

Discounted LPG and Hot Water Systems for UDV Members

The VFF has brokered a deal delivering discounts on Elgas LPG, bottles and Bosch continuous flow hot water units to members.

The deal is available to any VFF member who installs a commercial gas-fired Bosch 32C continuous-flow hot water unit to

supply their dairy, packing shed or any other commercial farm use.

VFF members who install the Bosch 32C will also gain access to discounts on domestic Bosch 26E or Bosch 26Eco+ LPG hot water systems for their homes, plus cheaper LPG.

The Commercial Deal

- Open to all VFF members.
- Elgas will supply LPG at 85 cents a litre until June 30, 2013. This price includes the Federal Government's 3.68 cent-a-litre carbon excise, which farmers can claim back on their Business Activity Statements (BASs). Beyond June 30 the LPG price will be reset every three months at a guaranteed fixed discount on Elgas' normal retail price.
- Up to two 210kg LPG gas bottles serviced and delivered at \$200/year each (total annual cost \$400). Normally Elgas charges \$500 a year. Any farmer using more than 1200 litres of hot water a day will need two gas bottles. The price includes the installation of the bottles and concrete pads.
- VFF members will also gain a Bosch 32C - 6 star continuous flow LPG hot water unit for \$3200 (RRP \$3998). The \$3200 price will be

discounted an additional \$650 - \$750 under the State Government's Victorian Energy Efficiency Certificate (VEEC) Scheme.

- Vic Solar & Gas will automatically deduct 45 VEECs worth \$15-\$17 each, from the Bosch 32C purchase price. The VEEC price varies with market conditions but will be locked in once the unit is purchased.
- To qualify for the deal all VFF members must purchase their Bosch units from retailers Vic Solar & Gas.

- Vic Solar & Gas will install or arrange for the Bosch unit/s to be installed on your farm at a competitive rate. Farmers wishing to use their own plumber are responsible for ensuring the installation meets compliance standards.
- VFF members who take up the Bosch, Elgas Vic Solar & Gas deal will be required to enter a 12 month Elgas contract.

The Domestic Deal

Those VFF members who install a Bosch 32C commercial unit on their farm are eligible for discounts installing Bosch 26E or Bosch 26Eco+ LPG hot water systems for their homes, as well as access to LPG from Elgas at the

same competitive price. Domestic gas for the home also means cheaper heating and never running out of hot water again. Continuous-flow hot water 24hrs a day!

Estimated Payback (Based on LPG at 85 cents/litre and electricity at 16 cents a kWh)*

*This is a model outcome. Actual results will depend on various factors such as efficiency of existing unit.



TO TAKE UP THIS OFFER

Contact: Vic Solar & Gas

Phone: 03 56 23 44 10 Mobile: 0407 868 172

Email: vicsolarandgas@bigpond.com

ELGAS



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Vic Solar & Gas

Hot Water



Conference 2013 5th - 6th March
Melbourne Cricket Ground

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It's Not what You Say ... It's What You Do

by Vin Delahunty, Manager UDV

I would like to take this opportunity to highlight the contribution of those farmers that give up their time for the benefit of all farmers.

These are people who don't just talk about it, they actually get involved and set about making a difference.

In my report to the UDV Conference I refer to these people as an organisational asset. They are from a diverse range of farming backgrounds. They are from large and small farms. They are from the far districts of the state and they are located in the peri-urban fringe of metropolitan Melbourne. They are also involved in other areas of the dairy industry and agriculture and, of course, they are also very involved in their local communities.

They understand the daily challenges as well as most of the peers. They are well qualified to represent their regions.

Some of these people have been involved in UDV for a long time, some more recently.

They all share a passion for their industry. Lots of people in the dairy industry are passionate.

But the difference is some people don't just talk about it ...

The easy thing to do is to sit back and criticise. To just talk about it ... It's much harder to sign up for the long haul. Like the farmer representatives did with the Murray Darling Basin review. Most people wouldn't believe the amount of time some farmers committed to ensuring Victorian dairy irrigators were professionally and appropriately represented. It required a lot more than just talking about it ...

During the DA levy poll meetings it was clear that dairy farmers were looking for a review of DA. Again it was people who understood that the easy thing to do was to just talk about it ... The UDV Policy Council pushed for a review and is committed to ensuring the review does more than provide an opportunity for people to just talk about it ...

There has been a lot of discussion within the industry on the structure of milk pricing. It was the UDV that set that agenda running last year and the UDV Policy Council is determined to do what it takes for this to run its full course so the industry benefits. It requires more than just talking about it ...

Bobby calf management is a very big issue for the dairy industry. Lots of people talk about various aspects of the issue but it is the UDV Policy Council that is actually dealing with the matters that must be dealt with.

For two years the ADF has led the charge against the supermarkets selling milk at \$1 a litre. For two years the ADF has fought through government channels that resulted in two public inquiries. And

for two years the ADF has kept the issue on the public agenda. It appears consumers are now making buying choices to support dairy farmers as best they can. That is a positive outcome because people got involved rather than just talked about it ...

For a very long time the VFF has been working on the fire services levy issue. And inequities in shire rates. And lots of land management and transport issues. These have been, and still are, long haul issues that require great levels of commitment of time and other resources. They require more than just talking about it ...

There has been quite a focus on the current financial challenges in the dairy industry. UDV has been criticised. UDV representatives have been personally criticised.

The problems in the industry have been well identified recently. People are certainly talking about it ...

The solutions, where they can be identified, are not immediate. They require a long term commitment to push for change across a whole range of areas. For some people this will not be enough. Time is their enemy. But that is the reality we face.

There are lots of other voices out there. Competing voices. Some of these voices have a view on how farmers manage their land and their animals. And these voices are often well resourced and well organised. These are voices that don't just talk about it ...

That is why the industry needs more people to get involved. And that is why UDV reorganised our policy and advocacy structures last year. The industry needs more people to do more than just talk about it ...

Structurally the UDV is now in a position to have greater influence in industry policy development. It is our intention for that involvement to continue to focus on the bigger and more substantive issues facing the industry. Issues that require a commitment for the long haul.

There is now an energy in the industry that has recently been created. This has provided some opportunities but in itself that energy changes nothing.

I have had reason to reflect on my involvement in the dairy industry recently. The UDV has been the subject of some public criticism and as the manager for the past couple of years I have played my part in shaping this organisation.

I reviewed the work that we have undertaken and the changes we have made.

I am proud that this Policy Council opened up the opportunities for members and others to become



Vin Delahunty, Manager UDV

involved in policy development. I am proud that this Policy Council took the hard decision to appropriately resource that policy development. I am proud that this Policy Council has not shirked any issue that crosses the council table. And I am proud that this Policy Council continues to attract a group of people willing to make the effort required to achieve change.

No one likes being criticised. Especially if it is based on some ill-informed view or is personal.

But that is the path those active in the UDV have chosen. Your regional representatives ask for nothing. They deserve your support. The industry needs people to get involved. You have a representative organisation that provides opportunities for people to directly influence industry policy development.

In the end it's up to you. It's not what you say but what you do.

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2013 UDV Conference Resolutions

Resolutions received from the West Goulburn UDV/VFF Branch

1. That the UDV returns back to its core business of looking after the interests of its membership by reducing regulations and fighting for a better farm gate price.	CARRIED
2. That the UDV push the VFF to demand the Government only allow the importation of agricultural commodities into this country of which comply to the exact same stringent QA standards and manufacture protocols, (eg traceability, RSPCA standards and food safety handling standards) to which all Australian Farmers must comply with in order to ensure Australian Consumer health and safety.	LOST
3. That the UDV work together with the VFF to independently validate the credibility of all reports and background information before developing/supporting all future policies.	LOST
4. That the UDV actively support policies that retain Dairy specific skills within our Industry and local communities. This includes Government subsidy of wages to employers for dairy farm employees.	CARRIED
5. That the UDV formally request the Board of Murray Goulburn to publicly apologise for their recent TV adds as they denigrating to all Dairy Farmers. We are not the dim witted "Dad and Dave" shows as portrayed in the ads, but we are hardworking, multi-talented business people that are proud care for their country. So why not celebrate that!!	LOST

Resolutions received from the Warrnambool UDV/VFF Branch

1. That the UDV Conference request Dairy Australia to identify actions where dairy farmers can directly improve their profitability.	CARRIED
2. That the UDV Conference request Dairy Australia to analyse the dairy industry supply chain for opportunities to deliver savings through efficiencies.	CARRIED

Resolution received from the floor - West Goulburn Branch UDV/VFF Branch

That the UDV ensure dairy farmers are represented in line with the objectives of the VFF, backed up by policies protecting rights to access water, and supporting rural communities guaranteeing no one will be worse off as stated categorically by water policy implementing organisations.	LOST
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UDV President Kerry Callow, out-going Vice-President Ron Paynter and Manager Vin Delahunty at the 2013 annual meeting



VFF President Peter Tuohy opening the UDV Conference



Dr Catherine Hollywell, Dairy Food Safety Victoria, discussing international customer requirements and quality assurance



Rural Finance agribusiness manager Andrew Smith, UDV Vice-President Ron Paynter, Nuffield Scholar Damian Murphy and Murray Goulburn General Manager discussing opportunities for young people in dairy



Helen Dornam, Dairy Australia, discussing the Dairy Industry Sustainability Plan



Nuffield Scholar Damian Murphy presenting his lessons learned from overseas experiences relating to young farmer finance



UDV Conference

Dairy Australia Constitutional Review – An Important Opportunity for Farmers

Last year the UDV called for a number of actions relating to the operations of Dairy Australia. These included

- a review of the DA constitution
- a change to the DA constitution to allow for the DA Board selection committee decision to be a majority decision rather than a unanimous decision and
- an outline of the DA Board renewal/succession strategy.

Last November's Dairy Australia AGM included a number of resolutions including the change to allow the DA Board selection committee decision to be a majority decision rather than a unanimous decision.

The AGM also included an announcement that there would be a review of the DA Constitution, and that the review would be conducted by a panel of four people consisting of Review Panel Chair Allan Burgess, John Lawrenson, John Doyle and Ross Joblin.

The Terms of Reference related to the review have recently been released to the industry. A number of other documents have also been made available and circulated through the industry by the Review Panel including a Key Issues document. Many of the key issues identified last year by the UDV (and published in the November Hotline) have been identified in the Review Panel documentation.

The UDV Policy Council has reviewed the Terms of Reference, the Key Issues document and other material and a summary of that work is available at the UDV section at www.vff.org.au Information has also been distributed to UDV branches and regions. (publication deadlines denied the opportunity to publish in Hotline)

Last year the UDV identified that it was important that the review include but not be limited to the following discussion areas;

- Composition of the Board – is there or should there be a minimum and /or maximum number of Milk Producer Directors and if so how many
- Directors Skills – does being a Milk Producer exclude that person from consideration as a director with Special Skills
- The Board Chairman – should that person be a Milk Producer as a preference or a right
- Directors Terms of Office – should there be a minimum or maximum number of terms a Board
- Chairman's Terms of Office – should there be a minimum or maximum number of terms the Chairman might serve and if there is a maximum specified should there be a mechanism for that person to continue provided they satisfy that requirement
- Casual Vacancies – in the event of a casual vacancy should it be advertised to ensure it is filled by the best possible candidate
- Proxy votes – a review of the use of proxy votes in Board elections, on constitutional change and Group B membership applications. Specifically with proxy votes, should they be used, who by, and what is the process for determining how they are used or not used

- Voting Mechanism – consideration be given to using the currently available technology to allow members to vote online for AGM resolutions, including director appointments
- Board Selection Panel – that a majority of members on the selection panel be Group A members

The issue of a DA Board renewal/succession strategy raised by the UDV with a formal Question on Notice at the DA AGM also fits within the discussions on the future structure of the DA Board and how members see farmer involvement on the Board.

It is worth noting that the current DA Constitution does not specify that Milk Producers be represented as a matter of right, nor that the Chairman of the Board is Milk Producer.

There is no doubt that the significant industry investment in leadership and other training has increased the skills and capabilities of farmers and others in the industry.

The challenge is to utilise this increased capacity to benefit the industry from the local UDV Branch and RDP to the ADF Board and DA Board level.

A challenge for the Dairy Australia Board is in balancing the benefits offered by Board member continuity with the challenge of having an active Board regeneration strategy.

The industry talent pool of capable people with high level and wide ranging skills is growing. The dairy industry has a proud record of attracting people to the industry and better than any other commodity understands the value of investing in education and training.

We need the best people in our industry to be active at our most significant industry point – the Dairy Australia Board.

Articulating the Dairy Australia Board regeneration strategy is important. That will provide direction and demonstrate that industry is ready to utilise the talents of the very best we have available to us.

RULE 5: Objects of the Company

This rule sets out the objects of Dairy Australia (i.e. its corporate purposes) to which Dairy Australia must apply its income and assets, namely:

- To promote the development of Australian dairy resources
- To contribute to the promotion and development of the industry and Australian dairy produce by
 1. carrying out research, development and extension activities;
 2. carrying out activities to develop the Australian national market for, and international trade in, Australian dairy produce;
 3. providing information and other services;
 4. carrying out other activities for the benefit of the Australian dairy industry;
- To act as the industry services body (i.e. the body that receives the dairy levy).

RULE 6: Prohibition of agri-political activity

This rule contains a prohibition on Dairy Australia directly or indirectly engaging in or supporting political campaigning or political funding.

Members

RULE 8: Classes of membership and qualification

This rule creates the two classes of members, Group A and Group B, and describes the qualifications for such membership. Group A members are the levy payers and Group B members are the representative bodies, currently ADF and ADPF. Group B members do not pay a levy.

RULE 11: Votes of members

This rule covers votes of members.

RULE 13: Consultation procedures for Group B members

This rule specifically requires procedures to be put in place for consultation between Dairy Australia and Group B members (ADF and ADPF).

General meetings

RULE 14: General meetings

This rule covers procedures for general meetings.

RULE 15: Proceedings at general meetings

This rule covers proceedings at general meetings

RULE 16: Proxies, Attorneys and Representatives

This rule notes that the Corporations Act 2001 provides procedures for the appointment and use of proxies.

Strategic and operational planning

RULE 18: Strategic and operational plans

This rule sets out the requirement for strategic and operational plans to be in force at all times and broadly defines the context for both.

The Board

RULE 21: Board meetings

This rule says that the Board appoints a Director to chair its meetings and decides the period for which that Director holds office.

RULE 22: Board committees

This rule covers the functions of the Board's committees.

RULE 24: Code of conduct

This rule requires the formulation and implementation of a code of conduct for Directors and management and covers matters like conflicts of interest and ethical standards.

The Directors

Dairy Australia's Board determines the policies and directions for investing in industry service activities and approves strategic and operating plans and performance targets.

RULE 25: Number of Directors

This rule establishes that Dairy Australia must have at least three but no more than nine Directors.

RULE 26: Board to include certain skills

This rule says the Board must strive to ensure it contains "a proper balance of appropriate skills and experiences, having regard to the nature of the business and affairs of the company".

CONCLUSION

It has been ten years since Dairy Australia came into existence. Over that time the role of the organization has expanded and today it not only is a Research and Development body but also a service body. It is timely to review the constitution in light of these changes and the expectations of the members of DA.

The UDV encourages farmers with a view on the DA Constitution to submit their views to the Review Panel.

The UDV Policy Council will assist members develop and present their views. These views, and the work of a UDV Policy Council Working group, will form the UDV submission to the panel. That submission will be available through the UDV section of the VFF website (www.vff.org.au) prior to the advertised closing date of 5.00pm 22 April 2013.



Milk Moments

A quick-thinking milkman has put out a fire in inner Brisbane with milk. Shane Fuller used his daily deliveries to put out the fire early one March morning in Spring Hill. "I didn't have any water so I just grabbed some bottles of milk and just drenched it," he said.

RULE 28: Selection committees

This rule sets out the process for Director selection and needs to be read in its entirety to be fully understood.

RULE 29: Appointment of Directors

Under this rule, the Board must nominate for election at the next AGM the person recommended by the selection committee. Where there is no recommendation from the committee the Board may make the nomination.

Under rule 29.3, an alternative route to becoming a Dairy Australia Director is prescribed. A person may stand for election if nominated by 100 Group A members by 31 August in the relevant election year. A Group A-nominated candidate must nominate the Board-nominated candidate against whom they wish to stand.

Under rule 29.4, if a Group A-nominated candidate is standing against a Board-nominated candidate, the successful candidate is determined by a preferential voting process until one candidate has a clear majority of votes. When there is no candidate standing against the Board-nominated candidate, that candidate will be elected if they receive more votes than against.

RULE 31: Directors' periods of office

This rule deals with Directors' periods of office, which effectively means that a Director must retire after each three-year term but is eligible to seek re-election.

Dairy Australia Review

Dairy Australia has established a website for the Constitutional Review process which can be accessed at: <http://www.daconstitutionalreview.com.au>

The following documents are available;

- The current Dairy Australia Constitution
- Dairy Produce Act 1986
- Statutory Funding Agreement
- Audit & Risk Management Charter
- Human Resources Committee Charter

All submissions and the final report will be made publically available through this site.

Simpler system for milk payment welcomed

UNITED Dairyfarmers of Victoria has welcomed the announcement by Murray Goulburn to simplify the milk payment system.

"Dairy farmers will welcome MG's decision to raise the base price during peak months versus off-peak months, creating a flatter milk price curve.

"We have been stressing the need for milk processors to simplify the payment structure since the middle of last year", UDV President, Kerry Callow said.

"While we note that the precise details of the changes are yet to be released, MG appears to have addressed the key areas identified by UDV.

"The foreshadowed changes to amend the protein - fat ratio to better reflect the value of the products, should also provide clearer signals to suppliers," Ms Callow said.

"In recent years, the payment system for milk has become difficult for suppliers to clearly understand, particularly in a situation where prices are not at levels farmers need to produce milk profitably.

"UDV looks forward to seeing some of the details around the announcement that the current MG productivity incentive and volume charge to fairly reflect the true costs and therefore apportions milk handling costs amongst suppliers," Ms Callow said.

MG has stated that it will amend the pick-up charges to better reflect the true costs. UDV looks forward to seeing the details around that announcement.

"Murray Goulburn is to be congratulated for their milk price review process.

"It has been very thorough and they have made every attempt to include as many suppliers as possible.

"Dairy farmers will now work through the details of the Murray Goulburn announcements to understand the impact given to their farm system, the milk flow and the cost of production," Ms Callow said.