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# SADA Newsletter

## December 2017



### **SADA CRITICAL OF ROYAL COMMISSION ANNOUNCEMENT**

The announcement by the South Australian government is being described as unwise by SADA President John Hunt. Whilst it looks impressive on the surface the decision to refer the causes of a break down in the Murray Darling arrangements to a South Australian Royal Commission for events that are effectively NSW based will gag the robust advocacy that we need in on behalf of South Australians. The Murray Darling authority has already reported that the systems in Victoria and South Australia are robust enough to advance the needs of the scheme, but it is shortcomings particularly in New South Wales that is causing problems. The NSW ICAC a body with Royal Commission type powers is already investigating what is happening in that state.

The challenge in South Australia if a Royal Commission is called is to get anything done. It is the nature of these Commissions that all who are likely to be called as witnesses will take a position that will mean that they will say nothing because the matter is before a Royal Commission. Minister Ian Hunter will be similarly hamstrung because if he makes any comment he will be asked why he isn't waiting for the report of the Royal Commission.

Moreover, the issues for the Commission are well known. This isn't a case of a suggestion of institutionalised corrupt conduct of cover up. The matters of alleged water theft are already under investigation. So there is no clear suggestion as to what the Royal Commission is going to report into. There have been no circulated terms of reference and the Commissioner has not yet been identified.

For these reasons the haste of the Opposition to sign up to this is also odd. Surely, they should have asked for more information before saying "me too". A Commission of this nature is a lumbering massive organisation. The recent, "quick", Royal Commission in the NT took seven months longer than expected and cost \$54 million.

By the time this Commission reports ICAC and other investigative bodies will have long since done their work and South Australian representatives on both sides of politics will have silenced themselves during a time that we need their advocacy more than ever.



# Merry Christmas

The SADA CEO, Board and Staff would like to wish you and your family a very joyous Christmas and a safe and Happy New Year.

The SADA Office will close on Friday 22 December and will reopen on Monday 8 January.

For all matters needing immediate action please call Andrew Curtis on 0419 037 569.



## A NEW LOOK FOR ADF by David Inall

It is well recognised throughout the dairy industry as well as within Government that the past year or so has been tough. And as is always the case in our great industry, there is never any shortage of issues; today is no different.



In order to stimulate a forward-focussed outlook, and a more strategic approach to meeting the needs of our members, Australian Dairy Farmers is working towards building a comprehensive strategic plan. The rising cost of energy is an important issue for South Australia, as it is for the rest of Australia as well. Access to a reliable workforce, water security, the ACCC report, trade and market access, sustainability, farm safety, animal health and welfare and biosecurity are just a few of the priorities that are likely to be among our headline issues. Layered on top of this will be heightened activity in Canberra, with a greater presence and influence required in the nation's capital.

Furthermore, we need to look further afield than simply our own organisation. We believe it is timely to start the conversation about a whole of industry vision and plan, and the need to provoke change. There is no time like the present for industry to discuss how we can work better together to seize emerging opportunities in global markets and food trends.

We need all of industry pulling together in the same direction, so we can take on our competitors. Collaboration is key; we have to get better at forming strategic alliances. We need to work out, together, how we can make the Australian dairy industry more successful, and not just in our own patches.

And let's be unapologetic about focusing on outcomes, because we need to compete with the best in the world and we have some work to do – so let's start today.

## **Terry Richardson - ADF President**

Terry Richardson operates a dairy farm with his family in Deans Marsh, South West Victoria, where he has lived since 2004. The farm has seasonal calving pattern and milks 600 cows.

Terry was appointed an ADF Business Director in November 2015 and was appointed acting President in December 2016 until his election as President in November 2017. Terry has held a number of positions in the dairy industry, both in New Zealand and Australia. He was a director of Kiwi Co-operative Dairies for seven years and a dairy consultant with Agriculture New Zealand for seven years. After moving to Australia he joined his local UDV branch and was later appointed to the South West Regional Extension Committee. He was previously Chairman of Warrnambool Cheese and Butter Company and was a director of the company for eight years. Terry has also served on many community boards and committees. Terry completed a Bachelor of Agricultural Economics, a Diploma of Business Studies, and is a Member of the Australian Institute of Company Directors.



## **Simone Jolliffe - Director**

Simone Jolliffe's passion for agriculture was fostered by her family, and a childhood spent on a beef cattle farm. Simone has embraced the commitment, intensity and challenges of dairy since joining her husband, Neil, on the Jolliffe farm in 2000. Situated on the Murrumbidgee River, near Wagga Wagga, NSW, Neil and Simone purchased the property in 2008. Farming with her husband and young family, Simone is involved in all aspects of the business from livestock and pastures, through to finances and human resource management.

Simone joined the ADF Board in January 2014, was elected to President in November 2015, and held this position until she assumed the role of Vice President in May 2016. Simone is Deputy Chair of Dairy NSW's Board, and an AICD graduate.

Simone is passionate about grassroots support to farmers. She has a strong community leadership base having been involved with: Young Cattleman's Union; Holstein Australia, Murrumbidgee Branch; Possum's Daycare and Rainbow Preschool Management committees; North Wagga Public School's Parents and Citizens Association. Simone completed a Bachelor of Rural Science at the University of New England, Armidale

## **Bruce Donnison - Director**

Bruce Donnison has more than 30 years' experience across the total Dairy Industry supply chain in NZ and Australia.

He led the Australian 50/50 joint venture between Fonterra and Bonlac Foods Ltd in 2003 which subsequently moved to the 100% formation of Fonterra Australia in 2005. He continued a commercial career as Managing Director Ingredients for Fonterra Australia, responsible for farmer relationships, manufacturing and Ingredient sales and marketing. Bruce has also held a non-farmer director role with Dairy Australia, an organisation responsible for the farmer investment into Research, Development and Adoption of new technologies across the Australian Dairy supply chain.



Bruce is a Director at Van Diemens Land Co., a Board member of Moonlake Pty Ltd and a Director with Compass Agribusiness - a dairy consulting business. He is also involved directly in a number of farming investments in Tasmania.



## John Versteden - Director

John Versteden joined the ADF National Council in 2014 and Chaired the People PAG, which was after a 12-month absence from any major industry involvement, following on from his role on the Gippsdairy Board with the last 3 years as Chair. The lack of involvement over that 12-month period reinvigorated John's desire to contribute further in assisting to continue to provide a sound foundation for dairy farmers to have a sustainable and healthy future in the industry. John has a long history of industry involvement at various levels over the term of his career with a strong interest in people capability building being the basis for good decision making. John is also currently UDV Vice President.



John and his wife Lyn farm at Longwarry in West Gippsland milking approx. 650 cows on 200 ha. John and Lyn have progressed through the more traditional wages, share-farming, leasing, ownership stepping stone model after initially having a career in the construction industry. John and Lyn have 2 adult daughters and 8 grandchildren

## Victoria Taylor - Independent Director

Victoria Taylor brings over two decades' experience in agricultural policy and communications, non-profit management and stakeholder engagement to the Board. A former Executive Director of the Ricegrowers' Association of Australia, she is passionate about the development of profitable and sustainable agricultural industry associations.

Victoria is a Ministerial appointment to the Rice Marketing Board for the State of NSW and an Independent Director of the Safety Institute of Australia. She owns a business that provides strategic policy and communications support to industry and government clients in primary industries and manages the Horticulture Strategy under the National Primary Industries RD&E Framework on behalf of Commonwealth and State agencies. She is a Graduate of the AICD Company Directors Course.



## HOW'S YOUR ACCOUNTING GOING?

As you will have noticed in last month's newsletter we at SADA are looking at businesses that may help you run your farm more effectively. This week we're profiling the Xero accounting package, which is a software package that is supported with qualified advisors.

There are a number of accounting packages in the market place at the moment such as MYOB which help all manner of businesses do their work. Xero is a later starter in the market place and provides not only accounting software but also accounting support. South Australia's local Xero representative, Steve Balch, has many years' experience as a CEO in a number of businesses and he fully endorses the Xero product.

Essentially the cost is from a starter pack price of \$25 per month to a commercial package of \$60 per month that gives you a supported accounting system that you can manage from a smartphone tablet or computer anywhere at any time and your adviser works with you being able to read from the same files. The software also enables you to chase up outstanding invoices while you sleep. Better management means better cashflow.

If you want more information regarding Xero either call John Elferink at the SADA Office or alternatively call Steve Balch directly on 0417 858758.

## INTERIM REPORT ACCC

As expected, the release of ACCC's Dairy Inquiry - Interim Report has confirmed what many dairy farmers have long said, there is significant imbalance in market power in the dairy supply chain. Pleasingly many of the farmer's complaints have been supported. It is a bit of a read (226 pages) but the best bits are from page 14 – 23 and the three pages of recommendations that follow. We have tried to condense the report to one page here with a link at the bottom to the full report.

Retailers came off second best but a long way behind the farmers. The \$1 milk is discussed at length and price leverage on the processors is particularly criticised. The ACCC maintains that the original introduction of the \$1 litre milk wasn't the issue. It was the subsequent leverage that grew from the associate volumes that causes processors to screw down on producers.

Central to the ACCC's findings is the raging disparity between the bargaining position of the processors and producers. This is reflected in the interim recommendations:

### Contracting practices

1. Processors and farmers should enter into written contracts for milk supply that are signed by the farmer.
2. All processors should simplify their contracts where possible, including by minimising the number of documents and clearly indicating which documents contain terms and conditions of milk supply.
3. Milk supply contracts should not include terms which unreasonably restrict farmers from switching between processors.
4. The industry should establish a process whereby an independent body can administer mediation and act as a binding arbitrator or expert in relation to contractual disputes between farmers and processors.
5. Farmers should ensure they have properly considered the legal and financial implications of contracts with processors.



### Farmgate milk prices

6. Processors should publish information identifying how their pricing offers apply to individual farm production characteristics to enable better farm income forecasts.

### Improvements to the voluntary industry code

7. The Voluntary Dairy Code should be strengthened

Notwithstanding Recommendation 8, the Voluntary Code will continue to operate for at least the short-to-medium term with amendments which include a comprehensive dispute resolution process in processor milk supply agreements, including where this relates to compliance with the Voluntary Code itself and processors to provide timely price and other contract information before requiring farmers to make a decision about renewing a contract.

8. A mandatory code of conduct within the Competition and Consumer Act 2010 should be considered for the dairy industry.

The ACCC considers the issues identified and examined in this inquiry are serious enough to warrant being addressed by a mandatory code of conduct to apply to processors.

The report is available on the ACCC [website](#).

SADA will be working with the ADF to provide submissions to the ACCC by 31 January 2018 and we would welcome any comment from members. We will also seek to meet with the ACCC in February ahead of the final report release on or before 30 April 2018.

## PPSA IS PLEASED TO PRESENT YOU A VALUABLE GIFT, THE AUSTRALIAN FARMER.

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## MEETING WITH SA POWER NETWORKS - FARM ACCESS FOR TREE LOPPING

Recently SADA met with the SA Power Networks Arborists Reference Group regarding access to farms when lopping trees in the area of infrastructure such as poles and wires. In many instances these networks pass through the farms of our members and access is needed by SA Power Networks or their contractors to manage the lines including tree lopping.

The lopping is required for a number of reasons not least of which is the need to protect the infrastructure but also the important function of bush fire control. This is a lesson that was learned a number of years ago after the bushfires in Victoria.

Nevertheless, SA Power Networks and their contractors must be mindful of the bio security implications of vehicles travelling from farm to farm. Recently SADA has made available bio-security contact signs, some of which have been delivered on farm. These signs enable the farmer to list their contact details on the front gate of the farm.

We have alerted SA Power Networks to these signs where they exist so that if access is required on farm then there is a contact with the farmer in the first instance. Even if there is no biosecurity sign we have

recommended to SA Power Networks that they have a protocol of contact and office/homestead visitation before they enter the farm. Not only because it is good bio-security practice, but it is also simple common courtesy.

To the credit of SA Power Networks they have indicated that they understand and take the issue very seriously. They have also indicated that they are prepared to work with SADA to work up some protocols regarding bio-security. SADA and Livestock SA will continue to work with SA Power Networks to develop those protocols.

SADA has also offered to meet with the contractors and their crews to outline good bio-security practices on farm.

## A HELPING HAND FOR COWS IN THE HEAT

Dairy farmers can now breed for greater heat tolerance in their herds. DataGene's December release of Australian Breeding Values (ABVs) includes the world-first Heat Tolerance ABV.

Australian dairy farmers are familiar with the impact of hot, humid weather on their herds. Now they can add breeding to their toolbox of ways to help cows handle the heat.

Dr Matt Shaffer, DataGene CEO, said that although environment and management conditions had a big impact on a cow's response to the heat, genetics also played a role. "Advances in genomics allowed the Dairy Bio team to identify gene markers for heat tolerance. The Heat Tolerance ABV allows farmers to identify animals with greater ability to tolerate hot weather with less impact on production," he said. To breed for improved heat tolerance, look for bulls with a high Balanced Performance Index (BPI) and a Heat Tolerance ABV of greater than 100. Use a team of bulls to allow for the lower reliability.



The reliability of the Heat Tolerance ABV is 38% which is in line with the newer generation of genomic-only traits. Like all new ABVs, reliability is expected to improve with time, as more data becomes available. Heat tolerance is favourably linked with fertility and unfavourably with production. This means a strong focus on heat tolerance bulls may improve fertility but compromise production.

"If breeding for heat tolerance, look for the exceptional animals that are strong for both BPI and heat tolerance," he said.

The Heat Tolerance ABV was developed with funding from the Australian Department of Agriculture and Water Resources.

For more information contact: DataGene 03 9032 7191 or [enquiries@datagene.com.au](mailto:enquiries@datagene.com.au) or [www.datagene.com.au](http://www.datagene.com.au) or click [here](#) for a fact sheet on heat tolerance

## SADA WEBSITE

Don't forget to check out SADA's new website for all the latest from SADA [www.sada.asn.au](http://www.sada.asn.au) If you haven't already registered for member access it is very easy. Just click on the red member login button at the bottom of the home screen and follow the directions. Members can then access Industrial Relations information, SADA submissions, previous newsletters and updates, media releases and much more.



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