# THE GIPPSDAIRY BOARD

GippsDairy is governed by a board of ten directors. The Board is made up of six dairy farmers, three specialist directors with skills required by the Board, and the Executive Officer. Board members are appointed for three year terms and can serve a maximum of three terms.

During 2020/21, the board met for an annual general meeting (5 October 2020), one strategic planning meeting (8 December 2020), six general board meetings (August, October, December, February, April, June) and two extraordinary meetings via teleconference (September and November 2020). Two Operations and Risk Committee meetings were held (August 2020 and February 2021).

		Attended Board Meeting	Ops and Risk			Attended Board Meeting	Ops and Risk
	<b>Chair (from 2017), Farmer Director</b> Appointed 2012	10/10	2/2		<b>Specialist Director</b> Appointed 2016	10/10	
<b>Grant Williams</b>				<b>Dan Armstrong</b>			
	<b>Deputy Chair, Farmer Director</b> Appointed 2014	10/10	2/2		<b>Farmer Director</b> Appointed 2017	10/10	1/2
<b>Lauren Finger</b>				<b>Michelle Axford</b>			
	<b>Public Officer, Farmer Director</b> Appointed 2017	10/10			<b>Specialist Director</b> Appointed 2016 Resigned September 2020	1/10	
<b>David Johnson</b>				<b>Richard Shephard</b>			
	<b>Farmer Director</b> Appointed 2017	9/10	1/2		<b>Farmer Director</b> Appointed 2019	10/10	1/2
<b>Shiona Berry</b>				<b>Sarah O'Brien</b>			
	<b>Specialist Director</b> Appointed 2019 Resigned February 2021	5/10	2/2		<b>Specialist Director (casual vacancy)</b> Appointed April 2021	2/10	
<b>Jack Fitzgerald</b>				<b>Martin Fuller</b>			
	<b>Executive Officer</b> Appointed 2015	10/10	2/2		<b>Specialist Director (casual vacancy)</b> Appointed April 2021	2/10	
<b>Allan Cameron</b>				<b>Andrew Perry</b>			





## MESSAGE FROM GIPPSDAIRY CHAIR

Gippsland dairy farmers have had a rewarding, but somewhat difficult 2020/21. Floods affected large areas of Gippsland, placing pressure on farms and damaging infrastructure. COVID-19 caused additional challenges similar to the previous year. Despite the disruptions, the dairy industry showed once more how resilient it was by overcoming all the obstacles it faced and maintaining favourable conditions on farm. Farm milk prices remained relatively steady and many regions are on track for producing strong results.

COVID-19 continues to affect the way we conduct business. Despite this, GippsDairy was able to hold a number of in-person events in between lockdowns and moved a large portion of workshops online.

Successful online webinars such as Our Farm, Our Plan and Farm Business Fundamentals continued to reinforce the importance of being flexible and delivering programs online. In person events included the Calving Induction Phaseout Roadshow, Smarter Irrigation For Profit 2, Fert\$mart, Discussion Groups, YDN meetings, Don Campbell Memorial Tour, Soilkee and Farm World.

We farewelled Libby Heard, Ashley Burgess and Karen Romano. They all moved to roles within Dairy Australia, allowing us to retain their talent in a national capacity. We also said goodbye to Leah Maslen, who is pursuing a career with TAFE Gippsland as a Placement Coordinator for Agriculture and Horticulture. GippsDairy was fortunate to welcome Kristen Davis, Kathryn Fox, Katherine Byrne, Sarah Collier and Robyn Mclean to the team, bringing with them a variety of experiences and skills.

The GippsDairy Board continued to develop and add valuable input to the direction of GippsDairy. Sadly, we said goodbye to Jack Fitzgerald and Richard Shepherd who made essential contributions to the board, this gave the opportunity for the appointment of Andrew Perry and Martin Fuller as casual vacancies. Martin grew up on a dairy farm at Dumbalk and has worked in the agricultural and natural resource management sectors for over 25 years and is currently CEO of West Gippsland Catchment Management Authority. Andrew is a dairy farmer based in South Gippsland, a vet and a dairy consultant who regularly facilitates GippsDairy's animal health programs such as Cups on Cups Off and Healthy Hooves.

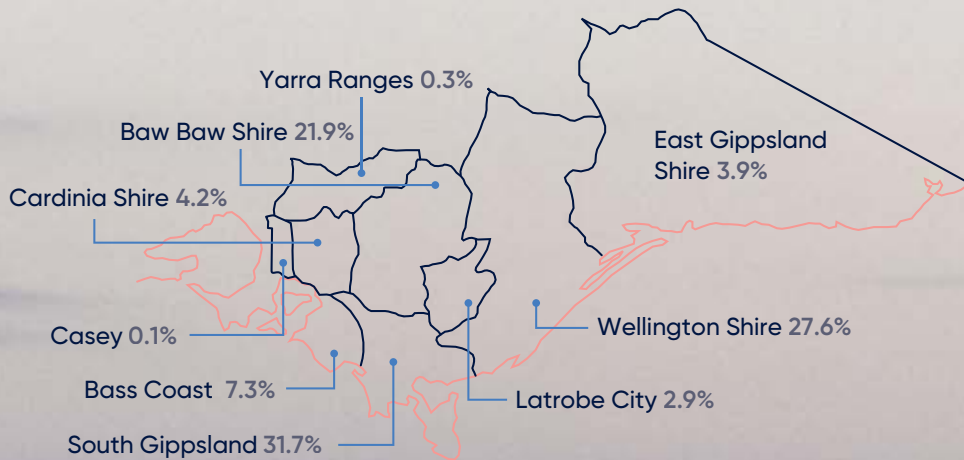
After nine years at GippsDairy, my term is complete and as such this will be my last chair report. I have thoroughly enjoyed my time serving on the GippsDairy board which has allowed me to meet so many passionate and inspiring people right across Australia, that are also endeavouring to build a stronger and more profitable industry. It never ceases to amaze me how adaptable and resilient the dairy industry is.

Thank you to everyone who was involved in GippsDairy programs during the 2020/21 financial year and helped make it another successful year.



**Grant Williams** GippsDairy Chair

# GIPPSLAND DAIRY FARMS BY LOCAL GOVERNMENT AREA



## OUR VISION

A vibrant and sustainable dairy industry that provides economic, social and environmental benefits to all participants and our wider community.

## OUR MISSION

Excelling in engagement and services that enhance the vibrancy and sustainability of the Gippsland dairy industry.

## OUR STRATEGIC PRIORITIES

- Enable prosperous and resilient dairy businesses.
- Improve the capability and capacity of our dairy people.
- Foster a culture of leadership across the Gippsland dairy industry.
- Enhance the reputation of the Gippsland dairy industry.

# SNAPSHOT

**CHINA IS AUSTRALIAN DAIRY'S BIGGEST EXPORT MARKET (35%)**

Gippsland produces

**25%**

of Australian dairy exports

**EXPORTS TO ASIA ACCOUNTED FOR**

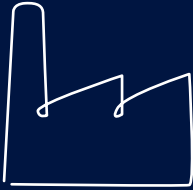
**88%**

of Australian dairy volume exports in 2020/21 (this includes all Asian countries, in both east, southeast and central Asia) with a value of \$2,960 million in 2020/21



**MANUFACTURED PRODUCTS INCLUDE**

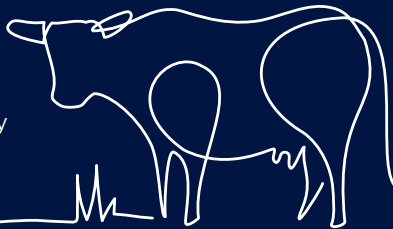
whole milk powder, skim milk powder, infant formula, UHT milk, cream, cream cheese, hard and soft cheeses, yoghurt and butter



**14**

factories source Gippsland milk

Dairy is the biggest agricultural contributor to the Gippsland economy with **313,000 COWS** producing **2,022 MILLION LITRES ON 1,097 FARMS**



Ryegrass-based production system



**THE GIPPSLAND DAIRY INDUSTRY HAS A FARMGATE MILK VALUE OF AROUND \$1.7 BILLION**



**GIPPSLAND'S SHARE OF NATIONAL MILK PRODUCTION**

**22.8%**

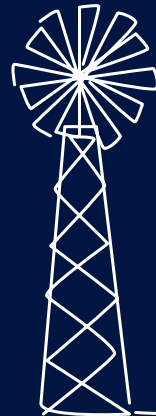
**AROUND 7,500 PEOPLE IN GIPPSLAND ARE EMPLOYED IN DAIRY-BASED ROLES**

(where around 5000 are working on farm)

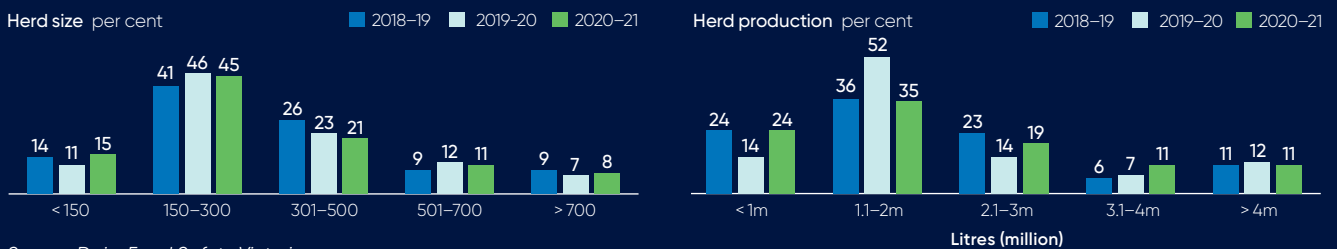


**TOTAL FARM NUMBERS IN GIPPSLAND**

**1,097**



**Figure 1 Distribution of Gippsland Dairy farms by per cent**



Source: Dairy Food Safety Victoria





# FINANCIAL REPORT

GIPPSDAIRY BOARD INC.  
ABN: 55 089 794 366

## INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021	2020
		\$	\$
<b>Income</b>			
Dairy Australia Funding – Program Conduct		1,024,500	920,657
Other project funding		281,938	425,171
Interest received		4,027	8,157
<b>Total income</b>		<b>1,310,465</b>	<b>1,353,985</b>
<b>Expenses</b>			
Depreciation		39,402	17,726
Board and panel fees		23,482	45,489
Financial Services		6,715	6,715
Interest paid		245	-
Insurance		6,863	8,838
IT support		849	313
Operating expenses		59,444	76,755
Project expenses		94,424	179,499
Rent of premises		-	13,354
Staff expenses		884,441	968,596
<b>Total expenditure</b>		<b>1,115,865</b>	<b>1,317,285</b>
<b>Current year operating surplus/(deficit)</b>		<b>194,600</b>	<b>36,700</b>
Retained surplus at the beginning of the financial year		1,185,100	1,148,400
<b>Retained surplus at the end of the financial year</b>		<b>1,379,700</b>	<b>1,185,100</b>

The accompanying notes form part of these Financial Statements.

# ASSETS AND LIABILITIES STATEMENT

AS AT 30 JUNE 2021

	Notes	2021	2020
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents	3	1,335,924	1,215,334
Trade and other receivables	4	116,483	87,339
Other debtors		5,351	10,458
<b>Total current assets</b>		<b>1,457,758</b>	<b>1,313,131</b>
<b>Non-current assets</b>			
Right of Use of Asset		2,147	39,589
Plant and equipment		7,936	9,898
<b>Total non-current assets</b>		<b>10,083</b>	<b>49,487</b>
<b>Total assets</b>		<b>1,467,841</b>	<b>1,362,618</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
ATO creditor – GST		8,339	752
Trade and other payables	5	76,471	133,319
Accruals		60	1,138
<b>Total current liabilities</b>		<b>84,870</b>	<b>135,209</b>
<b>Non-current liabilities</b>			
Lease liability		3,271	42,309
<b>Total non-current liabilities</b>		<b>3,271</b>	<b>42,309</b>
<b>Total liabilities</b>		<b>88,141</b>	<b>177,518</b>
<b>Net assets</b>		<b>1,379,700</b>	<b>1,185,100</b>
<b>Accumulated funds</b>	6	<b>1,379,700</b>	<b>1,185,100</b>

The accompanying notes form part of these Financial Statements.



# CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021	2020
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from Grants and Contributions		1,406,157	1,692,935
Payments to suppliers and employees		(1,250,313)	(1,716,530)
Interest received		4,027	8,157
<b>Net cash provided by operating activities</b>		<b>159,871</b>	<b>(15,438)</b>
<b>Cash flows from investment activities</b>			
Proceeds from sale of plant and equipment		-	-
Payments for property, plant and equipment		-	-
<b>Net cash provided by (used in) Investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Principal elements of lease		(39,281)	(12,880)
<b>Net cash provided by (used in) Investing activities</b>		<b>(39,281)</b>	<b>(12,880)</b>
Net increase in cash held		120,590	(28,318)
Cash at beginning of financial year		1,215,334	1,243,652
<b>Cash at end of financial year</b>		<b>1,335,924</b>	<b>1,215,334</b>

# CASH FLOW INFORMATION

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021	2020
		\$	\$
<b>Reconciliation of Cash Flow from Operations</b>			
Surplus/(Deficit)		194,600	36,700
<b>Non-cash flows in surplus</b>			
Depreciation		39,402	17,726
Interest paid on Lease		245	-
<b>Changes in assets and liabilities</b>			
(Increase) Decrease in current receivables		(22,186)	206,029
(Increase) Decrease in prepayments		(1,851)	(10,458)
Increase (Decrease) in current payables		(50,339)	(265,435)
<b>Total</b>		<b>159,871</b>	<b>(15,438)</b>

The accompanying notes form part of these Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

The financial statements cover GippsDairy Board Inc as an individual entity. GippsDairy Board Inc is a not for profit Association incorporated in Victoria under the *Associations Incorporation Reform Act 2012*.

Comparatives are consistent with prior years, unless otherwise stated.

### 1. Basis of Preparation

In the opinion of the board, the Association is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the board, the Associations Incorporation Reform Act 2012 and Dairy Australia.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 16 Leases and AASB 1054 Australian Additional Disclosures.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs.

### 2. Summary of Significant Accounting Policies

#### a. Plant and Equipment

Each class of plant and equipment is carried at cost and, where applicable, any accumulated depreciation.

Plant and equipment, excluding freehold land, is depreciated over the assets useful life to the association, commencing when the asset is ready for use.

#### b. Provisions

Provisions are recognised when the association 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.

#### c. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### d. Revenue and Other income

Revenue is recognised when the amount of the revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the association. Revenue is measured at the fair value of the consideration received or receivable.

#### e. Interest revenue

Interest revenue is recognised when received.

#### f. Leases

The new lease standard AASB 16: Leases has been applied for the 2021 financial year. This standard involves recognition of a right of use of asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low value assets) and Depreciation of right of use assets in line with AASB 116: Property, Plant and Equipment in profit and loss and unwinding of the liability in principal and interest components.

	Notes	2021	2020
		\$	\$

### 3 Cash and cash equivalents

Cash at Bank - CBA Business Transactions		241,304	124,741
Cash at Bank - CBA Interest Earner Account		400,258	400,136
Cash at Bank - Capital Growth		694,362	690,457
<b>Net cash provided by operating activities</b>		<b>1,335,924</b>	<b>1,215,334</b>

	Notes	2021	2020
		\$	\$

### 4 Accounts Receivable

#### Current

Dairy Australia		110,983	82,500
Other Accounts Receivable		5,500	4,839
		<b>116,483</b>	<b>87,339</b>

	Notes	2021	2020
		\$	\$

### 5 Accounts Payable

#### Current

Dairy Australia		71,746	111,648
Other Accounts Payable		4,725	21,671
		<b>76,471</b>	<b>133,319</b>

	Notes	2021	2020
		\$	\$

### 6 Accumulated Funds

Project Funds held at June 30th		236,985	173,970
Funds held for reserves		129,500	129,500
GippsDairy Operating Funds		1,013,215	881,630
		<b>1,379,700</b>	<b>1,185,100</b>

Funds held for reserves are set aside in the event of GippsDairy wind up. The amount is calculated in accordance with the policy "Reserve funds to be held by GippsDairy"

	Notes	2021	2020
		\$	\$

### 7 Audit Fees

<b>Audit Fees</b>		<b>6,500</b>	<b>6,500</b>
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### 8 Association Details

The registered office and principal place of business is: 6 Endeavour Street, Warragul VIC 3820



# INDEPENDENT AUDIT REPORT



## INDEPENDENT AUDIT REPORT To the members of GIPPSDAIRY BOARD INC

We have audited the accompanying financial report, being a special purpose financial report, of GippsDairy Board Inc, which comprises the Assets & Liabilities Statement as at 30 June 2021, the Income and Expenditure Statement and the Cash Flow Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Board Members.

### **Board's responsibility for the financial report**

The Board are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1, which form part of the financial report, are consistent with the financial reporting requirements of the Associations Incorporation Reform Act 2012 (Vic) and are appropriate to meet the needs of members. The Board is also responsible for establishing and maintaining such internal control as the Board determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of members. We have conducted our audit in accordance with Australian auditing standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

### **Audit Opinion**

In our opinion, the financial report of the GippsDairy Board Inc presents fairly, in all material respects, the financial position as at 30 June 2021 and of its financial performance and its cash flows for the year then ended on that date and complies with Australian accounting standards Associations Incorporation Reform Act 2012 (Vic).

### **Basis of Accounting and Restriction of Distribution**

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the GippsDairy Board Inc to meet the requirements of the Associations Incorporation Reform Act 2012 (Vic). As a result, the financial report may not be suitable to another purpose.

## PATISON PARTNERS

A handwritten signature in black ink, appearing to read "Katrina J. Magyar".

KATRINA J. MAGYAR CA  
Director

Dated this 14th day of September 2021

61-63 Victoria Street, Warragul

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# STATEMENT BY THE BOARD MEMBERS



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E [info@gippsdairy.com.au](mailto:info@gippsdairy.com.au)  
W [gippsdairy.com.au](http://gippsdairy.com.au)

14 September 2021

## Statement by the Board Members

The board has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the board the financial report as set out in this Annual Report:

- (a) Presents a true and fair view of the financial position of GippsDairy Board Inc as at 30 June 2021 and its performance for the year ended on that date.
- (b) At the date of this statement, there are reasonable grounds to believe that GippsDairy Board Inc will be able to pay its debts as and when they fall due.
- (c) As detailed in note 1 to the accounts, GippsDairy Board Inc is not a reporting entity, the opinion of the board is that there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to meet the Board's reporting requirements and the Associations Incorporation Reform Act 2012.
- (d) No officer of the GippsDairy Board; no firm of which an officer is a member; and no body corporate in which an officer has a substantial financial interest has received, or become entitled to receive, a benefit in excess of normal trading conditions as a result of a contract between the officer, firm or body corporate and the Board.
- (e) No officer of the GippsDairy Board Inc has received directly or indirectly from the Board any payment or other benefit of a pecuniary value, other than self-employed and farmer Board members who were paid attendance fees and expenses incurred at Board and project committee or action group meetings in accordance with the guidelines approved by Dairy Australia.

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

Handwritten signature of Grant Williams in black ink.

Grant Williams  
Chairman

Handwritten signature of Lauren Finger in black ink.

Lauren Finger  
Board Member

# THE GIPPSDAIRY TEAM IN 2020/21



Executive Officer/Regional Manager

Allan Cameron



Communications and Engagements Officer  
Commenced 8 August 2020

Sarah Collier



Regional Extension Officer  
Resigned 2 August 2020

Ashley Burgess



Regional Extension Officer

Donna Gibson



Regional Extension Officer  
Resigned 3 September 2020

Leah Maslen



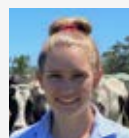
Regional Extension Officer  
Commenced 14 December 2020

Katherine Byrne



Regional Extension Officer  
Resigned 13 September 2020

Libby Heard



Regional Extension Officer  
Commenced 14 December 2020

Kathryn Fox



Regional Extension Officer  
Resigned 29 November 2020

Karen Romano



Regional Extension Officer  
Commenced 14 December 2020

Kristen Davis



Executive Assistant

Sallie Clynes



Regional Extension Officer  
Commenced 14 December 2020

Robyn McLean



Administration Officer

Katherine Vaughan



Regional Extension Officer

Sarah Cornell



## ACKNOWLEDGEMENTS FROM GIPPSDAIRY

The GippsDairy Board of Directors and staff sincerely appreciate the assistance and support of many people and organisations. In particular, we would like to extend our appreciation to:

- All dairy farmers in Gippsland
- Dairy Australia
- The seven other regional development programs across Australia: WestVic Dairy, DairySA, Western Dairy, DairyTAS, Dairy NSW, Murray Dairy, Subtropical Dairy
- United Dairyfarmers of Victoria
- Australian Dairy Farmers
- Gardiner Dairy Foundation
- Agriculture Victoria
- Melbourne Water
- TAFE Gippsland
- West Gippsland Catchment Management Authority
- Westernport Catchment Landcare Network
- The milk factories that process Gippsland milk





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