



HOTLINE

Newsletter of the United Dairyfarmers of Victoria

October 2010

President's Report



Welcome to the October edition of Hotline. At the time of writing, the Victorian dairy industry has just encountered the heaviest falls of rain and subsequent floods in the past 15 years, we have a new Federal Government, a State Election will be held in November and the height of our production season is about to commence.

Moisture levels see our farmers enter the spring to summer production season in their best position for pasture growth for some years. The old saying, "there's money in mud" will, I imagine be tested. The demand for silage and hay contractors is expected to be huge, putting pressure on timeliness of operations. Hopefully everyone can manage to get their work done in time.

We will now be in the critical time for locust movement. I urge all dairy farmers to be vigilant in monitoring locust hatchings and movement. Current information can be found at www.dpi.vic.gov.au or by telephoning the locust hotline on 1300 135 559.

One challenge for the UDV is to keep in contact with our members. Whilst, we maintain the importance of communicating by mail, increasingly, we rely upon email to send you timely information. We ask therefore, that members inform us of any changes in contact information and especially email addresses.

We have found that as our members swap between factories, contact details fall off our membership list. If you have switched factories in the last 12 months, please ensure that you let your current factory know that you are a member of the UDV / VFF and contact VFF Membership services on 1300 882 833 to complete a new membership form. This also applies if you have changed your trading identity or address.

This month, I have been involved in the selection of Board members for the Gipps Dairy Board and have attended the West Vic Dairy AGM. I was also delighted to attend the Genetics Australia Sharefarmer of the Year Award and present the Jack Green Memorial Award to Lucas & Kylie Licciardello. The award is in honour of Jack Green's commitment to extension. His efforts made a significant contribution to developing

the skills of Victorian dairy farmers and proved to be well before his time. It is great to see the enthusiasm of people like Lucas and Kylie, who have a passion to join the dairy industry and a constant drive to improve their farming methods.

I would also like to welcome Bronwyn Debenham, who has joined UDV as the acting Manager.



Chris Griffin
President
United Dairyfarmers of Victoria

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Fire Services Levy

The Victorian Farmers Federation has celebrated a major win in the government's recent announcement to abolish the fire services levy.

Currently the majority of the budgets of the fire authorities are funded through the Fire Services Levy, which is a tax on insurance. The levy covers 77.5 percent of the CFA budget while the State Government pays the remaining 22.5 percent.

The Fire Service Levy, which is currently 72 percent of the fire insurance premium, creates obvious in-equity issues that the VFF have been pointing out to the government for over ten years.

The VFF argued the Fire Services Levy was inequitable on the basis of the tax having several aspects to the tax that make it an inequitable tax and poor government policy.

- 1. The FSL free-rider problem:** The FSL discriminates against people and businesses that take responsibility for their own property risk by arranging insurance cover. More than one in four households have no insurance coverage and therefore do not contribute to the cost of the community's fire services.
- 2. Rural Victorians are seriously disadvantaged by the current funding system:** Levy rates in CFA areas are significantly higher than for the metropolitan area serviced by the MFESB. Rural communities in Victoria pay the world's highest taxes on their insurance policies.
- 3. The FSL system is non-transparent:** Surveys have shown that few insurance policy holders are aware either of the level of tax they are paying or that they are funding the bulk of the fire services' budgets.
- 4. Property insurance premiums are triple taxed in Victoria:** The levy costs consumers an additional 31 percent for residential or 72 percent for businesses on the risk premium. On top of the fire services tax, the government receives GST and then applies a further stamp duty on the insurance, on the fire services levy and on the GST. Property policy holders in Victoria therefore pay a tax on a tax on a tax.



In addition to the Fire Services Levy, Stamp duty is paid on the insurance premium plus the levy price and then GST is charged on the premium, the levy and Stamp Duty. Effectively, this means that for every \$100 paid in insurance, a farming enterprise will pay an additional \$108.12 in taxes. Interestingly, the State Government's contribution to the CFA is more than made up from the Stamp duty collected on fire insurance.

Over the past ten years the VFF has contributed over 80 items of major correspondence, 35 media releases and 17 submissions centred on or relating to the Fire Services Levy.

The State Government has agreed to fund the fire authorities with a charge on property. The VFF will now work with government to shape the alternative system. In broad terms the replacement has been along the same lines as the VFF's model proposed to the government in detail in our latest submission. We will be working to make sure the property based model is not calculated in a similar fashion to the current municipal rates system.

The VFF has previously provided an alternative model which focuses on a charge on building assets and also considers the impact of the 20 percent of fire authority call outs relating to motor vehicle accidents.

VFF members benefit with Utilacor and Origin Energy

The VFF has in place a special electricity buying scheme for its members available through Utilacor and Origin Energy. Significant savings on electricity costs with rates locked in for three years can be achieved solely by VFF members. In addition to electricity pricing, there is also a number of energy management and auditing services available which have the potential to save you even more. Currently over 200 VFF members have taken advantage of this opportunity.

To find out the benefits of this scheme, contact the Origin VFF hotline on 1300 138 149, or Utilacor on 1800 26 18 26. It doesn't matter if your account is already with Origin.

Dairy share farming toolkit

Don't forget the UDV/VFF Dairy Share Farming Toolkit is now available for members to purchase. The toolkit contains up-to-date and valuable information resources, including contractual templates that meet Victorian legal requirements and was developed with financial support from the Gardiner Foundation. To find out more, or order a Toolkit, contact the VFF Workplace Relations department on 1300 882 833.

New VFF website!!!

A new and much improved VFF website has been developed and is now available for members to review. The new website can be found at www.vff.org.au.

The new website is a vast improvement to our existing site, and will give the VFF the opportunity to better position itself as the leading lobby group for farming in Australia. It will provide enhanced features for members and easy access to all VFF and industry specific communication material.

Feel free to explore the new site and if you have any questions, suggestions or concerns please contact VFF Executive Manager Business Development and Communication, Michael Poore, via mpoore@vff.org.au.

Basin Plan and Sustainable Diversion Limits (SDLs)

The Murray-Darling Basin Authority has announced that the Guide to the proposed Basin Plan is due for release in early October. In brief:

- The Authority has been undertaking further work to improve some of the social and economic elements of the Guide's contents and will continue to carry out such work until the proposed Basin Plan is released. The Guide is the first part of a three-stage process consisting of the Guide, the proposed Basin Plan and the Basin Plan. The Guide will give stakeholders an overview of the proposed Basin Plan ahead of its release and an additional opportunity for feedback before the formal consultation and submission process begins.
- Following the release of the Guide the VFF will be organising regional meetings across the Basin. Once scheduled, meeting times and locations will be circulated to members.

The VFF Water Council's proposed strategic response and engagement plan is as follows:

The farming community remains committed to a Basin Plan that optimises economic, social and environmental outcomes. If the current Water Act requires the MDBA to take a different approach, then the Water Act must be changed. A balanced plan requires:

- A collaborative and transparent planning process that engages farming communities and their representative bodies in a process of optimising water allocation;
- Explicit management of the social and economic impacts of any reductions of water available for agricultural production, or the security of that water.
- Integration of engineering works in setting the Basin's environmental water requirements (EWR) to ensure efficient and effective use of environmental water
- Consideration of tradeoffs between different environmental outcomes, and between environmental and communities' needs. Rivers are no longer pristine or natural but managed systems.
- Independent review of SDL modelling process including EWR modelling, environmental objectives, climate modelling, private land flooding risks, and other factors
- Gaps towards the SDL should be offset through Commonwealth, State, and privately held environmental water; savings from infrastructure upgrade projects; on-farm efficiency program; and as a last resort buyback from willing sellers.
- Due consideration of potential risks on the basin communities and the nation's food security.

Flood Response

The VFF has contacted the State Government to flag the extensive damage created by the floods in Victoria. We are working with DPI and the CMAs to assess the extent on the damage to fences.

This year's flooding has been able to show the clear difference between good riparian management and poor management. We are getting a large number of comments from members on the areas where fences are not appropriate. Also there have been comments coming loud and clear that ring lock fences were generally destroyed and acted as weirs in some cases making the flooding situation worse.

Locusts

Locust Hotline

In readiness for the impending outbreak of locusts, the Department of Primary Industries have established the Locust Hotline. The Hotline will act as an information hub for all members of the community and provide up to date information on the locust situation in your area. It is also the best channel for members to report locust hatchings on your property.

The Hotline staff will also be able to assist landholders in correctly filling out the chemical rebate form and providing the appropriate documentation.

The DPI Locust hotline: 1300 135 559

Details regarding upcoming locust information seminars in affected towns can be found at <http://new.dpi.vic.gov.au/agriculture/pests-diseases-and-weeds/plague-locusts/meetings-location>.

Further industry information can be obtained from www.dpi.vic.gov.au/locust.

Diary dates

Keep 13 October free!

If you are a young person (40 and below) and involved in any aspect of agriculture and agribusiness (farmers, farm consultants, engineers, ag-bankers, R&D personnel, food processing employees, logistics staff or educators) then you are a YAP... a Young Agribusiness Professional.

DAFF is helping Agribusiness Gippsland to run a special day-long-forum at the Cardinia Cultural Centre. The free day will feature mind-stretching speakers, lunch and a brilliant chance to network with YAPs from across Victoria.

We are organising for students from Geelong's Marcus Oldham College to attend, alongside some from LaTrobe University's agriculture faculty and hope to see some YDDP and NCDEA students as well.

E-mail your details to: ptarmigan2@internode.on.net to stay in the loop for more news. Just type 'YAPday' in the subject line. You can also keep an eye on our website and blogsite - <http://agribusinessgippsland.com.au> or aginc.wordpress.com

Rural Industries Research & Development Corporation (RIRDC) Rural Womens' Award

Nominations for the RIRDC Rural Womens' Award are now open.

The RIRDC Rural Womens' Award supports women with a strong and positive vision for the future of primary industries and is open to all women involved in a variety of industries, including fisheries and forestry, natural resource management and related community / service industries.

The Award offers a bursary of \$10,000 to each of the seven State and Territory winners and the opportunity for winners and runners up to attend the prestigious Australian Institute of Company Directors' course.

Applications close on 15 October 2010.

A Victorian winner and runner-up will be announced in March 2011, and the winner will then be eligible for the National Rural Womens' Award later in the year.

Visit www.ruralwomensaward.gov.au for further information or to access a nomination form.

Macalister Demonstration Farm Field Day & AGM

Thursday October 28th - the 50th anniversary of the MDF. All welcome to come & celebrate the history and achievements.

Start time is 10.30am with lunch provided afterwards at 12pm.

Contact Neil Baker on 0400 806 246 or neilbaker@aapt.net.au.

Fancy a read? The Dairy Australia Library has it all!

Did you know that your dairy services levy funds a library with the latest research reports, news and information? The Dairy Australia library offers a unique collection of dairy industry print and electronic resources.

There is a wide range of services on offer:

Books — you can search online to locate specific titles, journals, statistics, research reports and other materials from the collection.

Articles — the library can access a wide range of peer-reviewed articles. If you've seen an article you'd like to read, the library can track it down for you.

Research reports — these are the final reports for research projects that Dairy Australia has conducted, sometimes in partnership with other organisations. They cover a wide range of topics, from pre-farmgate to trade to manufacturing.

Research assistance and literature searches — do you need background information on a dairy industry subject or the latest in dairy technology, standards or statistics? The Library can help you find exactly what you're looking for.

Research training — do you need a refresher in using an online database? Library staff offer regular research training customised to your specific needs. Sessions

can be arranged one-on-one or in groups and held within the library or your office. Customised research training includes how to use online databases, catalogue, journal indexes and more.

Dairy image gallery — a range of dairy images for dairy marketing and promotion.

Loans - library materials (books, audiovisual, Dairy Australia publications, journals) can be borrowed by farmers, members of dairy industry groups, allied organisations, agricultural libraries and professional groups associated with the dairy industry. The standard loan period is 14 days, with a single one week extension available unless the item has been reserved by another member.

Inter-library loans - If the item you are searching for is not held at the Dairy Australia library, it can be sourced from other libraries.

To utilise these services, visit dairyaustralia.com.au/library or phone **1800 824 196**.

The Dairy Australia library is just one of many examples of the dairy services levy at work. For more information on this project and other levy investments visit dairyaustralia.com.au.



Young Dairy Development Program

Don Campbell Memorial Tour Tasmania: 21st – 25th February, 2011

Once again the annual tour will be heading to the dairy belt of northern Tasmania. We will be looking at their farming systems with a focus on managing livestock systems.

Highlights of the trip include:

- A great social experience and developing networks
- Seeing different farming systems and taking ideas back home

The costs to participants are yet to be finalized but will include airfares, bus travel and accommodation. Other additional costs include dinners and some lunches. The trip has been heavily subsidized by GippsDairy, and for South Australian participants, Dairy SA will sponsor their airfares from Adelaide to Melbourne return. UDV District Council 5 will generously sponsor participants from their district.

Applications close on Friday 3rd December 2010. Contact Kylie Barry.

Applicants will be notified of a result by Wednesday 15th December 2010.

Contact details of YDDP Coordinators:

Northern Region Coordinator:
Gemma Monk 03 5833 5928, 0427 538 778,
gemmam@murraydairy.com.au.

Gippsland Regional Coordinator:
Kylie Barry 03 5624 3904, 0428 889 337,
yddpgipps@dcsi.net.au.

South West Regional Coordinator:
Liza Fahey 03 5592 2477, 0408 141 820,
yddp@westvic.com.au.

State Coordinator:
Bill Dullard 0448 969 337,
yddpsc@gippsdairy.com.au

See www.yddp.org.au for event information.

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