



SUMMER | January 2013

HOTLINE

Newsletter of the United Dairyfarmers of Victoria

Farmer Involvement is the Key to Effective Policy Development

Our industry is strong because we have people who are prepared to get involved and help shape its future. Without farmers involvement farmers would not only would be "price takers," we would be reacting to the whims of everyone who has an opinion on what is good for our industry.

In the coming months farmers will have more opportunities through the UDV to have a say in what we stand for.

The UDV is an organisation that is involved in setting and implementing policies that influence the way we conduct our farming businesses. One important industry policy setting forum is the upcoming UDV Conference which will be held on March 5 and 6 at the Melbourne Cricket Ground.

The Conference will focus on milk price and profitable production growth as well as supporting new entrants into dairy. Further information on the agenda is included in this issue of Hotline.

Please be reminded that the closing date for resolutions for debate, nominations for UDV Commodity Council Representatives and Nominations for the position of UDV Vice President must be submitted to the office of Graeme Ford, Chief Executive Officer, VFF by close of business (5pm) on Thursday 24th January 2013.

Elections for Commodity Council Representatives will be conducted for the UDV Regions 1,3,5,7,9. Under the VFF constitution, UDV members within a region may nominate. Nominations must be signed by five UDV members. In the event of more than one nomination the position of the Regional Representative will be decided by a vote of UDV members within the region. The position is a two year term.

An election for the position of UDV Vice President will also be conducted. Any voting UDV member is eligible to nominate for this position. Nominations must be signed by five UDV members. In the event of more than one nomination, all UDV voting members will be entitled to vote. This is a two year term.

Our current Vice-President Ron Paynter is not seeking re-election as Vice President. The UDV Policy Council and Staff thank Ron for his dedicated commitment and his valued considerations during his time as Vice President. Ron brought a wealth of

knowledge and experience to the position. We are delighted that he has nominated for the region 7 Council position.

In this issue of Hotline there are also plenty of examples to read about the UDV's involvement in key industry issues and additional opportunities for farmers to be involved in the future of dairy in Victoria.

One important area of work for the UDV has been the involvement, along with the wider farm representative network, in shepherding changes to visa clauses that will make it easier for many in the dairy industry to qualify for Australian citizenship. This will provide important security for a significant group in our industry.

Another significant area of work is the DA constitutional review. At the Dairy Australia (DA) Annual General Meeting (AGM) in November it was announced that DA will be conducting a review of their Constitution, and in doing so the Board of DA had established a review panel.

The DA Board have asked this review panel to develop a working document that sits behind the constitution and gives a deeper explanation and a more transparent profile of the operation of the actual processes driven by the constitution and associated documents.

The UDV will provide any needed assistance to the panel and will also be providing a submission to the review panel when advised of their terms of reference and timelines.

The panel will operate independently of the DA Board and industry organisations, and will deliver its report to Dairy Australia. It is expected that any constitutional changes will be presented to the next DA AGM. You are encouraged to participate in this review process, either directly or through the work of the UDV.

Finally, dairy farmers in the North may be interested in the recently formed Waterpool Co-operative. This initiative has been supported by the Northern UDV regions.

Waterpool is established to provide transparent and ethical water trading for all water users.

The company will run under established co-operative principles. The primary objective of the Co-op is to provide a pooled exchange trading model. The secondary objective is to provide a credible brokering service for both low & high reliability water shares.

Further information and contact details are available in this edition of Hotline.

These are just a few ways you as farmers can influence the direction of your industry. All it take is to participate and invest a little of your time.

2013 UDV Conference

The UDV Conference will be held at the Jim Stynes Room of the Melbourne Cricket Ground (MCG) on Tuesday 5th March and Wednesday 6th March 2013.

Details regarding the Conference including a draft agenda are in this publication.

Please contact the UDV Office on 1300 882 833 if you require any further information.

March 5th & 6th

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Residency and Citizenship Changes Attractive for Dairy Farmers

Former overseas citizens now living in Australia on their own properties have raised their frustration with the immigration system they say has rules that effectively prohibit them from successfully applying for permanent residency and eventual Australian citizenship.

Those that have raised the issue have been in Australia for quite a few years and have purchased and operate functioning dairy farms since migrating. The lack of citizenship excludes these people and their families in a range of areas including education, employment, health services and exceptional circumstances assistance eligibility.

The UDV has been working with the Department of Immigration and Citizenship (DIAC) emphasising the investment by overseas citizens in dairying, particularly in Victoria, Tasmania, and South Australia. We are now pleased to advise some changes that the DIAC have implemented effective November 2013 to the Business Innovation and Investment Visa (subclass 888) that will make the application process less rigorous for many in the dairy industry.

What are the Changes to the Business Innovation and Investment Visa (subclass 888)

Arrangements to this visa subclass have recently been reviewed by the DIAC and legislative changes have occurred (effective November 2012).

Requirements to be met by applicants now include:

- Owning & operating a business in Australia while on a provisional visa (*This is not applicable for holders of a 444 Visa*)
- The business turnover must be at least \$300,000 in the 12 months. This may be waived if the nominating State authority endorses exceptional circumstances. (It is important to remember that the decision to 'waive' is a decision for the nominating State or Territory, which also decides what circumstances can be considered exceptional.)

And meet two of the following three criteria (previously applicants needed to meet all three)

- net value of assets in the main business (or two main businesses) in Australia is at least AUD200 000 throughout the year immediately before you apply

- have at least 2 full time equivalent Australian/NZ citizen (excluding family) employees in the last 12 months
- total value of business and personal assets in Australia held in the last 12 months of more than \$600,000.

You do not need to submit a new Expression of Interest in Skill Select to apply for this visa.

In further detail

Who can apply for a 888 Visa

You can apply for a this visa if you:

- are the primary holder of a provisional Business Innovation and Investment visa (subclass 188) (*This is not applicable for holders of a 444 Visa*)
- have met all the requirements of your provisional Business Innovation and Investment visa in the stream in which you first applied. (*This is not applicable for holders of a 444 Visa*)
- have not been involved in any unacceptable business or investment activities
- have a satisfactory record of complying with Australia laws
- have been nominated by an Australian state or territory
- you and all your family members meet health and character requirements - you do not need to prove this again if you have already met this requirement for the provisional Business Innovation and Investment visa (subclass 188). (*The requirement in respect of provisional visa is not applicable for holders of a 444 Visa*)
- have a genuine commitment to continue to maintain business or investment activities in Australia
- Other requirements depend on the stream in which you held your provisional Business Innovation and Investment visa (subclass 188). (*This is not applicable for holders of a 444 Visa although 444 visa holders will have to meet the 'Other' requirements of the Business Innovation stream.*)

The 888 visa has 2 streams – The Business Innovation Stream and the Investor Stream

The Business Innovation Stream is the most applicable to dairy farmers who have moved to Australia, invested in farms, herds and domestic property in regional locations, and who have a desire to become a permanent resident.

(For information on the Visa 888 Investor Stream please visit the website referred to in this article)

If you are applying in the Business Innovation stream

- you must have been in Australia and held your provisional visa for at least one year in the two years immediately before you apply. (*This is not applicable for holders of a 444 Visa*)
- you must be able to show ongoing business involvement, meet certain financial requirements, and have a history of employing Australian workers, all further explained below:

Ongoing business involvement

You must be able to show that you:

- have had and continue to have a direct and continuous management role in a main business (or two main businesses) in Australia for at least two years immediately before you apply
- have had a turnover, in that main business (or two main businesses), of at least AUD300 000 in the year immediately before you apply. This may be waived if the nominating State authority endorses exceptional circumstances. The decision to 'waive' is a decision for the nominating State or Territory which also decides what circumstances can be considered exceptional.
- own at least one of the following percentages of that main business (or two main businesses):
 - 51 per cent of a business with a turnover of less than AUD400 000 per annum
 - 30 per cent of a business with a turnover of more than AUD400 000 per annum
 - 10 per cent of a publicly-listed company
- have obtained Australian Business Numbers for each of the relevant businesses
- have submitted all relevant Business Activity Statements to the Australian Taxation Office
- have not acquired the ownership in your main business (or two main businesses) from a person who was an applicant for, or a holder of, a permanent Business Innovation and Investment visa (subclass 888) or a permanent business skills visa (in subclasses 890,891,892 or 893), unless you and that person had a joint interest in the main business for at least one year before you lodge your application for this visa.

Annual General Meeting and Board Elections

Additionally - A required net value of assets and history of employment assessment must be met as follows:

You (or your partner, or you and your partner combined) must also meet two of the following criteria (*previously applicants needed to meet all three*):

- the net value of your assets in the main business (or two main businesses) in Australia is at least AUD200 000 throughout the year immediately before you apply
- the net value of your personal and business assets in Australia has been at least AUD600 000 throughout the year immediately before you apply
- the main business (or two main businesses) must have employed, throughout the year immediately before you apply, at least the equivalent of two full-time employees who are:
 - Australian citizens, Australian permanent residents, or New Zealand passport holders
 - not your family members.
- **In addition**, the business turnover must be at least \$300,000 in the 12 months. *This may be waived if the nominating State authority endorses exceptional circumstances. The decision to 'waive' is a decision for the nominating State or Territory which also decides what circumstances can be considered exceptional.*

After the Visa is granted, you may:

- own and manage a business in Australia, or continue investment activity in Australia
- travel in and out of Australia for five years
- have family members accompany you to Australia
- live and work in Australia permanently
- enroll in Medicare Australia's scheme for health-related care and expenses

You could qualify for a Special Benefit from Centrelink if you suffer a major change of circumstances that is beyond your control.

To apply for a Business Innovation and Investment (Permanent) (subclass 888) visa please refer to the DIAC website <http://www.immi.gov.au/skills/skillselect/index/visas/subclass-888/>

Australian Dairy Farmers has a new Chairman and President, Mr Noel Campbell from Yannathan in south east Victoria. Noel was elected unopposed following the Australian Dairy Farmers Annual General Meeting on 29 November.

The outgoing Chairman, Mr Chris Griffin was warmly thanked for his significant contribution to the Australian dairy industry over many years and in various roles including his year as Australian Dairy Farmers President and Chairman. Mr Griffin remains a Director of ADF.

In accepting his new role, Noel told the ADF National Council and Board "My aim is to focus on the outcomes that we and all dairy farmers need. A key role of Australian Dairy Farmers is to advocate for the removal of barriers to profitable and sustainable dairy farm businesses and that all dairy farmers are treated respectfully.

ADF, the State Dairy Farmer Organisations, Dairy Australia and the Regional Development Programs need to work closely together, understand each other's role in the industry and work collaboratively for the best results. Those who know me will be aware that I always push for industry co-operation as I believe this will produce better outcomes for everyone."

The ADF Annual General Meeting represents significant milestone for the organisation as it was the first under the new constitution that was voted in by members in August this year. For the first time, ADF State Member representatives were joined by ADF Business Members – grass roots farmers.

ADF State Members, Business Members and invited guests heard from Chris Griffin, outgoing President and Natalie Collard, CEO about the year in review.

ADF Business Members voted to re-elect Mr Roger Swain as a Business Director for a further three years and also ratified the appointment of Dr Anne Astin as Independent Director.

The change to the constitution enabled Australian Dairy Farmers to accept business members for the first time. Dairy farmers who are also members of our state member organisations are now eligible to become Business Members of ADF.

ADF State and Business Members were provided with full Consolidated Financial Statements and Reports which includes Australian Dairy Farmers, Australian Dairy Industry Council and Australian Dairy Herd Improvement Scheme. Below is a summary of the consolidated financials.

Summary Australian Dairy Farmers Consolidated Financial Information 2011/2012

	2012	2011
Summary Comprehensive Income	\$	\$
Revenue	3,880,232	4,187,358
Less: expenses	(3,510,538)	(4,196,256)
Profit / (loss)	369,694	(8,898)
Total comprehensive income	369,694	(8,898)

	2012	2011
Summary Financial Position	\$	\$
Total current assets	14,341,749	13,691,494
Total non current assets	843,558	1,600,508
Total assets	15,185,307	15,292,002
Total current liabilities	1,318,357	1,756,020
Total non current liabilities	9,063	47,789
Total liabilities	1,327,420	1,803,809
Net assets	13,857,887	13,488,193
Total equity	13,857,887	13,488,193



Conference 2013

5th - 6th March Melbourne Cricket Ground

Agenda Day 1

Tuesday March 5, 2013

1.00pm – 1.15pm

Conference Opening

1.15 pm – 2.45 pm

Milk Pricing – Structure and Effectiveness

Many dairy farmers believe that current milk pricing structures represents a serious challenge to the viability of Victorian dairy farms. Price structures are complicated and do not allow farmers to easily identify the price received against the cost of production.

All milk processors are looking for more milk to fill increasing international demand. Governments and industry has set increased production targets but milk production will only increase if it is profitable for farmers. And so far this increase in demand is not reflected in current farm gate prices.

Increased production does not mean increased profitability.

What is going on with milk pricing? What does the industry need to change the current situation?

- The Murray Goulburn milk price review
- The Challenge for Milk Processors
- The Impact of the Current Price Mechanism on Farm Profitability

2.45 pm – 3.15 pm

Afternoon Tea

3.15 pm – 4.45 pm

Milk Pricing – Domestic & International Influences

Domestic and international consumers, regulators, community etc have a view on how we farm our land and our animals, and in some instances are dictating what happens.

- International Customers Requirements & Quality Assurance
- Australian Supermarkets – Expectations and Shelf Space
- The Dairy Industry in 2020
- The Role of Farmer Advocacy in Milk Pricing

4.45 pm – 5.15 pm

Members Discussion & Outcomes

5.15 pm – 6.30 pm

Tour of MCG Sports Museum

6.30 pm – 7.00 pm

Pre Dinner drinks

7.00 pm

UDV Presidents' Dinner

Conference Partner



Agenda Day 2

Wednesday March 6, 2013

8.30 am – 10.00 am

- Conference Resolutions & Business
- UDV Policy Council Election information
- 2013 UDV Office Bearer Announcements
- Report from Australian Dairy Farmers
- Bobby Calf Transport & Husbandry Requirements Update
- Water Report

10.00 am – 10.45 am

Industry Research and Development

The future delivery of dairy industry research and development is under review.

What does a reduction in state Government funding mean and how does the dairy industry respond?

- The future of Dairy Research & Development - Dairy Australia
- Dairy Futures Cooperative Research Centre Developments
- The Future of Dairy Extension - Victorian Department of Primary Industries

10.45 – 11.15 am

Morning Tea

11.15 am – 12.30 pm

Creating Opportunities for Young People in Dairy

Australian agriculture is searching for ways to get young people farming. Industry, governments, financiers and others are all involved.

What does that mean for the Victorian dairy industry?

- Lessons Learned from Overseas Experiences
- An Initiative from the Finance Sector
- A Local Initiative – assisting young farmers onto farms

12.30 pm - 12.45 pm

Members Discussion & Outcomes

12.45pm - 1.00pm

Conference Outcomes & Close

1.00pm

Lunch

UDV Annual Meeting

The UDV will hold its Annual Meeting prior to the Conference on Tuesday 5th March 2013 at 11.00am in the Jim Stynes Room of the MCG.

Business and Reports will include:

- President's Report
- Finance Report
- Manager's Report
- Resolutions



2013 Conference Registration Form

Tuesday March 5th and Wednesday March 6th 2013
Melbourne Cricket Ground

MEMBERSHIP INFORMATION

Full Name:

UDV/VFF Membership Number:

Mailing address:

Contact Number:

Email address:

REGISTRATION COSTS

- **Conference registration per person** - No Charge Associated with attendance to Conference Day 1 or 2
- **UDV Presidents' Dinner** \$55 (inc. GST) Non members \$110 per person (inc. GST)
- **MCG Sports Tour or Museum Visit** \$15 each or \$22.50 for both

UDV ANNUAL CONFERENCE - ATTENDANCE AT SESSIONS

Please confirm attendance at each Session and Event as listed (Numbers required for catering purposes):

UDV Annual Meeting Tuesday March 5th 2013 (This session will start late morning. There is no cost for this session)

UDV Conference Day 1 Tuesday March 5th 2013 (This session commences at 1pm following the luncheon)

MCG Guided Tour Tuesday March 5th 2013 commencing at 5.30pm from the Jim Stynes Room (45 minute tour)

UDV Presidents' Dinner Tuesday March 5th 2013

UDV Conference Day 2 Wednesday March 6th 2013 (Note: this session will conclude at lunchtime)

National Sports Museum Visit Wednesday March 6th 2013 departing at 1.30pm from the Jim Stynes Room

Please indicate here if you there are any special dietary requirements:

PAYMENT OPTIONS

Cheque enclosed for \$ (Cheque to be made payable to the VFF)

Credit Card (Visa or Mastercard only)

Card number:

Card expiry date:

Name as displayed on card:

Signature

Lodging your registration and payment

Please lodge your registration form by:

Email: glivery@vff.org.au • **Fax:** 03 9207 5611 • **Post:** UDV/VFF, Farrer House, 24 Collins Street, Melbourne VIC 3000

Farmers Develop Water Co-Op



The seeds of Waterpool were sown in August 2012, following the closure by Goulburn-Murray Water of Watermove. It was felt that the water trading industry needed to maintain the transparent form of trading Watermove had originally offered, so a group of Goulburn Valley farmers came together to create what is now known as Waterpool.

Waterpool offer transparent and ethical water trading for all water users, it is a co-operative whose membership base are the shareholders of the company.

In its infancy, Waterpool consisted of a group of like-minded water users seeking to fill a void in the water price discovery. Today, a few short months later, it is comprised of 50 foundation members and an ever growing list of ordinary members. It has been the investment of these foundation members, and their belief in the primary objectives of

Waterpool, together with the support of its members that has guaranteed the success of Waterpool to date.

Membership consists of a once only \$50 which entitles members to 50 Ordinary Shares and the right to vote whenever a matter is referred to members for decision.

Waterpool's interim board was ratified for 12 months at the inaugural Foundation Members meeting held in Kyabram. The members of the Board are– Chairman Terry Hehir, Peter Mulcahy, Peter Fitzgerald, Gino D'Augello and Doug Fehring, together with CEO Peter Lawford, The first pool was run on 18 October trading 420 ML at \$35/ML. These numbers have continued to rise. Each week sees an ever-growing number of water users anxious to become part of this co-operative and to buy and sell their water in a fair and ethical trading environment with water prices being driven by the market.

Waterpool aims to service the interests of the smallest to the largest water traders and welcomes all offers. To further guarantee the transparency of the pool, and to ensure all members are treated equitably, the pool is audited by the Kyabram accounting firm, Sheridan Partners.

Waterpool also provides a credible brokering service for both high and low reliability water with an ever-growing list of buy and sell offers. These listings are available to view on our website www.waterpoolcoop.com.au and are updated regularly. Waterpool strives to provide a "start to finish" service for their client's trading their permanent entitlements and encourages anyone to contact us with any queries.

Dairy Industry to Review DA Constitution

The dairy industry will review the Dairy Australia (DA) constitution. This follows an announcement at last November's DA AGM.

In announcing the review DA Chairman, Max Roberts, said "Ten years have passed, so it's timely, and good governance, to carry out such a review. The review will also allow those who raised issues during the levy vote to put their ideas and comments forward and have them heard, and most importantly, assessed".

The UDV, which had called for a review noting that a lot had changed in the industry since the DA constitution was originally developed in 2002, welcomed the announcement.

UDV President, Kerry Callow, said "the review needs to consider the composition of the DA Board, including representation by dairy farmers, whether the Chairman should be a dairy farmer, director's terms of office, the process for filling vacancies, the use of proxy votes and the use of new voting technologies".

The UDV had previously identified the review should include but not be limited to;

- Composition of the Board – 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 Director might serve and if a maximum is specified should there be a mechanism for that person to continue (eg 75% of the vote)
- 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 (eg 75% of the vote)
- 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 and on constitutional change. 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 new technologies 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.

Max Roberts announced that the review will be conducted by a four-member review panel chaired by Tallygaroopna dairy farmer and past president of ADF, Allan Burgess.

Other panel members include John Doyle, who has just stepped down from the DA Board and was part of the original team that developed the current Constitution, Ross Joblin, DA's Company Secretary and Group Manager Business Operations, and John Lawrenson, current Chairman of the Apple and Pear Growers Association and previously Managing Director of the Australian Wheat Board and a director of Bonlac Supply Company.

The UDV will be active through the review process and encourages dairy farmers to have their say.

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