



## Planning framework necessary

The UDV welcomes investment into the dairy industry whether it is local or foreign.

Hysteria around foreign investment misrepresents an industry that has built its current position on decades of international investment at the farm gate and in the processing plant. It is this very investment that allows us to compete internationally.

The dairy industry relies on international trade and so when we strike multilateral and bilateral agreements, and Free Trade Agreements, with our trading partners we understand foreign investment is part of the equation.

As an industry we need to be concerned about, and advocate for, the right investment for the right situation. This is where the industry and government can work much smarter on the introduction of foreign investment to guide them through the type of investment and outcome that is beneficial to all parties.

The recent Kernot dairy development proposal in Gippsland is a prime example of how the hysteria created has resulted in inconsistency of shire planning that is not helpful to an industry that needs to grow.

The dairy industry needs a process and framework that avoids any situation that creates planning uncertainty for potential investments in our industry. I understand community sentiment can be strong and should not be ignored but rather should be part of the whole equation. Why is it that some shires welcome investments and others don't and some can halt an investment while others welcome it?

Investors have put billions of dollars into improving the efficiency and operations of our milk processing plants. Much of that has come from overseas, including the Saputo investment in Warrnambool Cheese & Butter.

Investors have also been very busy buying dairy farms across Victoria – some investors are new to the industry; neighbours have bought farms to get bigger; and groups of farms have been packaged for private investors, and equity market and share market investors.



Region 9 Policy Councillor Nick Renyard and Dairy Australia Manager, Policy Strategy, Claire Miller at the Timboon Migration Matters forum on 5th August. For more information on the forums, please turn to page 6.

As an industry we must be concerned about the sustainability of investments so they may strengthen our position in the world markets.

### Volatility in Markets

We have seen some major downward pressure on global milk prices with companies reviewing their pricing going forward, indicating that they may review and not rule out a revised forecast. Hopefully, the downward pressure is over and buyers have picked the bottom of the market and we will see a return to price stability. With a major over supply of milk in the international system it will take time to work through and so we may not see the highs of recent years.

Let's reiterate, understand your cost of production and plan early, visit bankers and accountants, get price income estimations done from your factories and be realistic about your milk volumes. Be prepared to budget on 10% less and 10% more milk and 5-10% less income and see what that does to budgets. Don't stick your head in the sand and say "she'll be right mate" because it might not, so again forward plan scenarios early.

With the long term fundamentals in place that demand will be stronger than supply, milk futures are starting to move in a positive direction. It also highlights the need for our industry to continue to produce high quality value add products to extract price premiums, so work hard on your quality and use your field staff to be the best farmers we can.

Until next time, happy farming!

*By UDV President, Adam Jenkins*

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# Simmering water issues in northern Victoria

The VFF held water policy forums in Kerang and Strathmerton in early August. In Kerang we filled the upstairs room at the Royal Hotel and in Strathmerton we were hosted at the local football club rooms. Hot topics were temporary water, environmental flooding, water pricing and the Connections Project.

With water recovery for the environment still underway and a dry outlook for the season the pressure on temporary water prices is still very much a live issue. The VFF will continue to investigate the options to increase the supply by unbundling unregulated water and groundwater. We are also arguing for the environmental water holders to make any unused water available for trade and for spills and pre-releases to be counted against environmental water holders. This will help secure increased allocations for irrigators.

Irrigators are also concerned about possible speculation in the water market. The VFF is seeking more information on trends in ownership and trading of water entitlements. We are keen to understand the proportion of non-farming participants in the market and the impact this has on the price of temporary water at the farm-gate.

Farmers also want answers on who is responsible when environmental watering goes wrong. Expertise in delivering environmental water is in its infancy. There is a great deal of data to be collected and analysed about the potential impact of environmental watering on farmers' land and livelihoods before any decisions about releasing larger volumes of environmental water are made. In our recent submission to the Victorian Floodplain Management Strategy we called on the State Government to clarify the liability framework for damage from environmental watering. It is our view that the cost of preventing damage needs to be funded by the level of government which is responsible for environmental watering.



VFF Water Council chairman, Richard Anderson addresses the attendees at the Kerang water policy forum.

There were different opinions on common pricing. In Kerang there was no support, whereas in Strathmerton irrigators from the Shepparton district expressed their support. Our current policy is that common pricing for irrigation districts should not be the default position for setting tariffs. Where there are acceptable consistencies across districts a common price may be appropriate for individual services, for example for service points or meter costs. We are seeking more information on what is included in the infrastructure access fee. It is not clear whether capital assets such as bridges and culverts which are not part of the modernisation project are also included in this fee.

Members expressed their frustration about the roll-out of the Connections Project. Irrigators are puzzled by some of the decisions that are being made. Members

feel that this \$2 billion project is missing an opportunity to upgrade irrigation infrastructure and set irrigated agriculture up for the future. The pressure to deliver the project on time is producing sub-optimal outcomes. The VFF is seeking to engage with the Mid Term Review to discuss how the project can be strategically repositioned to build and develop an irrigation system which can meet the future demand for food and fibre, at the same time as delivering water savings.

Our next big opportunity to influence policy is our submission to the Select Committee on the Murray Darling Basin Plan. We will be seeking your input through a survey, so keep an eye on your email for the link. Our recent submissions are available on the VFF website under the policy tab.

*By Rachel Astle, VFF Senior Policy Advisor - Water*



# Young dairy leaders urged to apply

The UDV is seeking Victoria's best young dairy industry minds to join the New Zealand Study Tour in February 2016.

The fully funded eight day tour is a unique opportunity for young people working in the dairy industry to build on existing knowledge, learn new management practices and make a valuable contribution to Victoria's dairy industry.

Funded by the Gardiner Dairy Foundation and incorporating a nationally accredited unit at Certificate IV level through the National Centre for Dairy Education Australia, the tour group will visit leading dairy farms utilising a variety of farm systems and technology, tour dairy research and processing facilities, and engage with the dairy industry representative bodies of New Zealand.

2015 Study Tour attendee Aaron Thomas is one of the many previous attendees who have taken on leadership roles. He has now taken on the position of UDV Yarram branch President along with fellow NZ Study Tour attendee Hayden Hanratty who has put his hand up for Treasurer/Secretary.

"The NZ trip is probably the best thing I've done in my career, it sparked me up and got me really passionate about making a difference in the industry. Hayden and I have become really good mates, I didn't even know him before the tour and he only lives five minutes away from me," he said.

The UDV encourages all young people who are serious about their involvement in the dairy industry to apply to join the tour in 2015.

To apply you need to:

- Be aged between 18-35 years;
- Hold a current Australian passport;
- Be available for travel in late February 2016;
- Actively participate in the dairy industry - either on or off-farm;
- Be enrolled in or have completed studies related to the dairy industry, such as the NCDE Certificate II, III, or IV; or proven participation in dairy industry short course(s) such as those run by GippsDairy, Westvic Dairy, Murray Dairy, DEDJTR and others;
- Agree to have an ongoing relationship with the UDV and Gardiner Foundation and



This year attendees visited a variety of farms in the South Island of New Zealand.

- Utilise leadership skills upon return by undertaking leadership roles in the industry and/or community.

Applications for the UDV Study Tour will open on Monday, September 14 and close on Friday, October 2.

**Application forms will be available on the UDV website [www.vff.org.au/udv](http://www.vff.org.au/udv) on the Media and Events page.**

## Nominees announced for Dairy Australia Board roles

Dairy Australia has announced nominees to stand for election to its Board as Non-Executive Directors at the Annual General Meeting in November.

There are three vacancies this year, one for a director with agribusiness and strategy skills, one for a director with dairy manufacturing and processing skills and one for a director with milk producer skills.

James Mann, Dairy farmer and Chair of DairySA, and David Mallinson, Executive General Manager – Business Operations for Murray Goulburn Co-Operative Co. Limited are standing for election for the first time.

Mr Mann is the owner of Donovan's Dairying Pty. Ltd. at Wye, South Australia, which is one of the nation's leading dairy businesses, developed by him and his

team from a green-field site in 1998. The business has pioneered innovative grazing and production systems for dairy in southern Australia and continues to explore leading edge opportunities for business sustainability. James has been the Chair of DairySA since 2002 and has also performed other dairy industry leadership roles.

Mr Mallinson is the Executive General Manager – Business Operations for Murray Goulburn Co-Operative Co. Limited (MGC). He has had a range of roles across both MGC and other processors (Fonterra, Bonlac Foods, Cadbury Schweppes) and has extensive operational experience (including his current responsibility for MGC's manufacturing sites (including China) with over 1600 employees). He is also a Non-Executive Director on the Board of Snapsil Corporation.

John McKillop, who was first appointed to the Dairy Australia Board in 2012, has also

been nominated for re-election as a Director, to fill the agribusiness and strategy vacancy.

Dairy Australia invited applications for the vacancies earlier this year. An Industry Selection Committee conducted the formal process leading to the recommendation of the three candidates to the Dairy Australia Board.

The candidates selected align with the Board skills matrix, which identifies the necessary skills and experience required for the Board as a whole.

"As Australia's dairy industry grows, it demands broad expertise and I am delighted the Selection Committee has selected individuals who bring extensive experience in dairy and the wider business world," said Geoff Akers, Chair, Dairy Australia Board Selection Committee.

All candidates will require more than 50% of the votes cast at the Dairy Australia 2015 AGM to be elected.



# UDV Member Employment Advice Service

The VFF Workplace Relations Department can help you understand the latest employment compliance issues. As a UDV member you will receive professional and timely advice from experts within the industry on issues such as:

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- Redundancy
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- Disputes & much more
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- **4 hours** p/a of tailored written advice on complex workplace relations matters
- Access to the VFF Industrial Association (VFFIA) when seeking legal representation
  - Specialist advice on Awards

Call 1300 442 481 to talk to the VFF Workplace Relations team

This project is supported by



# State Government reviews intensive animal industries

Over the past year, semi-intensive cattle farms and free range piggeries have highlighted the confusion around when a planning permit is required in farming areas.

The VFF has consistently lobbied Government to ensure dairy is not caught up in this debate. Instead, permit requirements should explicitly exempt dairy, cattle and sheep from requiring planning permission as they are extensive operations even when they include supplementary feeding.

The VFF has also called on the Government to strengthen the farming zone to give agriculture precedence over non-agricultural uses, such as tourism and dwelling subdivision. People moving to a rural area should expect agricultural production and vexatious complaints to local councils about typical farming practices should not adversely impact the operation of a farm.

In response to media attention focusing on a Murrindindi Shire Council refusal of a Wagyu cattle farm operation and celebrity chefs' entering the right to farm debate, the Government has announced planning reviews for intensive farming.

The VFF knows of two cattle farmers who were asked to apply for local government permission after years of considering themselves as extensive and exempt from planning.

The requests to apply for planning permits were in response to community complaints about odour, dust and noise. These complaints led councils to look at the definition of intensive animal husbandry and conclude that a planning permit is required where most is brought from outside the farm. This was considered controversial and received significant media attention because existing farmers were faced with an uncertain future.

In the farming zone, if most of the animals' feed is brought to animals in an enclosure on a permanent basis, including a paddock, then the planning scheme considers this intensive animal husbandry and a planning permit is required. It has been well-understood by the farming sector, that broiler farms and cattle feedlots are intensive and require planning permission. But cattle and sheep operations that use supplementary feeding should not be regulated.

The intensive animal husbandry definition exempts emergency and supplementary feeding; therefore dairy farms have not been subject to requests for planning permits as most feed is derived from pastures on the farm.

These planning issues sparked the right to farm debate because of the lack of understanding of when planning permits are required in the farming zone. Further, encroaching residential development is bound to lead to land use conflicts in the farming zone. It became clear that local councils, VCAT and the community interpret the planning requirements inconsistently and disputes between neighbours can give a lot of uncertainty to a farmer.

The VFF involved itself in this debate to ensure farmers are not unnecessarily burdened by red tape and that existing farmers should be protected from vexatious complaints.

Over the past few months, the VFF has met with the Department of Economic Development, Transport, Jobs and Resources, the Department of Environment, Land, Planning and Water, the Minister for Agriculture and the Minister for Planning to discuss how planning permit requirements can be clarified.

## In July, the VFF called on the Government to:

- Improve transparency of planning permit requirements. Planning schemes should clearly state pigs, eggs, feedlots and broiler farms need a planning permit but our extensive (broadacre) dairy, wool and beef farms do not.
- Better support farmers in the farming zone. Like a dwelling is supported in the residential zone and a warehouse is supported in an industrial zone, planning should only allow uses that are compatible with agriculture in farming areas

- Deliver planning provisions that protect farmers from ideological battles. Public notification of planning permits for farming should only be given to dwellings within a defined area, not people with an ideological opposition to farming systems that lived hundreds of kilometres away.
- Establish a working group to look at planning changes and supporting documentation.

In Response, the Government has committed to improving the situation. On the 20th of August, the Government put out a media release promising to *'Better support farmers in our planning system'*. The Planning and Agricultural Ministers have responded to VFF's calls for reform by establishing an Animal Industries Advisory Committee to recommend updating planning system in line with changing farming practices.

Further, the Planning Minister has used the Murrindindi Shire Council decision to refuse a planning permit for a Wagyu cattle production to make this announcement for farming. The Planning Minister has decided to personally assess the VFF member's planning permit application rather than letting it be decided at VCAT. The Minister will be advised by his department on the merits of the permit application in the context of the evolving policy issues.

The VFF will seek continued involvement and input to the new Animal Industries Advisory Committee. It has been tasked with reporting on how the planning system can support the establishment and expansion of productive, competitive and market-responsive animal industries in Victoria, balancing environmental outcomes and community expectations.

For feedback on this issue, or if this issue has affected your business, please contact VFF Senior Policy Adviser on Land Management, Emily Waters on 9207 5526.



# Complex immigration rules explained

Over 90 dairy farmers came along to forums in South-West Victorian to gain more information on migration matters.

The *Migration Matters* forums were held to respond to calls for clarification on immigration requirements, including accessing overseas labour and gaining permanent residency as a New Zealand citizen. The large number of attendees further indicates that the skills shortage hampering the industry is forcing many dairy farmers to look overseas for skilled and experienced employees.

Joy and Maryanne Hay, representing True Blue Migration - the UDV endorsed migration agency - took attendees through the different visa options available to Victorian dairy farmers who want to access overseas labour. They said common ways of sponsoring an overseas worker is via a Training and Research (402) Visa, Temporary Work (Long Stay (457) Visa, or through the Regional Sponsored Migration Scheme (187 Direct Entry) Visa.

For the New Zealanders in the room, Joy and Maryanne explained that there were two paths available for dairy farmers who wanted to become permanent residents; the Business Innovation and Investment (subclass 888) Visa or through self-sponsorship under the Regional



Joy Hay from True Blue Migration, Denis Gallagher and Oonagh and Harper Kilpatrick caught up at the Koroit Migration Matters forum.

Sponsored Migration Scheme (subclass 187) visa.

Claire Miller, from Dairy Australia, also gave attendees an update on the recently-announced Dairy Template Labour Agreement agreed with the Department of Immigration. The Labour Agreement allows dairy farmers to recruit

senior farmhands from overseas on 457 visas. These workers were not previously recognised as eligible for 457 visas.

More forums will be held in Gippsland in October.

More information on True Blue Migration can be found on our website [www.vff.org.au/udv/](http://www.vff.org.au/udv/) on the *Member Benefits* page.

## ADF has a new CEO



Ben Stapley has been appointed as the new CEO of Australian Dairy Farmers.

Australian Dairy Farmers (ADF) has appointed Mr Benjamin (Ben) Stapley as the new Chief Executive Officer (CEO).

With a strong background in member advocacy, stakeholder engagement, policy development and media management, Mr Stapley comes into the role after two years as Director of Policy and Regulation at the Plastics and Chemicals Industries Association (PACIA).

Mr Stapley's expertise in developing and executing strategic advocacy and

communications activities will ensure that ADF continues to be a strong advocate for Australia's dairy farmers. Prior engagements have included leading policy, regulatory and advocacy programs for Australia's chemical manufacturers and importers, and for Australia's agricultural chemical suppliers. Mr Stapley brings particular experience in government relations with extensive networks within the Government and bureaucracy central to ADF's interests.

Mr Stapley took over the role from interim CEO Clive Noble on September 1.

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