

GippsDairy Annual Report

2022/23

DELIVERING
for **DAIRY**

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Our vision

A vibrant and sustainable dairy industry that provides economic, social and environmental benefits to all participants and our wider community.

Our mission

Excelling in engagement and services that enhance the vibrancy and sustainability of the Gippsland dairy industry.

Our strategic priorities

Enable prosperous and resilient dairy businesses.

Improve the capability and capacity of our dairy people.

Foster a culture of leadership across the Gippsland dairy industry.

Enhance the reputation of the Gippsland dairy industry.



Message from the Chair

Over this past year, Gippsland dairy farmers have enjoyed a sustained period of high milk prices that have allowed farm businesses to continue to make on-farm investments for their future productivity.

Whilst there has been regional variation, with some areas being as wet as people can remember, Gippsland's seasonal conditions have for the most part been favourable.

During 2023, we extended an invitation to Gippsland farmers to provide feedback on their priorities for the 2023-24 year. The top three priorities were herd and feed innovation, enhancing farm business management, and supporting farm employment needs. The existing programs valued the most were feedbase and pasture, discussion groups, employment and workforce attraction, farm business management and the Our Farm Our Plan program. Farmers shared that they want more real facts on carbon and climate, employment assistance, discussion groups, mental health education, and back to basics pasture management.

Our most popular programs and extension were Emergency Animal Disease & Biosecurity, Cups on Cups off, and Feeding Pastures for Profit. Gippsland remains the region with the largest numbers of farmers completing Our Farm Our Plan. The second GippsDairy Muster was held in Yarram in June 2023 – a day convention and networking dinner that was attended by over 160 farmers and service providers. As part of our Workforce Attraction project this year we have had direct engagement with just over 1,900 Gippsland school students and job seekers to promote dairy careers.

A conversation between our Women in Dairy Discussion Group coordinator, Robyn McLean and a group of dairying women at last year's AGM resulted in the inaugural Ladies' Lunch in Traralgon in December 2022. The event was a great success with 150 people coming together to celebrate the role women play in our industry. We also celebrated the 25-year anniversary of the Don Campbell Memorial Tour with a reunion that was attended by current and past participants, as well as the late Don Campbell's family. The GippsDairy Grants program commenced with the first grant awarded to Maffra and District Landcare group to continue a multi-year trial project understanding the performance of multi-species pastures versus conventional pastures in a flood irrigated environment.

GippsDairy's income has decreased due to reduced milk production and an unchanged levy rate. GippsDairy, in partnership with Dairy Australia, will continue to focus on delivering value to our industry, and there will be changes to how some services are delivered.

In 2023-24 we will continue to support our GippsDairy facilitated Discussion Groups and Young Dairy Network. We will provide a range of courses delivered 'in-person' on topics such as animal performance, farm business management, feedbase, adapting to a changing climate, people, and farm safety. GippsDairy will also support National online delivery and blended delivery of some programs.

Thank you to everyone who has been involved in GippsDairy programs during the 2022/23 financial year and helped make it another successful year. We appreciate the efforts of our dedicated GippsDairy staff, industry partners, and those farmers who have hosted events and supported the delivery of activities. We accept that there are always areas where we can improve; making sure all Gippsland dairy farmers understand what is available and can access programs at locations near to them. We will continue to improve on how we are communicating and using different ways to reach farmers, and are always keen to hear your ideas.

After nine years serving on the GippsDairy Board I have now come to the end of my tenure. I have thoroughly enjoyed working with such a passionate, dedicated Board and am confident that they will continue to provide strong leadership for GippsDairy. I would also like to thank Karen and the team for their great work over the last year, often going above and beyond in their quest to deliver the best service to us here in Gippsland. It seems like a different world now to when I started as a GippsDairy director in 2014, but I am confident that together we will support each other and all do our bit to ensure that our Gippsland Dairy Industry continues to thrive in the years to come.



A handwritten signature in black ink, appearing to read 'Lauren Finger'.

Lauren Finger GippsDairy Chair

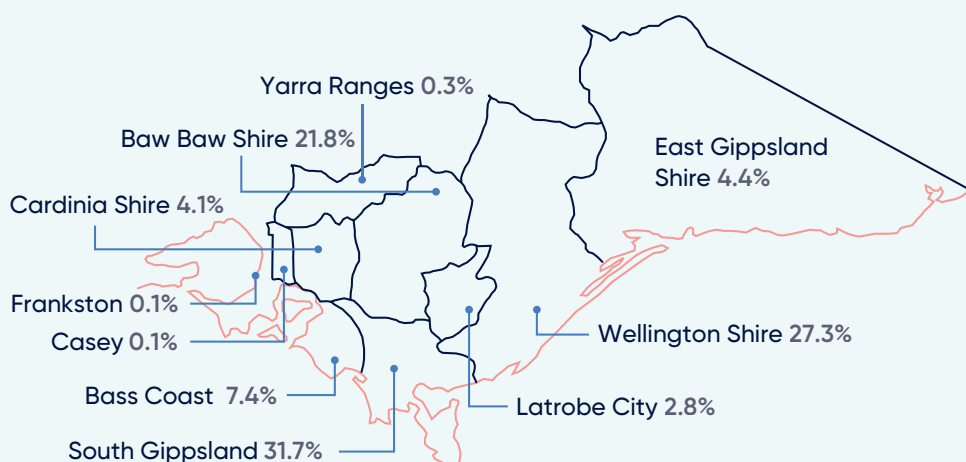
Achievements against the Strategic Plan

The following table acknowledges our efforts and progress in achieving the priorities identified in the GippsDairy Strategic Plan 2020–2025.

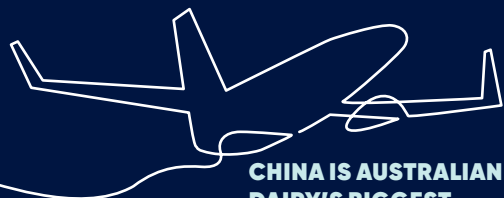
Strategic priority	Progress
1 Enable prosperous and resilient dairy businesses	<p>Since the Our Farm Our Plan program commenced, annual delivery targets for Gippsland have been exceeded. Of the 8 Australian dairying regions, Gippsland has the highest numbers of farmers participating. Feedback from participants remains extremely positive. The most common goal amongst farmers when developing their 5 year plan is to achieve a healthy work life balance. GippsDairy has increased the number of discussion groups offered to Gippsland dairy farmers from 12 to 14. Results from the Dairy Australia National Dairy Farmer Annual Survey provides evidence of positive and profitable dairy businesses;</p> <ul style="list-style-type: none"> • Since 2020, Gippsland dairy farmers have experienced increased positivity towards their own business future; 84% in 2023 compared to 76% in 2020. • In the 2021-22 financial year, 94% of Gippsland dairy farmers indicated that they had made a profit compared to 80% the previous year. <p>While seasonal and economic conditions have a strong influence on these results, GippsDairy will continue to focus on our role in enabling a prosperous and resilient Gippsland dairy industry.</p>
2 Improve the capability and capacity of our dairy people	<p>We've seen:</p> <ul style="list-style-type: none"> • The delivery of more than 110 extension activities with 2,122 attendees (a 95% increase on 2021-22 attendances). • Emergency Animal Disease and Biosecurity Awareness programs were well attended across the region. • The December 2022 Ladies Lunch and Calf Frontiers workshop with Nina Von Keyserlingk (Feb 2023) each attracted well over 100 attendees. • Provision of new extension programs on Succession Planning and Career Advancement for young farmers. • Establishment of 3 Producer Demonstration Sites for a Gippsland Dairy Beef program in partnership with Meat and Livestock Australia. • 83% of those completing extension evaluation forms have indicated an improvement in knowledge of two points or more from attending a GippsDairy extension event. <p>GippsDairy Staff have benefited from training in facilitation skills, Dairy Australia's Regional Extension Officers "On Target" program, connection with the APEN (Australian -Pacific Extension Network) and utilising the DISC model as a resource to increase connections across staff teams and with farmers and service providers.</p> <p>GippsDairy has completed outreach with 23 Gippsland secondary schools, 7 Gippsland primary schools and 15 industry and careers expo events to promote dairy career pathways. A total of just over 1,900 students, job seekers and career changers have had specific engagement with a GippsDairy staff member through these events.</p>
3 Foster a culture of leadership across the Gippsland dairy industry	<p>We have been growing leadership across the industry through;</p> <ul style="list-style-type: none"> • 15 participants in the annual Don Campbell Memorial Tour to Tasmania. • Having Gippsland dairy farmers lead presentations and discussions at the GippsDairy Muster, discussion groups, careers expos, school programs and at industry events. • Promoting industry leadership training opportunities. • Ensuring all GippsDairy Board Directors have the opportunity to complete the Australian Institute of Company Directors Course. • The utilisation of over 20 consultants, both local and national, to deliver programs across the diverse extension areas of dairy farming. <p>Dairy Australia's Strategic Portfolio tracker survey from Nov 2022 indicates that 83% of Gippsland dairy farm employees are confident describing to others why the industry is rewarding to work in, compared to 78% in 2021. We were proud to see that Gippsland farmers had the highest score across all of the Australian dairy regions.</p>

Strategic priority	Progress
4 Enhance the reputation of the Gippsland dairy industry	<p>GippsDairy has sponsored the following industry events:</p> <ul style="list-style-type: none"> • Cows Create Careers – delivered to 20 schools across Gippsland for 2023 calendar year. • South Gippsland Dairy Expo – September 2023. • Youth Dairy Cattle shows. • Multispecies / Regen Ag project in Newry – in partnership with AgVic and West Gippsland CMA • Wilandra Smart Power Farm Field Day. <p>Industry reputation can be enhanced by farmers supporting career development amongst their workers. In 2022, 63% of Gippsland Dairy Farmers have had conversations with people working on their farm (including family members who work on farm) about their career goals and how they would like to achieve these.</p> <p>We continue to celebrate the achievements of Gippsland dairy farmers through our communications channels. Some examples of content promoted through local media outlets include; Don Campbell Memorial Tour 25 year anniversary reunion, GippsDairy 2023 Muster event, Gippsland being visited by the United States Department Agriculture and the Cows Create Careers winning school for 2022.</p> <p>GippsDairy's social media reach at May 2023 consists of 3,282 Facebook page followers, 455 Instagram followers and there are 1,384 fortnightly eNews subscribers.</p>

Gippsland dairy farms by local Government area



2022/23 snapshot



CHINA IS AUSTRALIAN DAIRY'S BIGGEST EXPORT MARKET

Gippsland produces

25%

of Australian dairy exports

EXPORTS TO ASIA ACCOUNTED FOR 87%

of Australian dairy volume exports in 2022/23 (this includes markets in east, southeast and central Asia) with a value of \$3,113 million



MANUFACTURED PRODUCTS INCLUDE

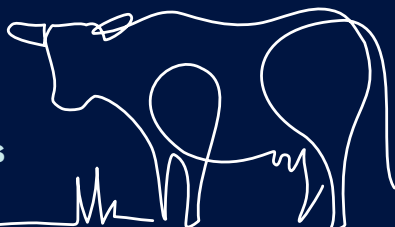
whole milk powder, infant formula, UHT milk, cream, cream cheese, hard and soft cheeses, yoghurt and butter



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dairy factories operate in Gippsland, and the region's milk is also sent directly to Melbourne and beyond

Dairy is the biggest agricultural contributor to the Gippsland economy with around **281,000 COWS** producing **1,816 MILLION LITRES** on **1,028 FARMS**



Ryegrass-based production system



THE GIPPSLAND DAIRY INDUSTRY HAS A FARMGATE MILK VALUE OF AROUND \$1.3 BILLION



GIPPSLAND'S SHARE OF NATIONAL MILK PRODUCTION

22%

AROUND 6,800 PEOPLE IN GIPPSLAND ARE EMPLOYED IN DAIRY FARMING

(where around 3,000 people are working on farm)



TOTAL FARM NUMBERS IN GIPPSLAND

1,028

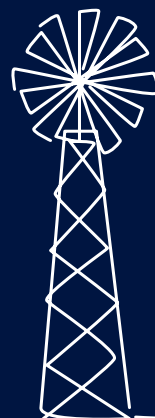
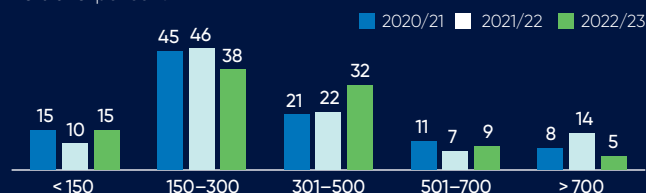
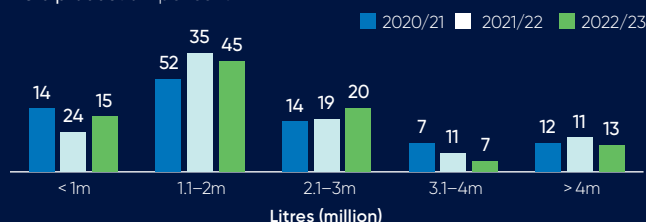


Figure 1 Distribution of Gippsland Dairy farms by per cent

Herd size per cent



Herd production per cent



Source: Dairy Food Safety Victoria

GippsDairy Board

GippsDairy is governed by a board of ten directors. The Board is made up of six dairy farmers, three specialist directors with skills required by the Board, and the Executive Officer. Board members are appointed for three year terms and can serve a maximum of three terms. During 2022/23, the board met for an annual general meeting (October 2022, one strategic planning meeting (December 2022), six general board meetings (August, October, December, February, March, June) and one extraordinary meeting (September 2022). Two Corporate Governance Committee meetings were held (September 2022 and February 2023).



Lauren Finger

**Chair (from 2021)
Farmer Director**
Appointed 2014



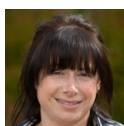
Martin Fuller

Specialist Director
Appointed 2021



Sarah O'Brien

**Public Officer/
Deputy Chair**
Farmer Director
Appointed 2019



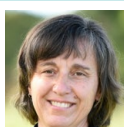
Jessica Knight

Farmer Director
Appointed 2021



Mick Hughes

**Public Officer
Farmer Director**
Appointed 2022



Karen McLennan

Executive Officer
Appointed 2022



Ken Lawrence

Farmer Director
Appointed 2021



Lisa Broad

**Casual Vacancy
Farmer Director**
Appointed 2023



Peter Fort

Specialist Director
Appointed 2021



Tony Platt

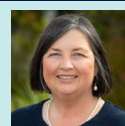
Specialist Director
Appointed 2022

Director departures



Dan Armstrong

Specialist Director
Appointed 2016
Resigned Oct 2022



Michelle Axford

Farmer Director
Appointed 2017
Resigned Oct 2022



Shiona Berry

Farmer Director
Appointed 2017
Resigned Feb 2023

Below lists the meetings Directors were eligible to attend and the number attended.

Directors	Board Meetings		Corporate Governance Sub Committee		Major Events Sub Committee	
	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended
Lauren Finger	9	9	2	2		
Sarah O'Brien	9	9	1	1	13	13
Ken Lawrence	9	9	1	1		
Peter Fort	9	7	1	1		
Martin Fuller	9	7	1	1		
Jessica Knight	9	9			13	13
Tony Platt	6	6				
Mick Hughes	7	7				
Lisa Broad	1	1				
Karen McLennan	9	9	2	2	13	13
Shiona Berry (Resigned 2023)	6	4	1	1		
Michelle Axford (Resigned 2022)	4	4				
Dan Armstrong (Resigned 2022)	4	2				

Financial report

GIPPSDAIRY BOARD INC.
ABN: 55 089 794 366

Income statement for the period ended 30 June 2023

	Notes	2023	2022
		\$	\$
Income			
Dairy Australia Funding		1,085,000	1,143,799
Other project funding		84,861	167,029
Interest received		25,030	3,654
Profit/(loss) on sale of plant and equipment		-	(2,892)
Total ordinary revenue for the period		1,194,891	1,311,590
Ordinary expenses for the period			
Depreciation		40,735	39,901
Board and panel fees		42,513	36,232
Audit fee		14,024	6,500
Interest paid		254	580
Insurance		10,238	10,741
IT support		1,402	691
Operating expenses		71,774	80,079
Project expenses		210,304	214,962
Rent of premises		2,105	155
Staff expenses		904,375	875,717
Total expenditure		1,297,724	1,265,558
Net result for the year		(102,832)	46,032
Retained surplus at the beginning of the financial year		1,425,732	1,379,700
Total equity		1,322,900	1,425,732

The accompanying notes form part of these Financial Statements.

Balance sheet

As at 30 June 2023

	Notes	2023	2022
		\$	\$
Current assets			
Cash and cash equivalents	2	1,415,559	1,403,169
Trade and other receivables	3	57,642	32,429
Prepayments		2,407	1,491
Total current assets		1,475,608	1,437,089
Non-current assets			
Right of Use of Asset	6	3,273	42,546
Plant and equipment	6	1,829	3,291
Total non-current assets		5,102	45,837
Total assets		1,480,710	1,482,926
Current liabilities			
ATO creditor – GST		11,899	-
Trade and other payables	7	17,267	-
Accruals	8	18,116	3,888
Unearned income	9	109,428	10,000
Lease liability	11	1,100	39,957
Total current liabilities		157,810	53,845
Non-current liabilities			
Lease liability	11	-	3,348
Total non-current liabilities		-	3,348
Total liabilities		157,810	57,193
Net assets		1,322,900	1,425,733
Equity			
Retained earnings		1,322,900	1,425,733
Accumulated funds		1,322,900	1,425,733

The accompanying notes form part of these Financial Statements.

Cash flow statement

For the year ended 30 June 2023

	Notes	2023	2022
		\$ Inflows/(Outflows)	\$ Inflows/(Outflows)
Cash flows from operating activities			
Receipts from grants and contributions		1,244,076	1,558,329
Payments to suppliers and employees		(1,214,510)	(1,421,964)
Rent paid		(42,205)	(42,943)
Interest received		25,030	3,654
GST paid to ATO		-	(29,831)
Net cash provided by (used in) operating activities	13 (b)	12,391	67,245
Net increase/decrease in cash held		12,391	67,245
Cash at beginning of year		1,403,169	1,335,924
Cash at end of financial year	13 (a)	1,415,560	1,403,169

The accompanying notes form part of these Financial Statements.

Notes to the financial statements

For the year ended 30 June 2022

1 Statement of accounting policies

The financial statements cover GippsDairy Board Inc as an individual entity. GippsDairy Board Inc. is a not for profit association incorporated in Victoria under the Associations Incorporation Reform Act 2012.

(a) Basis of Preparation

The financial report had been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.

In the opinion of the board, the Association is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the board, the Associations Incorporation Reform Act 2021 and Dairy Australia.

The Financial Report has been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting policies, changes in Accounting estimates and Errors, AASB 16 Leases and AASB 1054 Australian Additional Disclosures.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

(b) Property, Plant and Equipment

Each class of plant and equipment is carried at cost and, where applicable, any accumulated depreciation.

Plant and equipment is depreciated over the assets useful life to the association, commencing when the asset is ready for use.

(c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(d) Goods and Services Tax

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of an

asset or part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

(e) Revenue and Other income

Revenue is recognised when the amount of the revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the association. Revenue is measured at the fair value of the consideration received or receivable.

(f) Interest revenue

Interest revenue is recognised when received

(g) Operating Leases

The new lease standard AASB 16 Leases has been applied from the 2021 financial year. This standard involves recognition of a right to use of asset and liability for all leases (excluding short-term leases with less than 12 months of tenures and leases relating to low value assets) and Depreciation of right of use assets in line with AASB 116 Property, Plant & Equipment in profit and loss and unwinding of the liability into principal and interest components.

(h) Right of use assets

Right of use assets are recognised at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for the remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received.

Right of use assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets.

(i) Lease Liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the term of the lease. The carrying amount of the lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments.

Notes	2023	2022
	\$	\$

2 Cash and cash equivalents

Cash at Bank – operating account	290,255	304,896
Cash at Bank – online saver	405,698	400,298
Cash at Bank – capital growth	719,606	697,975
	1,415,559	1,403,169

Notes	2023	2022
	\$	\$

3 Accounts Receivable

Current

Dairy Australia	20,425	3,965
Trade receivables	33,617	9,075
GST receivables	-	8,438
Other accounts receivable	3,600	10,951
	57,642	32,429

Notes	2023	2022
	\$	\$

4 Prepayments

Prepayments	2,407	1,491
	2,407	1,491

5 Dairy Australia

Dairy Australia is the umbrella organisation that works in partnership with the eight smaller specific regional teams located in dairy regions across the country, one of which is GippsDairy Board Inc. Employees are employed by Dairy Australia and then GippsDairy utilises the services of those employees, reimbursing Dairy Australia on a monthly basis. Dairy Australia manages the payroll, staff entitlements and fringe benefits arrangements. Dairy Australia provides the majority of the funding and also provides accounting and administrative services to GippsDairy.

Notes	2022	2022
	\$	\$

6 Property, plant and equipment

Furniture at cost	3,225	3,225
Less accumulated depreciation	2,001	1,677
	1,224	1,548
Equipment at cost	6,926	6,926
Less accumulated depreciation	6,321	5,183
	605	1,743
Total property, plant and equipment	1,829	3,291
Right of use asset	78,546	78,546
Less accumulated depreciation	75,273	36,000
Total ROU asset	3,273	42,546

The right of use asset measured above is the lease of the building at 6 Endeavour Street, Warragul

Movements in carrying amounts

Movements in the carrying amounts for each class of property, plant & equipment between the beginning and the end of the current financial year were,

Plant and equipment

Balance at beginning of year	45,837
Additions	-
Disposals	-
Depreciation expense	(40,735)
Carrying amount at end of year	5,102

	Notes	2023	2022
		\$	\$
7 Trade and other payables			
Dairy Australia		-	-
GST Payable		11,899	
Other payables		17,267	-
		29,166	

	Notes	2023	2022
		\$	\$
8 Accruals			
Accrued expenses		18,116	3,888
		18,116	3,888

	Notes	2023	2022
		\$	\$
9 Unearned income			
Unearned income		109,428	10,000
		109,428	10,000

The unearned income relates to a grant received for the Dairy learn pathway project which will be completed in the 2024 financial year.

	Notes	2023	2022
		\$	\$
10 Accumulated funds			
Project funds held on 30 June		109,428	15,310
Funds held for reserves		275,000	212,584
GippsDairy operating funds		938,472	1,209,727
		1,322,900	1,437,621

Funds held for reserves are set aside in the event of GippsDairy wind up. The amount is calculated in accordance with the policy "Reserve funds to be held by GippsDairy". Project funds are amounts retained that are already have been allocated to a project from the previous year.

11 Leases

The lease liability is in relation to the lease of the building at 6 Endeavour Street, Warragul

	Notes	2023	2022
		\$	\$

12 Audit fees

Audit fees		6,850	6,500
		6,850	6,500

	Notes	2023	2022
		\$	\$

13 Cash flow information

(a) Reconciliation of cash: Cash at the end of the financial year as shown in the statements of cash flows reconciled to the related items in the balance sheet as follows:

Cash at bank (including overdraft)	1,415,559	1,403,169
	1,415,559	1,403,169

(b) Reconciliation of cash flow from operations with profit from ordinary activities:

Net result for the period	(102,832)	46,033
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Non cash movements

Depreciation	40,735	39,901
Loss on sale of plant and equipment	-	2,892
Interest paid on lease	254	580
Rent paid	(27,529)	(38,728)
(Increase)/decrease in receivables	(25,312)	87,554
(Increase)/decrease in prepayments	(916)	360
(Increase)/decrease in ROU asset	39,273	(40,399)
(Increase)/decrease in payables	17,267	(84,810)
(Increase)/decrease in accruals	14,228	3,828
(Increase)/decrease in unearned income	99,428	10,000
(Increase)/decrease in lease liabilities	(42,205)	40,034
Cash flow from operations	12,391	67,245

Independent Audit Report

ABN: 76 717 906 676
Phone: 03 5682 2624
76 Main Street
P.O. Box 17
FOSTER VIC 3960
Email: admin@duesburysfoster.com.au
Website: duesburysgippsland.com.au

Duesburys Gippsland
Chartered Accountants

Tax Return Preparation
Tax Planning
Financial Advice
Audits and Investigations
Software Training
Business Management
Centrelink Issues

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF GIPPSDAIRY BOARD INC FOR THE YEAR ENDED 30 JUNE 2023

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of GippsDairy Board Inc. which comprises the Balance Sheet as at 30 June 2023, Income Statement and Statement of Cash Flows for the year then ended, notes to the financial statements comprising a summary of significant accounting policies and other explanatory information, and the statement by board members.

In our opinion, the financial report of GippsDairy Board Inc. presents fairly, in all material respects, the financial position as at 30 June 2023 and of its financial performance and its cash flows for the year then ended on that date and complies with Australian Accounting Standards Associations Incorporation Reform Act 2021 (Vic).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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 of the financial report, which describes the basis of accounting used. The financial report has been prepared for the purpose of fulfilling GippsDairy Board Inc.'s financial reporting responsibilities under the Associations Incorporation Reform Act (Vic) 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Independence

We are independent of the association in accordance with 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 responsibilities in accordance with the Code.

Responsibilities of the Committee for the Financial Report

The Board are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and have determined that the basis of preparation, described in Note 1 to the financial report, is appropriate to meet the requirements of the Associations Incorporation Reform Act (Vic) 2012. This responsibility also includes such internal controls as the board determines are 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, management is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to continuing as a going concern and using the going concern basis of accounting unless the board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

The board are responsible for overseeing the association's financial reporting process.

Independent Audit Report cont.

Auditors 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 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 based on this financial report.

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 misstatements 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 other overrides of internal controls.
- Obtain an understanding of internal controls 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 association's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.
- Conclude on the appropriateness of the board's 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 association'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 auditors' report. However, future events or conditions may cause the association 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 similar manner that achieves fair presentation.

Other Information

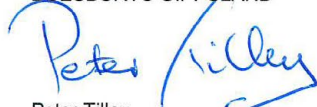
The board of the association are responsible for other information. The other information comprises the information included in the associations annual report for the financial year ended 30 June 2023 but does not include the financial report and our auditors report thereon.

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 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.

DUESBURYS GIPPSLAND



Peter Tilley
Chartered Accountant
76 Main Street
FOSTER VIC 3960
19th September 2023

Statement by the Board Members



GippsDairy
6 Endeavour Street
PO Box 1059
Warragul, VIC Australia 3820
T +61 3 5624 3900
E info@gippsdairy.com.au
W gippsdairy.com.au

Statement by the Board Members

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

In the opinion of the board the special purpose financial report as set out in this Annual Report:

1. presents a true and fair view of GippsDairy Board Inc as at the 30th June, 2023 and its performance for the twelve months ended on that date.
2. at the date of this statement, there are reasonable grounds to believe that GippsDairy Board Inc will be able to pay its debts as and when they fall due and payable.
3. as detailed in note 1 to the accounts, GippsDairy Board Inc is not a reporting entity, the opinion of the board is that it is unlikely that there are users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, the special purpose financial statements have been prepared to meet the Board's reporting requirements and the Association Incorporation Reform Act 2012.
4. no officer of the GippsDairy Board, no firm of which an officer is a member and no body corporate in which an officer has a substantial financial interest has received, or become entitled to receive, a benefit in excess of normal trading conditions as a result of a contract between the officer, firm or body corporate and the Board.
5. no officer of the GippsDairy Board Inc has received directly or indirectly from the Board any payment or other benefit of a pecuniary value, other than directors who were paid attendance fees and expenses incurred at board and project committee group meetings in accordance with the guidelines approved by Dairy Australia.

This statement is made in accordance with a resolution of the board and is signed for and on behalf of GippsDairy Board Inc by:

A handwritten signature in black ink, appearing to read "Lauren Finger".

Lauren Finger
Chair

A handwritten signature in black ink, appearing to read "Sarah O'Brien".

Sarah O'Brien
Board Member

9th October 2023
Warragul

GippsDairy team in 2022/23



Executive Officer/Regional Manager

Karen McLennan



Regional Extension Officer
Feedbase

Josie Garner



Executive Assistant

Sallie Clynes



Regional Extension Officer
Land, Water, Climate

Robyn McLean



Administration Officer

Isabella Ingram



Workforce Attraction Lead

Veronica McLeod



Communications Officer (secondment)

Stacey Alfred



Regional Extension Officer
Farm Business Management

Richard Ockerse



Regional Extension Officer - Lead

Matt Hall



Regional Extension Officer
Our Farm, Our Plan

Kimberley Price



Regional Extension Officer
Seconded to Dairy Australia
for 12 months from December 2022

Sarah Cornell



Regional Extension Officer
Workforce

Jessica Russell



Regional Extension Officer
Animal Performance

Kristen Davis

Acknowledgements from GippsDairy

Staff departures

Kathryn Fox

Regional Extension Officer – Agribusiness
Resigned September 2022

Donna Gibson

Lead Regional Extension Officer
resigned September 2022

Gerard Callinan

Communications Advisor
Resigned January 2023

Paul Tyson

Regional Climate Adaptation Lead
Resigned March 2023

Katherine Byrne

Regional Extension Officer – Feedbase and
Animal Nutrition and Young Dairy Network
Resigned May 2023

The GippsDairy Board of Directors and staff sincerely appreciates the assistance and support of many people and organisations. In particular, we would like to extend our appreciation to:

- All dairy farmers in Gippsland
- Dairy Australia
- The seven other regional development programs across Australia: WestVic Dairy, DairySA, Western Dairy, DairyTAS, Dairy NSW, Murray Dairy, Subtropical Dairy
- United Dairyfarmers of Victoria
- Australian Dairy Farmers
- Gardiner Dairy Foundation
- Agriculture Victoria
- Melbourne Water
- TAFE Gippsland
- West Gippsland Catchment Management Authority
- Westernport Catchment Landcare Network
- The milk factories that process Gippsland milk

Disclaimer

The content of this publication including any statements regarding future matters (such as the performance of the dairy industry or initiatives of Dairy Australia) is based on information available to Dairy Australia at the time of preparation. Dairy Australia does not guarantee that the content is free from errors or omissions and accepts no liability for your use of or reliance on this document. Furthermore, the information has not been prepared with your specific circumstances in mind and may not be current after the date of publication. Accordingly, you should always make your own enquiry and obtain professional advice before using or relying on the information provided in this publication.

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GippsDairy
PO Box 1059
Warragul, Victoria 3820
+61 3 5624 3900
info@gippsdairy.com.au
gippsdairy.com.au