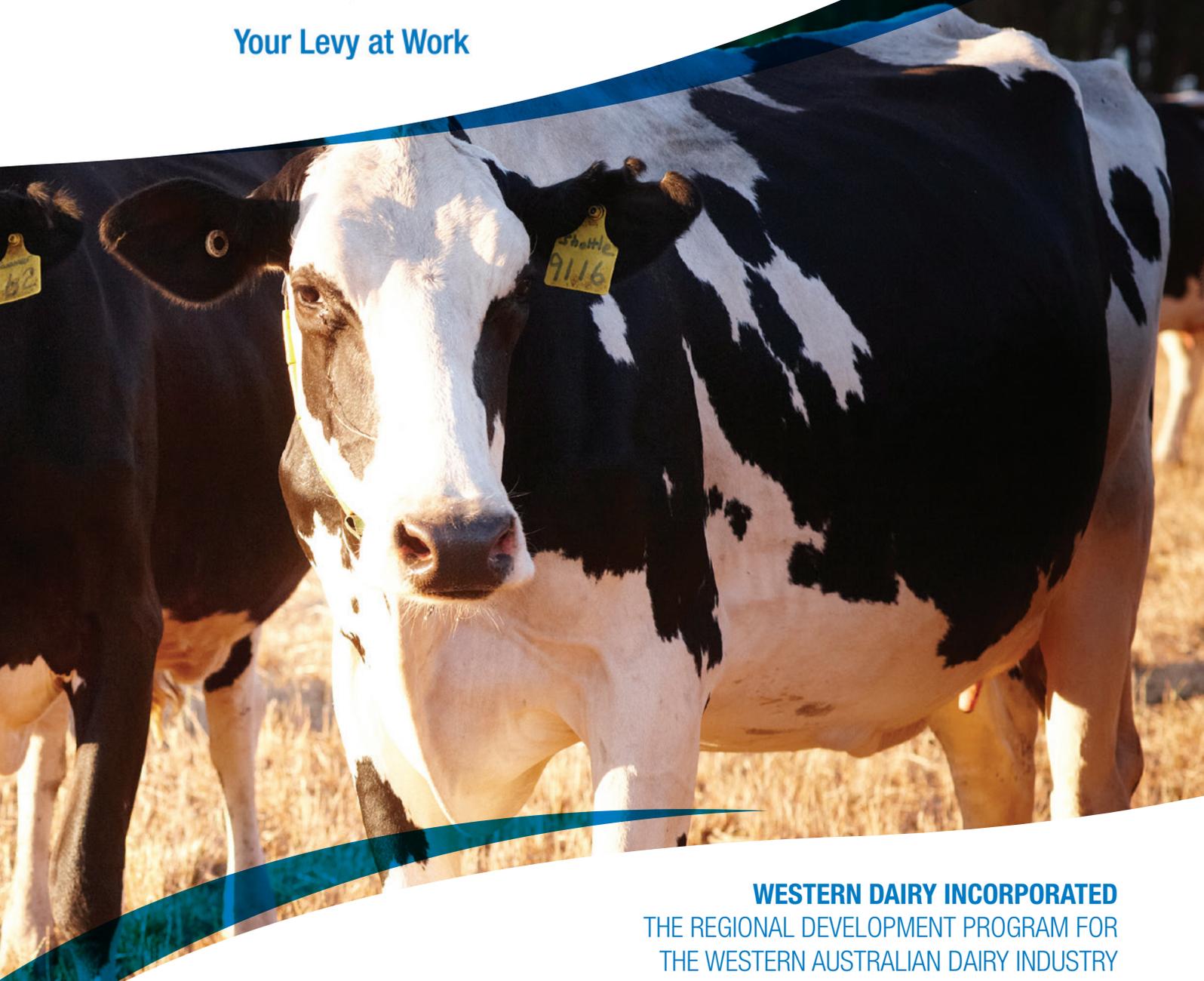




Your Levy at Work



WESTERN DAIRY INCORPORATED
THE REGIONAL DEVELOPMENT PROGRAM FOR
THE WESTERN AUSTRALIAN DAIRY INDUSTRY

SPRING FORUM BOOKLET & ANNUAL REPORT

FOR THE FINANCIAL YEAR 2017/2018

The Western Dairy RD&E Hub is made possible through the support of Dairy Australia and the Department of Primary Industries and Regional Development.



Department of
Primary Industries and
Regional Development



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SPRING FORUM PROGRAM

FRIDAY NOVEMBER 23 AT THE LIGHTHOUSE

9.30am	Arrival morning tea
10.00am	Welcome – Western Dairy Chair, Grant Evans
10.10am	The seven steps to a remarkable workplace: Human Resources consultant and author Mandy Johnson provides a series of practical take home tools designed to improve your workplace culture.
10.45am	Results and Analysis - WA Seed Performance Trials. Western Dairy's Peter Hutton releases the results of our second year of seed trials, this time involving 10 varieties of Ryegrass on dairy farms in Boyanup and Dardanup. This data will assist you with your seed purchasing decisions for 2019 and highlights the importance of price x yield x quality x location x your individual business requirements in making those decisions.
11.15am	Can Kikuyu be the summer grazing saviour for irrigators? The smarter irrigation for profit project in 2017 brought to light the potential of kikuyu pasture as a low cost home-grown feed if managed well during summer and autumn. Western Dairy will be seeking to build on the 2017 work by measuring it's performance under different irrigation systems with ranging water quality and when managed well vs not-so-well. Western Dairy contractor Sam Taylor takes as through a case study.
11.30am	What the data teaches us about feed budget planning year: This year's tough feed season has caused us to pull apart the Dairy Farm Monitor Project data and put forward some predictive scenarios about how best to budget and plan for summer and autumn feeding. Western Dairy's Kirk Reynolds does what he does best - interrogates the data and tells us what that means for cash-flow and capital spending.
12.00pm	Aspiring for excellence in effluent: Western Dairy project officer Dan Parnell talks about the challenges of satisfying neighbours, local government, regulators and your banker as Western Dairy supports up to 30 qualifying dairy businesses to upgrade their effluent systems.
12.15pm	Feed Tools: Western Dairy's Jess Andony showcases the new on-line feeding management tool - that builds on the WA-developed Rumens8 software.
12.30pm	Western Dairy student scholarship update: Murdoch scholarship recipient Teanna Cahill provides a summary of her Mastitis project findings
12.35pm	What's it like being a dairy trainee? Western Dairy's trainer Rob La Grange is joined by trainee Ayden Tito from White Rocks dairy to find out what a dairy traineeship is all about. From a person who really knows!
12.45pm	Announcement of the winners of the Western Dairy Farm Safety Selfie competition: Western Dairy's HR consultant Tammy Negus gives us just another reason for thinking safety first! And promotes her upcoming series of the 101 of employment basics.
1.00pm	Lunch
1.30pm	Western Dairy AGM
2.00pm	Close



SPRING FORUM PRESENTATION PAPERS

WA SEED PERFORMANCE TRIALS AND BEYOND

By Dr Peter Hutton



Western Dairy has used the 2017 pasture variety trials as a springboard to get bigger and better in 2018. This year we have trials at two sites: A support block at Carenda (the Kitchen family farm at Boyanup); and Matthew Brett's milking platform at Dardanup.

There is a range of trial work being undertaken:

1. The Pasture Variety Trial Network (PVTN) at Dardanup;
2. The WA Seed Productivity trials (WASP) at both sites;
3. The Seed Mix trials at both sites; and
4. The "Goldilocks grazing" demonstration at Dardanup.

Results from this year's harvests are being constantly updated and are presented on the Western Dairy website at www.westerndairy.com.au and the final analysis will be released on November 23 at our Spring Forum.

PVTN FOR THE FORAGE VALUE INDEX

This is a national program of pasture variety trials that generates the Forage Value Index (FVI). The FVI is a rating system that helps dairy producers and their advisors to make more informed decisions when selecting ryegrass varieties. These are blinded trials and the results are sent to a national database for analysis. For more information on the FVI visit the Dairy Australia website.

WASP: HOW DO THE LOCAL VARIETIES STACK UP?

These trials differ from the PVTN because they represent the major annual ryegrasses that are sold in WA and the data is current and available to producers.

Each harvest and cumulative yields are presented on the Western Dairy website. We use dry matter yield and pasture quality along with seed costs to generate our own index called the Milk Production Potential (\$/ha). The MPP will enable farmers to compare ryegrass seed for its potential value to their own business. The seed companies are on board and have sponsored these independent and unbiased trials. We thank PGG Wrightson Seeds, IH Seeds, Heritage Seeds, and Landmark for their ongoing support and valuable contribution to WA agriculture.

DOES FORAGE OATS IN A SEED MIX IMPROVE EARLY PRODUCTION WITHOUT REDUCING SEASONAL YIELD?

Forage oats can be used in a pasture program to provide early season feed but has a shorter growing period than annual ryegrass. A mixture of forage oats and annual ryegrass allows the strengths of one to cover for the weaknesses of the other to give a more even distribution of forage throughout the season. Well that's theory. But, does it work in practice? In this trial we included oats in a ryegrass mix to increase the early season dry matter production; and second, used a higher rate of ryegrass in an oats mix to increase the total season production relative to a lower seeding rate.

DOES GOLDILOCKS GRAZING INCREASE YIELD?

This year we put into action the well-researched advice on best grazing management. The Project 30:30 that was overseen by Dairy Australia, identified ideal grazing management to maximise pasture yield and utilization under rotational grazing.

Ideal grazing is between the 2nd and 3rd leaf stages and results in a post grazing residual of 4-6cm. Leaving a post-grazing residual of 4-6cm optimizes pasture productivity. We nicknamed it the “Goldilocks Effect” because we simulate overgrazing (residual of 3cm), under-grazing (residual of 8-9 cm) or getting it just right (grazing at 2.5 to 3 leaves and a residual of 5-6cm).

We also included a treatment called “grazed too early” to simulate what can happen after a late break in the season, when pasture is immature, but conserved feed is in short supply. In this plot the initial simulated graze was at the 1.5 leaf stage and a residual of 3 cm with subsequent grazings to a residual of 5-6cm.

WESTERN DAIRY WOULD LIKE TO THANK ALL THE 2018 WASP TRAIL PARTNERS FOR THEIR CONTRIBUTIONS AND SUPPORT.



Department of
**Primary Industries and
Regional Development**



Your Levy at Work

DOES KIKUYU STACK UP AS A SUMMER IRRIGATED PASTURE?

By Dr Peter Hutton



In this new Western Dairy applied research project we seek to quantify the production potential and water use efficiency of kikuyu by demonstrating researched work from a number of experiments in the eastern states.

In many areas of Australia, Kikuyu has become the dominant summer dairy pasture. The summer growth can be high but its low quality can limit milk production. However, with good grazing management metabolizable energy values of 9.5 to 10 MJ/kg DM can be achieved. Good grazing management during the Western Dairy smarter irrigation project in 2017/18 achieved ME values of 9.5 to 10.2 MJ/kg DM. Water use efficiency with good quality water has been shown to be close to that of maize and twice as high as perennial ryegrass in summer.

Kikuyu has a polarising effect on farmer attitude in Western Australia. Some irrigation farmers embrace it for summer grazing while others prefer perennial ryegrass and summer crop alternatives. Further complicating the production potential of kikuyu is the variable quality of water used across the irrigation regions. Kikuyu is known to be sensitive to salt at 3 to 6 dS/m and levels that were higher than this were detected in the soil in the Western Dairy smarter irrigation project in 2017/18.

HOW TO MAXIMISE QUALITY – GRAZE AT THE 4 TO 4.5 LEAF STAGE

Grazing management is the key to maximizing the quality of a kikuyu pasture.

The leaf of the kikuyu plant contains higher metabolizable energy and crude protein than the stem.

Grazing management should aim to maximise quality and this can be achieved by optimising the leaf to the stem ratio of the plant. After grazing the kikuyu plant grows up to four new tillers before the oldest leaf dies.

If not grazed after the emergence of the fourth leaf the stem of the plant elongates and the proportion of green leaf available for grazing decreases. Therefore, grazing kikuyu pasture at the 4 to 4.5 leaf stage will maximise the pasture quality and milk produced and slow the accumulation of the stem fraction of the sward.

At the 4.5 leaf stage calcium, magnesium, potassium and nitrate levels are at the optimum for ruminant requirements. In summer without soil moisture restrictions, leaf emergence can be as low as 3 days.

Thus, the grazing interval needed for 4 to 4.5 leaves is usually 12 to 14 days. Leaving a residual of 5-8cm is ideal but stem builds over multiple grazings and milking cows should not be forced to graze the stem. Stem should be removed mechanically by mulching or by grazing with livestock classes that have lower energy demands.

HOW TO MAXIMISE GROWTH - NITROGEN APPLICATION

Summer growth rates of 80 to 150 kg DM/day are possible in fertile soils with adequate nutrient inputs.

When phosphorus levels are adequate regular applications of nitrogen will maximise kikuyu production (up to 200 kg N/ha from November to March). Suggested applications are; 35 kg N/ha after every second grazing (14-day rotation) and 50 kg N/ha (longer rotation).

THE TRIAL

The objective of the project is to measure the performance of kikuyu pasture grown over summer under irrigation in Western Australian dairy systems. We will monitor crop performance (dry matter and quality), water use efficiency and costs using surface and centre pivot irrigation over multiple sites using the following treatments;

1. Short rotation (~14 days) vs long rotation (~28 days);
2. Nitrogen applications: medium or high rate every second harvest (short rotation); medium rate every harvest (short rotation); medium rate every harvest (long rotation);
3. Fresh water vs salt load water.

WESTERN AUSTRALIAN DAIRY FARMS EFFLUENT MANAGEMENT - WHERE ARE WE AT?



By Dan Parnell

Western Dairy has completed 44 dairy farm effluent reviews over the past 18 months as part of the DairyCare project. A further 16 will be carried out by the end of the project.

The review process includes the opportunity to compare how each effluent system performs benchmarked against the WA Dairy Shed Code of Practice (2011) across five key measures.

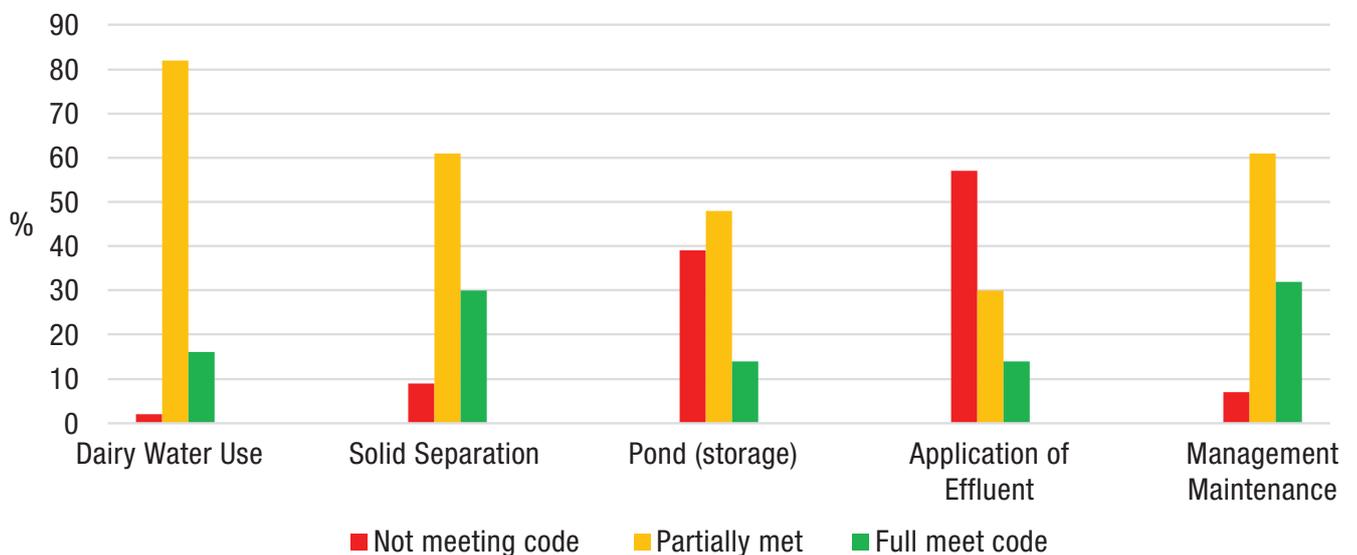
The data so far (see Table 1 below) shows that participating dairy farms are reasonable at managing the systems they have and that there are water saving measures in place. It is clear also that farms have invested widely in solids separation - mainly through trafficable solids traps.

However unfortunately, many trafficable solids traps have been poorly designed or the herd has outgrown the capacity of the system.

The results of the reviews conducted also show there has been under investment in effluent storage and application systems. Indeed, over half of the farms reviewed had no application system at all. Typically, storage and application systems are more expensive and problematic which has likely driven these findings. There are also few systems that meet the code in all areas. These results are consistent with the effluent reviews conducted in the Geocatch area in previous projects.

Table 1: Results from the 44 dairy farms reviewed, showing the areas of concern in effluent system management

Review Status 44 WA Dairy Effluent Systems vs WA Code of Practice



Best practise effluent design requires extensive capital investment - and such investment has historically proven difficult for businesses to prioritise over other aspects of the farm business. Whilst there is currently no legislation to enforce best practise, Western Dairy is working with government through the Department of Environment and Water Regulation (DEWR) to ensure farmers are aware of the looming pressures in this space.

With the difficulties with effluent and the large capital investment required, together with a lack of regulation to enforce best practise, it is little wonder where we are at.

Under-performing effluent management systems on WA dairy farms poses a range of risks that farmers must consider. These include:

- A risk to the health of neighbouring waterways;
- A risk that neighbours and community will observe odour and raise complaints, which trigger further investigation of the source;
- A risk to reputation and goodwill, with the capacity to risk markets/customers that demand best environmental management from their food sources; and
- A risk that governments will be motivated to legislate if industry can't demonstrate capacity to self-regulate

Despite the high cost of capital upgrades (which Western Dairy is subsidising via the DairyCare project for qualifying farms), there are opportunities to make gains from effluent system upgrades. The advantages from investing in best-practise effluent systems include:

- The (limited) opportunity to secure government funds to assist with upgrades;
- The opportunity to recover and re-use nutrients on farm;
- Improved management efficiency of the system; and
- The confidence that comes with knowing your business is maintaining its social license and guarding against any invalid community complaints.

The DairyCare effluent reviews have highlighted that as an industry, we need to raise the bar with effluent management. Our industry must become familiar with the existing code and learn what constitutes an effective effluent system.

WHITE ROCKS CASE STUDY

In early 2018, Micheal and Leeanne Partridge at White Rocks, Brunswick upgraded the effluent system for their 600 herd and calf shed, with the assistance of the DairyCare project. There was already a 10ML storage pond in place which supplied 23ha of surface irrigated pasture. However, over time the pond had become full of sludge. As a result, the volume of storage was reduced and there was a risk of overflow. Being such a large pond, it was impossible to manage sludge or solids with an excavator or slurry tanker.

In the autumn of 2018 a new storage pond was built to increase available storage and take pressure off the existing pond while it was managed and brought back into line. Also, a small primary solids pond or ditch with a weeping wall was constructed. The weeping wall used leach drain segments to filter solids. The small narrow design of this primary pond makes the ongoing management of solids easier.

At the same time the piped effluent application area was increased to 48ha. This ensured that the nutrients in the effluent do not overload paddocks and maximises the pasture produced from the nutrients applied.

So far, the new system is working well and helps capture and re-use the nutrients on farm over and beyond best practice.



The upgraded effluent management system at White Rocks

For more information about how you can participate in DairyCare, please contact Western Dairy project officer Dan Parnell on dan.parnell@westerndairy.com.au; or 0467 556 542

FEED TOOLS – HOW TO USE DAIRY AUSTRALIA'S FEED BUDGETING TOOL

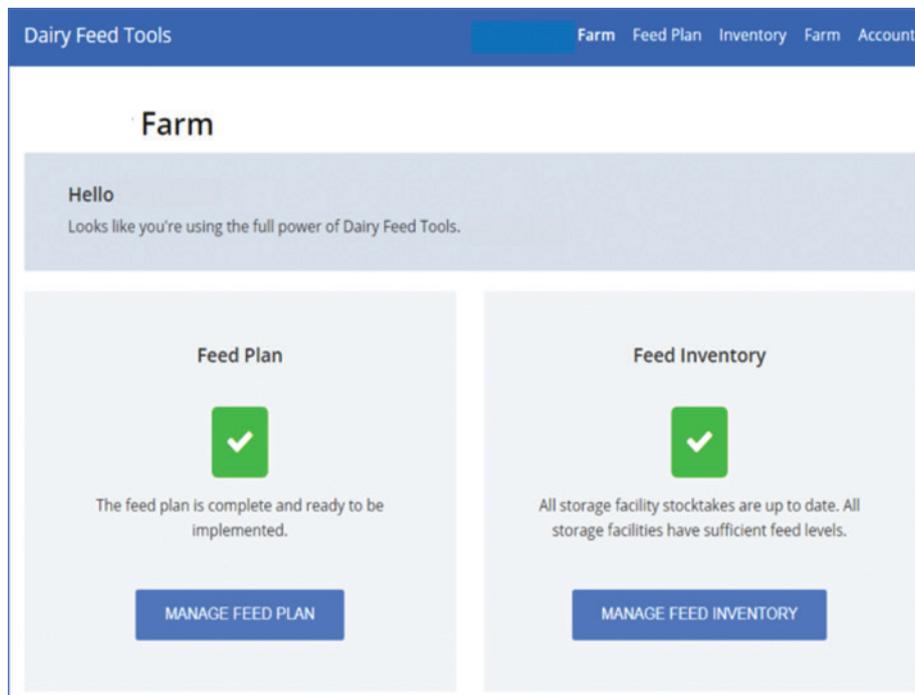


By Jess Andony

Dairy Australia's "Feed Tools" is a web-based tool that can help you plan and manage your feeding program. Creating an account is easy and free.

Go to www.feedtools.com.au and select Create an Account. You will need to fill in certain details such as farm name, farm owner, etc and create a log in username and password. It will also ask you to select a dairy region and the nearest town. These are important so the program can provide a more accurate pasture growth rate model for your farm and feeding program.

Once an account is created you can create a feed budget, a feed inventory and share your budget or inventory with key people, such as your diet consultant if required. In the feed plan section you can create a new feed plan or edit an existing feed plan. In the feed inventory you can create storage facilities specific for your farm, such as silage pits, hay sheds and silos. You can then 'fill' these and receive notifications when they are running low, or a stock inventory is required.



Within Feed Tools there is the option to design a feeding plan for (a) milking cows, (b) early dry cows and (c) transition cows. When creating the feed plan you get the option to select which month you would like the feed plan to begin and what classes of stock (the program currently works best with only one class of stock at one time). Once a month and class of stock have been selected, you can then set your cow inputs.

Cow inputs include: number of animals, average liveweight, average distance walked per day, terrain, average days in milk, average days pregnant, liveweight change, average daily milk yield, milk fat and protein and milk price (either in cents/litre or milk fat & protein price). Average days pregnant and liveweight change will automatically calculate when days in milk have been entered but may be altered if required.

You then have the option to continue with the current month or add subsequent months. When adding the next month you get the option to "Copy details from pervious month", and when you select this all the details entered from the first month are carried over, along with the automatic calculating of average days in milk, average days pregnant and liveweight change for the next month(s).

The next step once the months and classes of stock have been selected is to add feeds and balance the ration. You can add as many feeds as you need here and customise certain nutritional details*.

The program allows you to select feeds from a list which includes pastures, other grazed forages, silages, hays, grains and concentrates, minerals and additives and by-products. You have the ability to adjust key nutritional values for each feed or use nutritional values from the Western Australian developed Rumen8 nutritional program. You will also be required to input a purchase or growth cost, select where the feeds have come from; milking area, support area or purchased, and feeds can be given a description if required e.g. springer pellets or home-grown lucerne hay.

Once you have added all the required feeds for the classes of stock, the next page asks you to formulate your diet, and if you have selected grazed feeds, to estimate the availability of these feeds.

The estimated availability of the grazed feeds requires: area (in hectares), a daily growth rate and a utilisation level to be entered. When formulating the diet you have to ensure that the bars to the left of the screen go green, to show the ration is balanced for energy, protein and intake, the same as Rumen8. On this screen you can also see milk income, feed costs and margin over feed costs.

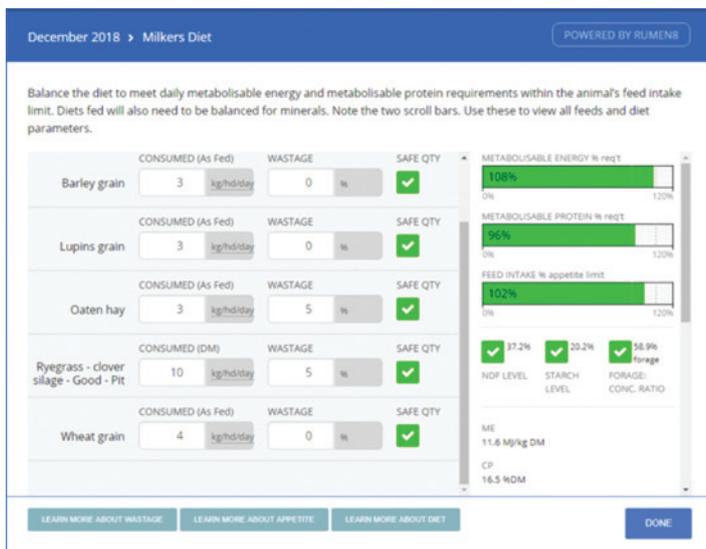
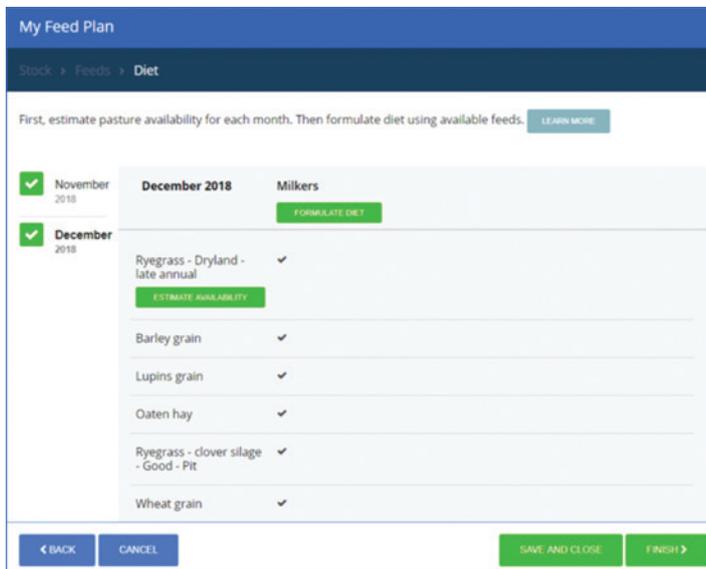
Once all these details are entered you can press the finish button which takes you back to the home screen. Here you can then access two reports: Budget Report and Stock Feeding Instructions - or make edits to the feed plan.

The Budget Report will display monthly and total feed costs for individual feeds, as well as a total.

This is displayed as both a table and a bar graph.

The Stock Feeding Instructions asks you to select a class of stock and month and will then display quantities of individual feeds required per animal per day, as well as in total, with a section to add instructions for staff. This page can also be printed so it may be given to staff if required.

For further information or assistance in creating an account contact Jess at Western Dairy: jessica@westerndairy.com.au or 0435 174 719.



**Note: When designing transition cow rations DACD, Mg, Ca and P are important to balance, and can have serious effects on animal health if not balanced correctly. Dairy Australia has a "Milk Fever Risk Calculator" available to download in excel format that is suitable to use when designing rations for this class of stock. It is recommended to use this before finalising the ration for transition cow in Feed Tools.*

THE WESTERN DAIRY TRAINING PROGRAM EXPLAINED

By Rob La Grange



Western Dairy and South regional TAFE (SRTAFE) have partnered to deliver the Certificate III in Dairy Production and the Certificate IV in Agriculture to farm staff employed on dairy farms in Western Australia. These qualifications comprise an on-farm skills training component and a knowledge training component.

Staff completing the Certificate III should be confident and competent to effectively carry out most duties on a farm with the knowledge of why they are doing what they are doing. Staff completing the Certificate IV should understand the farm business at the operational management level and be able to contribute to the decision-making process. The Certificate IV is an important qualification for employers looking to involving staff at the management level.

The training can be undertaken within a traineeship program or through flexible delivery. In the traineeship program, trainees must be registered through the Apprenticeship Office of the Department of Workforce Training and Development.

Employers, trainees and SRTAFE have contractual obligations to ensure that trainees receive the training they have signed up for. SRTAFE delivers the training through Western Dairy. Employers are entitled to financial incentives in taking on a traineeship and the cost of training for the trainee is subsidised. Trainees are responsible for paying the cost of training to SRTAFE. To qualify for the incentives and the subsidised training, prospective trainees must not have been employed on a full-time basis for more than three months. Existing workers who have been employed for more than three months full time can be registered for a traineeship but will have to pay considerably more for the training and there are no incentives for employers.

The flexible delivery program allows existing workers who don't qualify for the subsidised traineeship to undertake the Certificate III and IV training through direct enrolment with SRTAFE. Whilst there are no employer incentives the cost of training is very similar to that under the subsidised traineeship. Employers commit to the on-farm delivery of skills training and SRTAFE delivers the knowledge training through Western Dairy.

These programs take around 12 months to complete and trainees are visited on a monthly basis by Western Dairy's Rob La Grange to support them in completing the units they are enrolled to do. The Certificate III in Dairy Production course requires students to complete eleven core units and six elective units. As a package these units cover every aspect of the on-farm activities in a dairy business. The Certificate IV course requires 12 units to be completed. Five are core units and seven are elective units. Although the Certificate IV is not a specific dairy qualification the units offered are dairy based.

For further information, please contact Rob La Grange for detail on these beneficial and informative programs.

Email: rob.lagrange@westerndairy.com.au

Mobile: 0448 939 344

DAIRY EMPLOYMENT AND SAFETY RESOURCES SNAPSHOT

By Tammy Negus



It is challenging to attract and retain staff on dairy farms. To help dairy farmers tackle employment and safety in the dairy industry, Dairy Australia has developed some helpful tools. Western Dairy provides support in workforce development and distributes these resources so that WA dairy farmers can become more confident and better at employing and managing people. Other industries in Australia are envious of the dairy specific resources that we have available.

The Dairy Australia resources that every WA dairy farmer should be familiar with are:

1. The people in dairy website
2. The Employment Starter Kit Initiative (ESKI)
3. The Farm Safety Starter Kit (FSSK)
4. The Farm Safety Manual (FSM)

THE PEOPLE IN DAIRY WEBSITE

Where to find it – go to www.thepeopleindairy.org.au and follow the main headings to find specific information.

What it provides – the site provides a huge amount of employment information and resources specific to the dairy industry.

Hint – because the site contains a lot of information it can be overwhelming to navigate. Try using the search on the main page. Add a word or specific subject that you are looking for and the tool will bring up all documents on the site relating to your search.

THE ESKI

Where to find it – it can be ordered directly from the DA website at www.thepeopleindairy.org.au/eski or by contacting Western Dairy who usually have copies on hand.

What it provides – it contains all the mandatory requirements for employing someone in the dairy industry plus some great ideas and examples of processes to improve the employment experience on farm.

Hint – find out whether your dairy business comes under the Pastoral Award or your business is award free and under the WA state industrial laws. This will depend on how the dairy business is run – is it a company, partnership, trust, a trust with a company as a trustee or a sole trader? The conditions and legislation are different between the Pastoral Award and the WA state industrial laws.

THE FARM SAFETY STARTER KIT

Where to find it – it can be ordered directly from the DA website at www.thepeopleindairy.org.au/farm-safety or by contacting Western dairy.

What it provides – it's a great place to start and assess your dairy farm and systems for safety. It includes a checklist to help you get started, quick safety scans that you can complete on all areas of the dairy farm and a guide for making an action plan.

Hint – the topic of safety can be very overwhelming so start with the checklist and address each issue one by one. Combine this with the WA Worksafe checklist to make sure everything is covered.

THE FARM SAFETY MANUAL

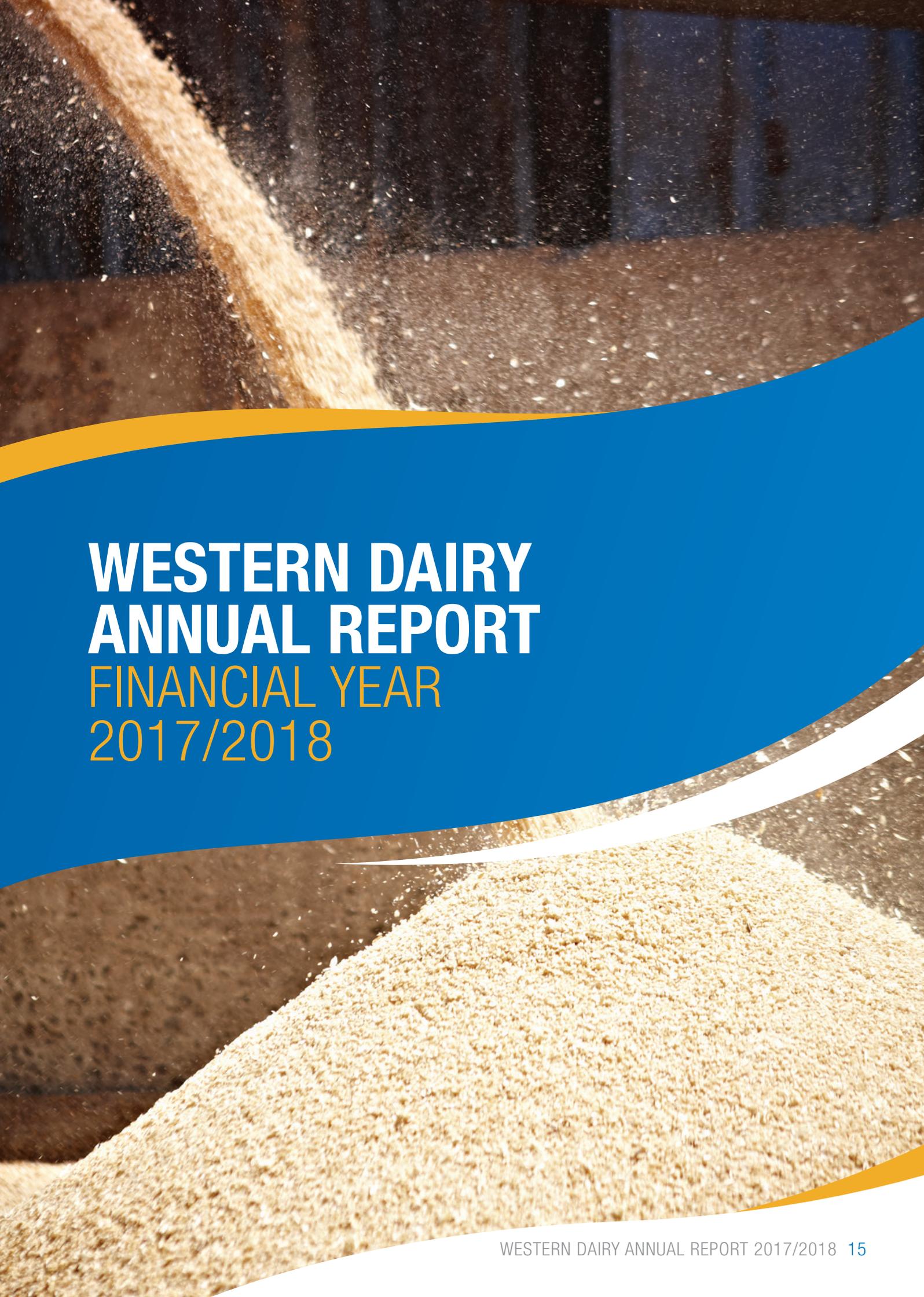
Where to find it – it can be ordered directly from the DA website at www.thepeopleindairy.org.au/farm-safety or by contacting Western dairy.

What it provides – this is the ultimate dairy farm safety resource. It provides information on safety laws, how to develop and implement policies and procedures in the workplace, examples and stories on each subject and templates for setting up your own safety policies.

Hint – the ready-made templates in each section can save you a lot of time. These can be used as they are, or you can get the documents in word format from the website and make changes to reflect your dairy business and situation.

For support in obtaining and using these resources please contact Western Dairy. Western Dairy can provide specific workforce development support. Contact Tammy Negus on 0448 532 028 or tammy.negus@gmail.com





WESTERN DAIRY
ANNUAL REPORT
FINANCIAL YEAR
2017/2018

WESTERN DAIRY OFFICE DETAILS

Street Address: 1 Vershuer Pl, Davenport 6230
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Administration Tel: 0418 931 938
Operations Tel: 08 9724 2494

BOARD

Grant Evans *Director/Chair*
417 Hairpin Road, Jinglyong WA 6280

Vicki Fitzpatrick *Director/Vice Chair*
Box 90, Waroona WA 6215

Mat Daubney *Director*
Bannister Downs, Northcliffe WA 6262

Brian Piesse *Director*
45 Marshall Road, Argyle WA 6239

Ruben Zandman *Director*
5 Hogan Place, Southern River 6110

Andrew Jenkins *Co-opted farmer director*
61 Yelverton North Road, Busselton WA 6280

OUR TEAM

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esther@westerndairy.com.au

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Kirk.reynolds@westerndairy.com.au

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Peter Hutton *Research Scientist*
Peter.hutton@westerndairy.com.au

Dan Parnell *Project Officer*
Dan.parnell@westerndairy.com.au

Rob La Grange *Dairy Trainer*
Rob.lagrange@westerndairy.com.au

PROJECT SUPPORT

South West Catchment Council
Responsible for employing all staff and some contractors

Sam Taylor
DairyCare

Tammy Negus
Feedtrough, Workforce Development (ESKI, Farm Safety)

Steve Hossen, Colin Bosustow
Dairy Farm Monitor Program data collectors

Richard Morris
Rumen8

Ian Bradshaw, Peter Rosher, Dario Nandapi
Euthanize Livestock; Cups On Cups Off

DIRECTOR RECORD OF ATTENDANCE 2017/2018

BOARD MEMBERS	AUG 8 2017	OCT 31 2017	DEC 21 2017	FEB 1 2018	APRIL 5 2018	JUNE 6 2018	TOTAL RECORD
Grant Evans	1	1	1	1	1	1	6/6
Vicki Fitzpatrick	1	1	1	1	1	1	6/6
Mat Daubney	0	1	0	1	1	0	3/6
Brian Piesse	1	1	1	1	1	1	6/6
Ruben Zandman	1	1	1	1	1	0	5/6
Andrew Jenkins	1	1	1	1	1	1	6/6

Footnote: The following people are employed under a labour hire arrangement with South West Catchments Council: Kirk Reynolds, Peter Hutton, Jessica Andony, Dan Parnell and Rob La Grange.

CHAIR'S REPORT

The FY 1718 has been a busy year for the Western Dairy team, with our suite of activities substantially augmented through project funding from Department of Primary Industries and Regional Development (DPIRD); the Department of Environment, Water and Regulation (DEWR); Geocatch; South Regional TAFE and South West Development Commission. This together with strategic partnerships with Murdoch University and UWA via our scholarship program continues to grow the capacity of the Western Dairy team to offer services to the WA dairy industry.

Striking the right combination of emphasis around research, extension, training, industry promotion and positioning is a key responsibility of the Western Dairy board to ensure that it is meeting the needs of its levy payers – comprising just under 150 farm businesses that are operating on average, the largest herds in the country. This phenomenon together with our geographic isolation and our pasture-dominated dairy systems provide the basis for Western Dairy's set of priorities and projects that help meet our vision.

Larger herds bring with them an ever-increasing need to manage farm finances; to prudently optimise the feed inputs; to capably and responsibly manage the farm systems that sit around this including effluent and nutrients; and to consider the needs of ever-increasing teams of people that make the dairies go around – both from a health, safety and training aspect.

With that in mind the Western Dairy team have:

- Invested in locally-based research activities that are unique to our region, including a focus on trials to increase our knowledge about pasture and smarter irrigation on WA dairy soils;
- Substantially increased their efforts in the area of environmental management through the delivery of the DairyCare project;
- Overseen a big lift in effort in the support functions around dairy farm finance; and
- Significantly improved the service level and participation in the dairy traineeship program.

My thanks must go to the operational team in Bunbury who bring all of our Western Dairy plans to fruition. Under the leadership of Kirk Reynolds the team of Jess Andony, Peter Hutton, Dan Parnell and Rob LaGrange have delivered an impressive array of in-field research activities, effluent designs, workshops, training and discussion groups. They are well supported by our consulting contractors Tammy Negus and Sam Taylor and together they bring an exceptional level of service to the WA dairy industry.

Playing a big role in these achievements is the partnership that Western Dairy has with South West Catchments' Council (SWCC) – the organisation that employs the Western Dairy staff. The SWCC relationship provides heavily subsidised office rent; a complimentary relationship for access to pool vehicles and contract management, together with a strategic relationship that has enabled an increased contribution to advancing our efforts in ensuring the WA dairy industry is respected as a steward of our natural environment.

Over the last 12 months Western Dairy has conducted a thorough review of its governance and commissioned an audit of its internal processes to ensure it has excellent risk management practises in place. We have also commissioned the development of a modernised constitution to ensure we are compliant with new state legislation.

This has been a very detailed and worthwhile process with a number of directors incurring significant additional workload to make it all happen. The end result provides directors and members confidence that the processes and management procedures at Western Dairy are considered best-practise.

I would like to thank our retiring directors Mat Daubney and Ruben Zandman for their contribution and input over the last three years and also acknowledge the support and contribution from my vice chair, Vicki Fitzpatrick, director Brian Piesse and co-opted director Andrew Jenkins.

Although remaining on the board, I will be stepping down from the role of Chair at this AGM after two years in what is a very busy position. I look forward to supporting the incoming chair in these tasks.



GRANT EVANS
Chair, 2017/2018

THE YEAR IN REVIEW

Western Dairy works hard to ensure the combination of its suite of activities, both research and extension, deliver something for everyone. This could range from the opportunity to be part of the Dairy Farm Monitor program and farm business discussion groups with Kirk Reynolds; to having Rob La Grange on farm once a month to tutor a dairy trainee; to accessing the independent pasture performance results provided by Pete Hutton; or having Jess Andony provide support to your on-farm animal health and reproduction practices or inspiring your young staff to take part in various Young dairy network activities, or having Dan Parnell or Sam Taylor on farm to review or design an effluent system.

And that is just the start! There is also the excellent 1:1 support we can offer via Tammy Negus to assist farm businesses with employment and safety issues; and any number of farm walks to optimise Feedbase strategies for the year and of course the annual dairy innovation day.

The pages that follow provide a summary of Western Dairy's major achievements for the year.



ESTHER JONES
Regional Manager

THE WESTERN DAIRY RD&E HUB PROJECT

– LOCAL DAIRY RESEARCH AND EXTENSION ACTIVITIES

HUB PROJECT VISION: TO ADVANCE THE SUSTAINABILITY OF WA DAIRY BUSINESSES BY UNDERTAKING ACTIVITIES THAT WILL LEAD TO IMPROVEMENT IN BUSINESS AND FARM SYSTEM MANAGEMENT SKILLS AND CONTRIBUTE TO THE INDUSTRY-AGREED TARGETS FOR GROWTH.

The vast majority of our activities, both Research and Extension are delivered out of our RD&E Hub project, co-funded by DPIRD and Dairy Australia. WA dairy farmers are the beneficiaries of this project that sees local dairy science operate in tandem with local dairy extension and where WA dairy farmers have the capability to directly influence the dairy science activities and ensure total regional relevance.

Funding: The RD&E Hub is funded through a partnership of Dairy Australia and Department of Primary Industry and Regional Development to June 2020. This funding has facilitated the employment and operational activities of:

- An Agribusiness team leader with specialty in dairy farm finance and agronomy
- An Extension coordinator with speciality in animal health and reproduction, also responsible for Young Dairy Network; and
- A dairy scientist with a focus on understanding the local dairy feedbase

Additional funds securing through DEWR (DairyCare) and South Regional TAFE (Dairy training) have enabled Dairy Care and Dairy Training project officers to be employed via the Hub Project to deliver on these projects.

The Hub is a new approach to the delivery of R, D and E whereby all dairy research and extension activities report directly to industry and are guided by industry leadership. The Hub project is ably supported by a Technical Reference group (TRG) whose charter is to provide strategic direction and technical support to the Hub project team on matters that relate specifically to on-farm RD&E.

Technical Reference Group membership

ROLE	NAME	REPRESENTATION
Chair	Vicki Fitzpatrick	Western Dairy
Member	Jacqui Biddulph	Farmer
Member	Warrick Tyrrell	Farmer
Member	Chris Murphy	Dairy Australia
Member	Pat Page	DPIRD
Member	Bill Biggs	South West Catchments Council
Member	Dario Nandapi	Service Provider

The Western Dairy board has other sub committees that deal specifically with NRM and dairy training and to that effect, the TRG's focus is expected predominantly in the areas of feedbase and nutrition, animal health and reproduction; and business and farm management.

The TRG members have, within these described theme areas:

- Contributed their skills, knowledge and experience to the development of research proposals aligned with the needs of farmers, project funders and WA dairy industry stakeholders;
- Provided advice to the Western Dairy Board on proposed and current research activities;
- Supported the Hub Project Team as required through participation in project workshops and provision of advice on RD&E priority needs of the WA dairy industry;
- Supported Western Dairy in identifying and advocating for funding opportunities to ensure the on-going sustainability of the program; and
- Acted as a reference group for further advice if required by the Western Dairy Board.

APPLIED RESEARCH PROJECTS

WA SEED PERFORMANCE (WASP) TRIALS



The Western Dairy Research Hub established the WA Seed Performance trials in growing season 2017 in direct response to industry's request for independent validation of Ryegrass seed performance on local sites.

The WASP trials were developed to provide farmers with the power to decide which ryegrass suits their system, and the first set of trial results were released at the conclusion of the growing season in November 2017. The initial WASP trial compared six mid-season tetraploid annual ryegrasses; two brands - Oretet and Wicher; and four varieties - Abundant, Catapult, Maximus and Ascend. The Hub team were able to determine the productive performance in a targeted region with no fertility constraints. A ryegrass was selected from each of the major seed distributors in WA and established in May 2017 using the appropriate protocols for pasture trials. The ryegrass was harvested throughout the growing season and measured for cumulative dry matter yields and quality.

The trial site was situated on a dairy support block at "Carenda Holsteins", owned by the Kitchen family at Boyanup. The soils were characterized as sandy soils over clay and a soil test indicated that the soil had a low pH and was lacking in phosphorus and potassium, and also suffered from subsoil acidity. Whilst no lime was applied, fertiliser was applied at rates so that plant nutrients would be non-limiting to production.

The outcomes from this initial work raised some important issues.

- A ryegrass brand may or may not yield higher in certain conditions and may vary over multiple seasons;
- A variety is genetically more stable and reliable but the question arising is does it yield as high in a short season with soil constraints?
- Repetition of these trials over multiple seasons and at multiple sites is crucial and will strengthen the confidence in the data that is generated.

There were three main messages that emerged from the initial WASP trials:

1. Know your system including soil type and fertility and feed demand fluctuations;
2. Ask questions when buying seed and understand the research that was carried out to generate seed recommendations;
3. A strong demand from industry to expand the trial work in growing season 2018 using more than one site, to give farmers a platform to determine what yield and quality can be optimised on their farm.

Next Steps

An expanded trial is now underway for growing season 2018, with a number of commercial companies investing in the project in order to expand the size and impact of the work. The results of the growing season 2018 trials will be reported at the 2018 spring forum.

SMARTER IRRIGATION

The Hub's second research project for season 1718 was Smarter Irrigation - the driver of which was to identify and communicate the improvements in productivity that can be gained through enhanced irrigation management. The project in WA had monitoring sites on the Giumelli farm at Bengel and the Commisso farm at Waterloo. The Giumelli farm at Bengel was chosen as the site for the 2018 Dairy Innovation Day. In the summer of 2017/18 baseline data was collected for surface irrigated maize and lablab (Giumelli), and grazed kikuyu and millet (Commisso). The objective was to measure yields and water use efficiencies (WUE) to compare with industry standards and to quantify any potential yield gaps.

In addition to collecting baseline data we looked to the future for improving irrigation in WA. Our approach was to capture the learnings from current research and innovative farming practices. We focused on three areas including; the monitor farm work by the Tasmanian Institute of Agriculture; summer forage options from the subtropical dairy group in Queensland; and the learning journey of farmer Victor Rodwell who has an innovative approach to irrigation.

Main recommendations

Reflection on the 2017/18 smarter irrigation project revealed major themes for successful irrigation systems that may seem obvious but can be overlooked;

1. Form a cropping plan based on differing scenarios for water allocation;
2. Become expert at growing and feeding each crop before implementing large scale changes;
3. Be on the front foot with water scheduling
 - a. Use soil probes to be informed about real-time changes in soil moisture
 - b. Understand your RAW (readily available water), Eto (evapotranspiration) and capacity of your irrigation system
4. Calculate the real costs of home-grown feed (\$ per t of DM, per MJ of ME, per kg of CP)
 - a. Water use is the main component of the calculation
 - b. Compare costs with purchased feed costs
 - c. Define how the crop fits with the system

The outcomes of this work were featured heavily at Dairy Innovation day and supported by a comprehensive range of papers and educational videos.

SCHOLARSHIPS - PARTNERING WITH MURDOCH AND UWA

Western Dairy's applied science activities are augmented by a strong relationship with Murdoch and UWA to help nurture the next generation of dairy service providers whilst also supporting student research projects that make a contribution to the state's dairy science databank. The Western Dairy RD&E hub team members play a critical supporting role to these research projects. In FY 1718 we awarded two scholarships:

1. UWA – Using Near Infrared Spectroscopy (NIRS) to detect heat stress in dairy cattle

The Project will investigate the use of Near Infrared Spectroscopy (NIRS) technique for the rapid identification of heat stress in lactating dairy cattle, using data collected from milk, saliva and/or blood samples. It is believed that NIRS has the potential to offer a cost-effective heat stress detection technique and if proven to be the case, the project will deliver a NIRS technique for the rapid identification of heat stress in lactating dairy cattle.



UWA student and scholarship recipient Shilja Shaji

2. Murdoch - Risk factors associated with sub-clinical mastitis and antimicrobial usage in WA dairy herds

The study will identify Risk factors associated with sub-clinical mastitis and antimicrobial usage in WA dairy herds. Farmers will be provided a survey about different, known, risk factors. The questions will be based around topics such as milking hygiene, staff and management training, and farm demographics. Then, the project will analyse the rates of subclinical mastitis per farm and the most common pathogens causing the mastitis on farm, and contrast the Somatic Cell Count (SCC) and various management factors as supplied by the farmers, to determine the relationship between WA specific management factors and mastitis rates. Antimicrobial usage at an individual farm level will be estimated via drug sales onto that farm or by analysis of on-farm recording of drug usage. Calculations of average daily usage/kg using drug sales data requires assumptions about dose, frequency of usage, class of stock that the products are used on, and the assumption that all drugs sold on the farm. The results of this research will allow WA farmers to implement specific, relevant improvements to decrease their SCC and increase milk quality and reduce treatment costs, whilst providing some resilience in a changing market.



Murdoch scholarship student Teanna Cahill

DEVELOPMENT ACTIVITIES

DAIRYCARE

This Royalties for Regions-funded project is a partnership between Western Dairy, Department of Environment, Water and Regulation and Geocatch. DairyCare plus several other non-dairy specific projects that fall under the greater Sustainable Agriculture Initiative is part of a major focus to improve the health of the waterways south west and south coast catchments. The project is mid-way through its effort to work with dairy farmers predominantly in the Geocatch, Hardy and Leschenault catchments to reduce their off-farm impact through more astute management of nutrients on farm. The centrepiece of the work is DairyCare, a project that is implemented in three stages:

1. Undertake up to 60 reviews of dairy farm effluent systems to identify what changes need to be made in order to improve the management of their effluent and meet the industry's recommended guidelines for effluent design;
2. Use the reviews to help guide the process to identify which farms will be eligible to have an effluent concept plan designed by the project team; and
3. Provide funding assistance for qualifying farms to undertake effluent system upgrades throughout the project period.

Extensive reviews of past efforts to achieve practice-change have highlighted that many effluent systems are well-intentioned but incomplete and this project aims to alter that culture by ensuring we are sufficiently well resourced and skilled to assist farmers through the upgrade period. The philosophy that 'no effluent system is a system unless it is all working' will underpin the approach to the work.

DAIRY TRAINING

A partnership with South Regional TAFE and Dairy Australia has enabled the Western Dairy RD&E Hub to employ a part-time dairy trainer in a relationship that complements the dairy extension activities of the Hub. The partnership has enabled an expansion of the Western Dairy service offering to include the delivery of Cert III and Cert IV in agriculture (dairy) training.

Given that the state-government funded project is fundamentally about improving water quality, priority works have been focused in areas that are considered 'hot spots'.

This significant undertaking has highlighted the need to build the region's technical and operational capacity to design and build appropriate systems. Western Dairy is working extensively with interstate-based effluent design specialists along the way.

Whilst Western Dairy has the contract to deliver the services around reviews and upgrades, an independent committee (the Project Reference Group) provides governance and assessment of applications to determine which farms will ultimately receive funding support for upgrades. Western Dairy director Brian Piesse chairs the DairyCare Project Reference Group.



Boyanup farmer Dean O'Neill with Western Dairy's Dan Parnell discussing Geotech results - the first step in the DairyCare upgrade process

Western Dairy's in-house trainer Rob La Grange has completed a major overhaul of training resources and established a new benchmark in support and service, which has seen the traineeship cohort grow to 15 students this year. Feedback from both employers and trainees has confirmed that the new higher service model that the partnership provides is working - best indicated by the growth through referrals.

EXTENSION ACTIVITIES

DAIRYBASE, THE DAIRY FARM MONITOR PROGRAM, OFFICE MADE EASY AND FARM BUSINESS DISCUSSION GROUPS

This is the area that the Western Dairy board has identified as the opportunity to make the single biggest contribution to developing a robust WA dairy industry that has the acumen to withstand a volatile market place. Driving a greater understanding of the fundamentals of farm business is a major area of focus and we are using a multi-pronged approach to do so. With additional funding support from South West Development Commission, Western Dairy has participated in the national Dairy Farm Monitor Program (DFMP) for the past four years involving 30 farm businesses each year in collecting and benchmarking WA farm performance data. While the project's primary role is to provide validated data so that Dairybase users can confidentially and accurately compare their farm performance to anonymous others, the other distinct advantage of the project is that it offers the opportunity for 30 WA businesses to have an external review of their farm business performance. Many DFMP participants have been motivated by the data collection process to then sign up to participate in farm business discussion groups and to get involved with learning programs designed to further increase their business analysis skills.

Western Dairy's farm business workshop offerings have been fully subscribed this year with excellent participation in:

- Farm business discussion groups
- Farm Business Fundamentals workshops
- Farm Business Analysis workshops



Western Dairy's Kirk Reynolds with Mick and Sophia Giumelli at Innovation Day. The Giumellis are a member of a business discussion group led by Kirk

YOUNG DAIRY NETWORK PROGRAM

Under the management of Jess Andony, the network of young dairy farmers connected to Western Dairy is providing a great forum for our next generation of farmers to come together both socially and professionally to learn and grow. The program of activities included a range of social and training get-togethers. The philosophy of the Young Dairy Network is to ensure young farmers get opportunities to learn and travel whenever bursaries are put forward and each year the YDN network includes bursaries to attend such events as the NSW Dairy Symposium, the Australian Dairy Conference and the Dairy Australia AGM.



Western Dairy's Jess Andony (right) greets a group of young visitors to Dairy Innovation Day.

FEEDBASE – INCLUDING THE FEEDTROUGH & FEEDING PASTURES FOR PROFIT

Feedtrough Editor Tammy Negus continues to produce an excellent quarterly publication that is circulated to all dairy farmers and service providers at key times of the year. A Feeding Pastures for Profit program with series ran in regions north and south of Bunbury last growing season and the 2018 growing season FPPF workshop series has

been expanded to include the South Coast. The capacity for Western Dairy to respond to seasonal demand and stage 'issues-based' pasture walks provides an additional value-add that draws on the combined expertise of the Western Dairy team.

DAIRY INNOVATION DAY

The 19th Dairy Innovation Day went was staged at the Giumelli farm in Bengel with 300 people attending the day. The event highlights included the presentation of the Giumelli family business story; and the Feedbase learnings from the Smarter Irrigation project.

RIGHT: Mick and Sophia Giumelli and their family hosted the 2019 Dairy Innovation Day



BUILDING THE CAPACITY OF OUR PEOPLE

Western Dairy continues to place a strong emphasis on building the capacity of its people and one of our avenues of doing that is through the Workforce Development project. Under this project consultant Tammy Negus is contracted to:

a. Be available for 1:1 support to assist farmers on workplace matters such as employee contracts, retention strategies; performance reviews; and

b. Support farmers in their understanding and compliance of OH&S through the Farm Safety kit

Tammy has worked with the last three hosts of Dairy Innovation Day to ensure their farms are 100pc Worksafe compliant.

ANIMAL HEALTH AND WELFARE

Calf rearing, fertility strategies, transition feeding, Cups on Cups Off training; Minimising lameness and having a greater understanding of your farm's biosecurity obligations have been a key focus of this area of Western Dairy's business in the past 12 months. Under Jess Andony's leadership, animal health and welfare focused workshops have been well attended throughout the season.

RIGHT: Western Dairy's Jess Andony shows Garry Haddon the Herd Data app



INDUSTRY PROMOTION

Several key activities fall into this area of work for the Western Dairy team. The Cows Create Careers program continued in 1718 with seven schools participating and the Western Dairy team actively promoting careers in dairy by

getting involved with each of the schools. Western Dairy also actively supports career information activities for Agricultural Colleges and Murdoch University and presented at various careers seminars through the year.

WESTERN DAIRY GOVERNANCE

Western Dairy directors Ruben Zandman and Mat Daubney complete their first three-year term this November and due to their increased professional workloads, neither will seek to re-stand for a second term. The Western Dairy selection panel chaired by WAFarmers Dairy President Mike Partridge interviewed two candidates for the positions and members will be asked to ratify their appointments at the AGM.

RISK MANAGEMENT REVIEW

Western Dairy directors increased the scope of their annual audit this year to commission an independent review of the organisation's internal processes. The review, conducted by auditors Pitcher Partners, examined Western Dairy's policies and procedures, particularly in relation to transparency and independence of account reviews and payments, delegated authorities and key decision-making protocols. It also undertook a thorough examination of the MOU that exists between Western Dairy and South West Catchments Council. The process and resulting report from the auditors provided the directors with confidence they were seeking to ensure that Western Dairy is effectively managing any exposure it may have to risk.

CONSTITUTION REVIEW

With support and guidance from Dairy Australia and specialist Association lawyers Mills Oakley, Western Dairy has undertaken a comprehensive constitution review, brought about by the legal requirement to update several components of the document in order to be compliant. The primary driver of this is the way in which membership is described in the current constitution and the link to database and the privacy act.

As a not for profit Association, we are now required by law to maintain a register of members, comprised of a membership base that has made a conscious decision to join the Association. Currently there is a conflict between how our constitution describes our membership and what we are legally required and able to do in terms of maintaining a register of current members. In essence, we can no longer 'assume' WA dairy farmers are a member. Rather, to be a member of an Association, there must be a mechanism to 'opt-in'. For example, all dairy farmers are levy payers to Dairy Australia. But, only those who complete a membership application are members of Dairy Australia. The same needs to apply for Western Dairy.

NOTICE OF MOTION FOR CONSTITUTIONAL CHANGE

The Western Dairy directors embarked on a consultation period with those who are eligible to be members under our current constitution, to explore support for a simplified membership structure and one that meets modern day compliance. This was tabled and discussed at our 2017 AGM to ensure all farmers had the opportunity to consider two membership options. By law, we need our members to 'opt in', rather than be 'assumed' as per the current process.

The consultation period has resulted in the Western Dairy directors recommending an updated constitution that re-defines membership categories and process for application.

Western Dairy board is taking the opportunity to update aspects of the constitution that describe optimum governance of NFP incorporated associations and the proposed new constitution which the board is now asking its members to adopt is being tabled at the 2018 AGM for consideration.

Grant Evans

Chair Western Dairy

grantlaurenevans@bigpond.com

Esther Jones

Executive Officer Western Dairy

esther@westerndairy.com.au

NOTICE OF WESTERN DAIRY AGM

LIGHTHOUSE BEACH RESORT
CAREY ST, BUNBURY

FRIDAY NOVEMBER 23, 2018 COMMENCING 1.30PM
(Just after lunch as part of the Western Dairy Spring Forum)

1. Welcome & record of attendance
2. Minutes from the 2017 AGM
3. Chairs report
4. Tabling of the Western Dairy Annual Report and Financial Statement
5. Ratification of director positions for the next term
The Western Dairy selection panel has recommended the appointment of Andrew Jenkins (farmer) and Nicholas Brasher (non-farmer) to fill two vacancies following the retirement of Mathew Daubney and Ruben Zandman.
6. Consideration of special resolutions. The following special resolution will be proposed at the AGM:
*To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution:
"That the Association adopt the amended constitution as presented to the members to replace the existing constitution in its entirety."*
7. Appointment of auditors for FY 18/19
The board of West Dairy recommends the appointment of Pitcher Partners as the firm responsible for the Western Dairy audit in FY 1819.
8. General Business

ADVICE OF MATERIAL CHANGES PROPOSED IN THE REVISED CONSTITUTION

Context: The Western Dairy board has appointed law firm Mills Oakley (specialists in not-for-profit Association constitutions) to review the constitution (written in 1997). Mills Oakley was directed to review the constitution and make changes to ensure legal compliance against current legislation; and to propose such amendments that would enable it to be considered best-practise for NFP Associations. The revised constitution contains many minor amendments to meet legislation and NFP standards, most of which impose little material change. However three items of proposed change are significant:

Item 1, Clause 7 - eligibility for membership

It is proposed that entities eligible to become a full voting member of Western Dairy are WA-based dairy businesses that pay a levy to Dairy Australia.

Note: It is a legal requirement that farmers 'opt in' to become a member, as opposed to the current process where membership is assumed. Farmers will be asked to complete a once-off membership application, which confirms the duration of their membership is whilst they are paying a levy to Dairy Australia, unless otherwise advised.

It is further proposed that persons with an interest in the WA dairy industry but who are not dairy farmers are eligible to become non-voting Associate members. This membership category will require an annual sign-on.

There will be no fee for either category of membership.

Item 2, Clause 10 - appointment of proxies

It is proposed that every full member would identify, by way of its membership form, a representative from that entity entitled to vote on matters relating to Western Dairy. The provision is made for a representative to appoint a proxy from that business to attend any special general or annual general meetings for the purpose of voting.

Item 3, Clause 34.6 - tenure for directors

It is proposed that directors of Western Dairy are eligible to complete three x three-year terms. The current constitution provides for only two x three-year terms, before a director must retire.

Directors of Western Dairy will be pleased to discuss any aspect of the proposed constitutional changes with interested levy payers.

MINUTES OF THE 2017 WESTERN DAIRY AGM

TUESDAY NOVEMBER 28, 2017

ELGIN DAIRIES, 181 ELGIN ROAD ELGIN AT 1.15PM

ATTENDEES: Grant Evans (Chair) Mat Daubney, Brian Piesse, Vicki Fitzpatrick, Andrew Jenkins, Kirk Reynolds, Jessica Andony, Peter Hutton, Tammy Negus, Dan Parnell, Sam Taylor, Esther Jones (EO), (Western Dairy). Hugo Rabe, Tom Allen, Olivia Edwards-Pope, Tom Howell (Yelverdale Holsteins), Ben Merritt (Woodhouse Dairies) Oscar Negus (Negus Enterprises) Tess Shambrook (Unifarm), Peter Evans (Evans Dairy), Ian Noakes (Noakes Farms), Martin Anderson (Rabobank), Warrick Tyrrell (Tyrrell Dairy), Brynley Jenkins (Treeton Holsteins), Ben Hayes (S & JM Hayes & Son), Robin Lammie (Stockdale Pastoral), Henry Strating (BioJohn), John Pruijm, Troy Mostert, Pieter Mostert (P and AM Mostert), Phil Depiazzi (BJ Depiazzi & Co), Michael Partridge, Ayden Tito (W.S Partridge and Son), Carla Minson, Clayton Minson (Stella Dairy Company), Dana Collins, Kyra Tosold, Colin Griffiths (Bannister Downs), Jacqui Biddulph, Bob Biddulph (Kerridge Farm P/L), Mal Gill (Farm Weekly).

APOLOGIES: Ruben Zandman

WELCOME AND CHAIR'S REPORT: Grant Evans welcomed the members and presented his report and vision for Western Dairy going forward.

MINUTES OF THE 2016 AGM; Moved Mat Daubney, seconded Vicki Fitzpatrick that the minutes are a true and accurate record. Carried. No Discussion.

FINANCE: Executive Officer Tabled the financial report as per printed in the Annual Report. Matt Daubney, seconded Vicki Fitzpatrick that the finances are accepted. Carried.

RATIFICATION OF BOARD POSITIONS: The board selection panel, chaired by Mike Partridge asked that the meeting ratify the re-appointment of Grant Evans as director for his second term.

APPOINTMENT OF AUDITORS FOR 17/18: Noted that Dairy Australia regularly monitors and reviews the performance and price range of auditors appointed by RDPs and have advised that the current Western Dairy auditors are providing a comparable service to those in other regions. Moved/Seconded Brian Piesse/Vicki Fitzpatrick, that Pitcher Partners is appointed to undertake the audit for FY 1718. Carried.

PROVISION OF INFORMATION ABOUT PENDING REQUIREMENT FOR CONSTITUTIONAL CHANGE IN REGARD TO MEMBERSHIP: EO tabled an information memo outlining the reasons for a change to the Western Dairy membership structure. This was provided as information only and members were advised that a recommendation for their consideration would be tabled in 2018 in time for consideration of motions at the 2018 AGM.

GENERAL BUSINESS: There was no further general business.

MEETING CLOSED AT 1.45PM

Western Dairy Inc.

ABN 42 316 849 846

Financial report

For the year ended 30 June 2018

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COMMITTEES' REPORT

The committee members present their report together with the financial report of Western Dairy Inc. for the year ended 30 June 2018 and auditor's report thereon.

Committee members names

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

Grant Evans (Chairman)

Vicki Fitzpatrick (Vice Chair as of November 2017)

Mat Daubney

Brian Piesse

Ruben Zandman

Andrew Jenkins (Co-opted Director)

Esther Jones (Executive Officer)

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

Principal activities

The principal activities of Western Dairy Inc. during the financial year was to organise projects by managing funds received in the best interest of WA dairy farmers.

Significant changes

No significant change in the nature of these activities occurred during the year.

Operating results

The profit for the financial period amounted to \$290,664 (2017: \$113,995).

COMMITTEES' REPORT

Auditor's independence declaration

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.

Signed in accordance with a resolution of the members of the committee.



Chairman: _____
-- Grant Evans --



Executive Officer: _____
-- Esther Jones --

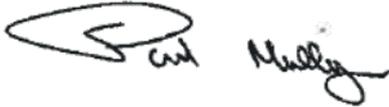
Dated this 27th day of September, 2018

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

In relation to the independent audit of Western Dairy Inc. for the year ended 30 June 2018, to the best of my knowledge and belief there have been no contraventions of any applicable code of professional conduct.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
EXECUTIVE DIRECTOR
Perth WA

Date: 27 September 2018

WESTERN DAIRY INC.
ABN 42 316 849 846

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Income		
Business Breakfast	8,000	9,000
Cows Create Careers	8,000	7,000
Dairy Care - GeoCatch	-	20,000
Dairy Care - WA Department of Water	92,801	261,758
Dairy Innovation Day	51,478	68,542
Dairy Leadership & People Development	-	3,500
Dairy Training	7,500	15,000
DFMPWA	41,000	37,500
Expenses Recovered	-	5,369
Farm Business Management Program	18,000	16,000
Feedbase Extension	-	4,000
Feedtrough	15,000	20,000
Legendairy	-	10,000
Operational and Other Income	9,738	13,700
Program Conduct Income	181,500	174,000
RD&E Hub	512,816	520,425
Rumen8 – Phase 2	-	17,000
Small Projects	7,500	15,000
Smarter Irrigation	93,112	49,332
Tactics for Tight Times	-	6,373
Waroona Fire Recovery	-	12,780
Workforce Development	14,100	(1,000)
Young Dairy Farmers	14,762	53,559
Total income	<u>1,075,307</u>	<u>1,338,838</u>

The accompanying notes form part of these financial statements.

WESTERN DAIRY INC.
ABN 42 316 849 846

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Less: Expenses		
Business Breakfast	10,580	6,599
Cows Create Careers	8,000	7,000
Dairy Care - GeoCatch	-	20,000
Dairy Care - WA Department of Water	9,600	221,758
Dairy Innovation Day	53,626	63,484
Dairy Leadership & People Development	7,103	3,935
Dairy Training	(14,967)	25,500
DFMPWA	24,984	42,247
Farm Business Management Program	21,578	-
Feedbase Extension	3,300	4,686
Feedtrough	16,252	13,709
Legendairy	-	10,835
Operational Expenses	175,232	166,542
RD&E Hub	404,068	525,399
Rumen8 – Phase 2	520	19,293
Small Projects	10,000	140
Smarter Irrigation	39,666	24,866
Tactics for Tight Times	-	6,373
Unpacking the ESKI	-	628
Waroona Fire Recovery	-	1,875
Workforce Development	9,534	6,224
Young Dairy Farmers	5,567	53,750
Total Expenses	<u>784,643</u>	<u>1,224,843</u>
Net Profit/(Loss)	<u>290,664</u>	<u>113,995</u>

The accompanying notes form part of these financial statements.

WESTERN DAIRY INC.
ABN 42 316 849 846

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	2018	2017
	\$	\$
Current assets		
Cash and Cash Equivalents	789,005	398,503
Term Deposits	203,551	249,901
GST Control	4,407	40,680
Accrued Income	-	4,700
Prepayments	177,549	-
Trade Debtors	<u>73,326</u>	<u>55,343</u>
Total current assets	<u>1,247,838</u>	<u>749,127</u>
Non-current assets		
Plant & Equipment – Cost	24,862	56,512
Plant & Equipment – Accumulated Depreciation	<u>(11,800)</u>	<u>(10,946)</u>
Total non-current assets	<u>13,062</u>	<u>45,566</u>
Total assets	<u>1,260,900</u>	<u>794,693</u>
Current liabilities		
Trade Creditors	28,568	166,324
Accruals	6,850	110,750
Deferred Grant Revenue	<u>535,441</u>	<u>118,242</u>
Total current liabilities	<u>570,859</u>	<u>395,316</u>
Total liabilities	<u>570,859</u>	<u>395,316</u>
Net assets	<u>690,041</u>	<u>399,377</u>
Members funds		
Contributed Capital	1,010	1,010
Accumulated Profit	<u>689,031</u>	<u>398,367</u>
Total members funds	<u>690,041</u>	<u>399,377</u>

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Western Dairy Inc. are special purpose financial statements prepared in order to satisfy the financial report preparation requirements of the Associations Incorporation Act (1987) of Western Australia. The committee has determined that the association is not a reporting entity and the association is not-for-profit.

The financial statements have been prepared on an accruals basis and are based on historical cost and do not take into account changing money values or except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these financial statements:

(a) Contributions - Government Grants and Donations

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

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

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

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts.

(c) Trade debtors

Trade debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

(d) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(e) Trade creditors

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Property, plant and equipment

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

Plant and equipment

Plant and equipment is measured on a cost basis.

Depreciation

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

(g) Comparatives

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

**WESTERN DAIRY INC.
ABN 42 316 849 846**

STATEMENT BY MEMBERS OF THE COMMITTEE

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

In the opinion of the committee the financial report of Western Dairy Inc. as set out on pages 4-8:

1. Presents fairly the financial position of Western Dairy Inc. as at 30 June 2018 and performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Western Dairy Inc. will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:



Chairman: _____

-- Grant Evans --



Executive Officer: _____

-- Esther Jones --

Dated this 27th day of September, 2018

WESTERN DAIRY INC.
ABN 42 316 849 846

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Western Dairy Inc. “the Registered Entity”, which comprises the statement of financial position as at 30 June 2018, the Statement of Financial Position and Statement of Financial Performance for the year 30 June 2018 then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities declaration.

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

- (a) giving a true and fair view of the Registered Entity’s financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report section* of our report. We are independent of the Registered Entity in accordance with the Australian Charities and Not-for-profits Commission Act 2012 “ACNC Act” and the ethical requirements of the Accounting Professional and Ethical Standards Board’s *APES 110 Code of Ethics for Professional Accountants* “the Code” that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

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

**WESTERN DAIRY INC.
ABN 42 316 849 846**

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

Other Information

The committee are responsible for the other information. The other information comprises the information included in the Committee's report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibility of the Responsible Entities [and Those Charged with Governance] for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

WESTERN DAIRY INC.
ABN 42 316 849 846

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

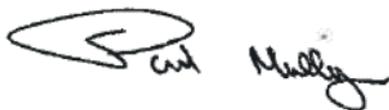
As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
EXECUTIVE DIRECTOR
Perth WA

Date: 27 September 2018

THE WESTERN DAIRY CHARTER

The Western Dairy Regional Development program's charter and vision is to facilitate the economic and environmental wellbeing and image of the region's dairy farming industry through effective research, extension and industry development.

Western Dairy's vision is that under this charter it will result in

- An industry that facilitates sustainable "right to farm" and wealth creation outcomes;
- Farmers with the business acumen to capture growth opportunities (with greater confidence, self-belief and evolving leadership skills);
- Providing a business capacity (right tools, information technology, skills and capacity) to survive in a globally competitive market environment;
- An industry with capacity to overcome the impediments in the industry.

Western Dairy fully subscribes to the Australian dairy industry's whole-of-industry Sustainability Framework which aims to:

- Enhance livelihoods across the industry;
- Improve community and animal wellbeing; and
- Reduce our environmental impact

MISSION STATEMENT

Western Dairy will seek to achieve this vision by:

- Working with regional stakeholders to identify and evaluate areas where research, development and extension may assist in the competitiveness and sustainability of dairying in the region, whilst enhancing industry image;
- Participating in national priority setting and strategic planning of farm research, development and extension;
- Ensuring responsible and timely use is made of the Research and Development levies paid by WA dairy farmers and where possible, using these funds to facilitate synergistic partnerships and funding opportunities that enhance current and planned research project outcomes;
- Building and strengthening qualitative relationships to provide tangible benefits for the local dairy industry in the areas of research, development, extension, education and industry promotion;

- Facilitating communication and interaction between dairy farmers, the dairy research community and kindred industry entities and organisations; and
- Taking responsibility to actively communicate with consumers and the general public about who we are, what we do, and the contribution we make as an industry to the lifestyle (health) of our nation.

ORGANISATION VALUES

The Western Dairy board operates to the following set of values:

1. Ensuring investment of funds are timely and relevant to the needs of WA levy payers that will advance the sustained profitability of the WA dairy industry;
2. An open, transparent, inclusive approach to business supported by best-practise financial management and compliance to the Incorporated Associations Act 2015, where decisions are made in the best interests of WA dairy levy payers;
3. A culture that fosters a workplace and board exhibiting ethical behaviour, where occupational health and safety of directors, staff and contractors is a priority; and
4. Board of directors with a diversity of skills and gender to optimise Western Dairy's staff and contractors the capacity to help fulfil the vision.



Dairy
Australia

Your Levy at Work

