

VICTORIAN FARMERS FEDERATION ANNUAL GENERAL MEETING #44

Held at 14 Collins Street, Melbourne – Board Room (Level 3)
Wednesday 15 February 2023 at 9:00 AM

Members in Person: (24)

Meg Parkinson
Colin Coates
Scott Young
Craig Henderson
Oohagh Kilpatrick
Julie Weidermann
Cathy Hastings
Eileen Jorgensen

Alex Arbuthnot
Emma Germano,
Colin Peel
Ian Morris
Jason Mellings
Bernie Free
Ron Hurren
Michael Morcom

Ryan Milgate
Danyel Cucinotta
Ashley Fraser
Bruce Knowles
Andrew Weidermann
Ian Hastings
Anthony Mulcahy
Nicholas Cole

Members by Proxy: (28)

Appointing Chair:
Elaine Jochinke
Maurice Silverstein
Damien Murphy
Robyn Guilline
Sandra Jennings

Appointing Emma Germano:
Rodney Durkin
Veronika Rosato
Appointing Danyel Cucinotta:
David Wright
Appointing Colin Coates:

A Germano
Maria Germano
Catherine Silverstein
Trudy Murphy
Stuart Jennings

Christopher & Adam Schreurs
Mike Durkin
Joseph Rosato
Aeger Kingma
Tim Kingma
Graham & Sara Nesbit

David Jochinke
Mary Smeriglio
Nathan Free
G Guilline
E Guilline

Clarissa Cincotta
Antonio Rosato

Brian Ahmed
Patricia Mitchell

Online Observers

Approx 21 members attended online as observers.

Other:

Gary Bottomer, Company
Secretary
Delshea Sobhee
Tony Pittito, Partner Grant
Thornton

Brendan Tatham, Interim CEO
Charles Everest

Ante Dragovic, CFO
Ryan Malony

Apologies:

Nil

1. WELCOME, PRESENT, APOLOGIES

- 1.1 The Chair opened the meeting at 11:30 AM.
- 1.2 The Chair welcomed all the attendees: members, Directors, staff, Tony Pittito, Audit Partner from Grant Thornton and made a special welcome to all Life Members present.
- 1.3 Apology: Andrew Dix, Chair of Finance & Audit Committee.
- 1.4 Reminder of the AGM Papers being:
 - a. The Minutes of the 43rd VFF AGM held 23 February 2022;
 - b. The audited VFF Financial Report for the year ended 30 September 2022; and
 - c. The VFF Annual Report for 2022 (emailed within the last 24 hours and available on the VFF website).

2. QUORUM

- 2.1 It was agreed that the 44th VFF AGM could proceed as there was a quorum of members present by person or by proxy, 24 members present in the room and 28 proxies.
- 2.2 Valid Proxies:
 - a. Appointing the Chair of the meeting (15).
 - b. Appointing Emma Germano (7)
 - c. Appointing Danyel Cucinotta (5) and
 - d. Appointing Colin Coates (1).

3. MINUTES of the 43rd VFF ANNUAL GENERAL MEETING HELD ON 22 FEBRUARY 2022

RESOLUTION

That the minutes of the 43rd VFF AGM held on 22 February 2022 be accepted as an accurate reflection of the meeting.

Moved by: Danyel Cucinotta

Seconded by: Alex Arbuthnot

Carried

4. PRESIDENT'S REPORT

4.1 President's Verbal Update

The President's report was taken as read and the following items were highlighted:

- a. Acknowledgement that it has been a difficult year for the farming industry across the State and Nationally and that a positive result of this has been increased interactions with VFF particularly in relation to discussions about the food chain and increased costs.
- b. Discussion about the Governments approach to managing rural infrastructure and the negative impact on these decisions for rural communities and farmers. The result being a disconnect between Government Policy and what the Community deems as acceptable.
- c. The VFF plays a critical role in navigating and assisting farmers with the challenges the industry is facing and it has come across some challenges and the VFF acknowledges that it cannot always reach consensus with the membership group, but endeavours to keep moving forward. Decision making by VFF requires a policy framework that provides a more agile and rapid response than has been achieved in the past.
- d. VFF assets, usage of income from assets and increase of borrowings to finance operations has had in depth review recently and this is not sustainable. VFF needs to be strong for the next generation of farmers.

5. CEO REPORT

5.1 CEO's Report (Dr Brandan Tatham)

The Interim CEO introduced himself and welcomed the members and briefly highlighted the following topics:

- The CEO explained his focus is to further develop and implement the Board approved operational strategies and processes to support the organisation into the future noting the lack funding during the COVID period.
- Communication between VFF, internal and external stakeholders has remained high due to technology increasing the abilities of all during the COVID period and outlining the plans for 2023 will continue the development of this capability.
- The CEO shared that the Board is taking the lead in driving strategy for Management to implement, including refreshing the branches, with more information to be given to members as it becomes available.

6. CHAIR OF THE FINANCE & AUDIT COMMITTEE'S REPORT

6.1 Finance and Audit Committee Report

The Finance and Audit Committee Report was taken as read.

7. FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

- 7.1 The Financial Report for the Year Ended 30 September 2022 was tabled. It was noted that there is no requirement for members to approve this report, however, questions were welcomed.

The Chair briefly outlined the key points of the Financial Overview section of the report and highlighted:

- The revaluation of Farrer House with an upswing of \$13.5M has been reported in two separate areas of the balance sheet.
- The increase in the deficit for the year of \$0.6m related to cessation of COVID stimulus government payments and prior year surplus on sale of NFF House. Operating costs have increased due to several factors including unexpected legal costs.
- Borrowings have increased over 2021 mainly due to increased receivables and to cover the operating deficit.
- Membership revenue decreased this year by about \$0.3m and strategies are being implemented to address the key financial issues, including billing of members on a timely basis.
- At the time of the annual report VFF has 4,195 members
- Rental income from Farrer House increased through increased occupancy rates and obtaining new tenants
- Project income has been steady
- Commercial and other revenue shows a slight increase
- Employee costs have been stable despite increased staff movement through the year
- The investment portfolio continued to deliver stable dividends and the value recovered somewhat following the fall during the COVID period

7.2 Questions specific to the financial report:

Q: Why is the Grains Group Deed Poll fund not reported separately?

A: As the reporting for the AGM is for the Company only.

Q: How have the cuts to stipends and honorariums for Commodity groups and others been determined and is the percentage of cuts uniform across Commodity, Councillors and Board Members?

- **The second part was the question of why Board Members stay at the Sheraton and other members stay at the Victoria Hotel.**

A: There has been no change to the stipends and honorariums for members and no directive from the Board in relation to changes in stipends, honorariums or reimbursement of costs however the matter will be reviewed for fairness, reasonableness and alignment with members expectations in relation to members volunteering time to VFF.

- Board Members staying at the Sheraton is due to ease of access to the VFF Office and parking availability, given that the previous Rydges accommodation for all Members and Board Directors is no longer available.

Q: Why did the Grains Group Conference get knocked back last year?

A: The Board determined to consolidate Commodities in a joint Conference to reduce costs of running separate ones. This resulted in a change of format only as the Commodities have time to run their separate meetings.

Q: How can we look at other revenue streams other than based on membership – and have we lost around 80% of key staff in the VFF and can you confirm the staff numbers now?

A: There was a significant change in staffing with a clarified number of the current staff group sitting at 20.

- The concerns are being addressed regarding increased revenue with membership increase as one strategy along with seeking additional revenue from rental occupancy, increase use in technology to reduce costs and rebuild of the internal systems to increase efficiencies.
- The membership numbers were reported erroneously previously as there were unfinancial members included in the totals.
- The VFF is looking at levelling out the numbers and is looking at the metrics used to measure membership numbers.
- The Chair reminded all that Government decisions that impact farmers negatively are not decisions that the VFF has made and went on to explain that some of the staffing losses could be attributed to the Management Team in the past not having the autonomy to make decisions in managing the business.
- The Chair reminded the members that their role is to outline 'what' it is they want of Management and not 'how to achieve' the outcomes. Management must have the delegated authority to be able to execute the Strategy in concert with the Board.

Q: What is the breakdown of fulltime employees and contractors of the VFF?

A: Dr BT advised that most staff are fulltime.

Q: What is the update on Commodity Manager roles?

A: Dr BT advised that there may be some Commodity Managers that do not have the full range of skills that are required for successful execution of the role. Key areas required include:

- The ability to communicate widely and effectively.
- An understanding of the legislative frameworks and policies relevant to the industry.
- An ability to advocate effectively and run campaigns.

Q: Clarification was sought around the recruitment of policy staff for Commodity Groups.

A: Dr BT outlined that focus is on the well-rounded knowledge required, not only of the relevant legislation, but the details embedded within the legislation, with an ability to understand the complexities.

Q: How is possible to lose \$928k in a 12-month period and does this figure include the \$351k legal fees spent in the Court Case?

A: The Chair declined to confirm whether or not the amount of legal fees quoted in the question was accurate due to confidentiality.

Q: Why did the VFF go to Court when there could have been an outcome sought with mediation?

A: The Chair advised that she was not going to comment on the court case in this meeting and will not comment further on this topic.

Q: What is the timeframe to sort out the issues of the VFF?

A: The Chair indicated that will take as long as it takes, taking into consideration and making sure that members have a voice when appropriate. In a membership organisation of over 4,000 members decisions do not happen overnight and neither does the execution of decisions made. Members have consistently stated that the VFF focus should be on matters that are important to every farmer across Victoria.

Q: Does the Constitution allow for the decisions that management are making, particularly in relation to staffing, conference dates, etc?

A: The Chair asked for the question to be taken on notice and the questioner to put in writing what part of the Constitution they believe is being contravened.

Q: You're quoting 4,150 members and in the Annual Report the membership number is 3,960.

A: The number of 4,150 is correct as at today.

Q: How is the VFF going to turn around \$2M operating expenditure when revenue is low?

A: The Chair advised that the forward budget has cost cutting items to address the previous year's losses and will work on balancing the costs below the investment revenue generated. This leads into a delicate balance of member expectation and managing the revenue generated.

Q: In the Statutory Accounts, there is a statement that begins "There were no significant changes in the state of affairs of the group during the financial year" and then goes on in the next section to say (in part) "have not been included in this report as the Directors believe it is likely to result in unreasonable prejudice for the consolidated entity". What does this mean?

A: This is standard wording and it is statement that needs to be put in by advice of the Auditors.

Q: The previous question related to page 2 and the use of the word "development" ... the result of the significant development?

A: The answer is the same for both parts – this is standard wording.

Q: Sundry expense line – what is included in Sundry expenses?

A: Ante explained that there had been a misallocation of IT expenses and that this corrected the matter.

Q: What is being done to update the computer system?

A: Dr BT shared there is a lot of information sitting behind the IT issues report so the board has approved the strategy to engage an IT consultant in a project that is currently underway.

8. APPOINTMENT OF AUDITOR 2023

- 8.1 Prior to the resolution being passed, the members discussed the process according to the Constitution, the drafting of the resolution in the papers and the fact that the papers indicate the wording of the members resolutions as follows:

Members Resolution:

*That DFK Kidson Partnership, having been duly nominated in accordance with Section 328B(1) of the Corporations Act, be appointed as auditor of VFF and its controlled **entity** for financial year ending 30 September 2023.*

Amendment: That the wording be changed from 'entity' to 'entities'.

Moved by: Meg Parkinson

Seconded by: Andrew Weidemann

Carried

Final Members' Resolution:

That DFK Kitson Partnership having been duly nominated in accordance with Section 328B(1) of the Corporations Act, be appointed as auditor of VFF and its controlled entities for the financial year ending 30 September 2023.

Moved by: Danyel Cucinotta

Seconded by: Andrew Weidemann

Carried

9 GENERAL QUESTIONS

Q: At the Melbourne Show that ran for nine days, how much did the VFF spend at the Agricultural site in the Pavillion for the advertising on the physical screen?

- **How many \$55 members did the VFF sign up?**

A: The Chair advised that she could not share the commercial in confidence details related to the sponsorship arrangement.

- There were 11 members signed up.

Q: Why are there only two staff in the field to cover the whole State?

- **Is the VFF trying to decrease membership numbers?**
- **How long will it be before these two staff members burn out?**

A: Dr BT confirmed that this question may be related to Account Receivables and shared that there are in fact five people doing this role relating to collection of membership fees.

There is no expectation of the staff to burn out given there are more resources, and both the Interim CEO and Chair reiterated the plans to improve online portal payments in the plans moving forward.

Q: Did we not put a new IT system in place not long ago and now we are looking at reviewing/replacing our systems again?

A: The Chair advised that the new system put in not long ago was a CRM (Customer Relationship Management) system, not a general IT system and that is only as good as the data integrity in the CRM. The data was not cleaned before new data was imported therefore creating erroneous information.

Q: A question was raised about people accessing the AGM online and the request for members to submit their questions in writing.

A: The Chair advised that the members physically at the AGM have the preference around questions, however all the questions that have been received will be collated and the responses will be provided in the future President reports.

Q: Does the VFF have a stance on the Voice referendum?

- A:** The Chair indicated that it will be up to the Policy Council to determine the suitability of the VFF to have a position on this topic.
- Q:** **Why are other countries interested in purchasing land in various areas of Victoria? The challenge is how do we communicate with them regarding foreign investment?**
- A:** The Chair advised that this question is more relevant for the Conference in July.
- Q:** **What are the plans for increasing and encouraging new membership drive at Field Days? Why does the VFF reception number ring out sometimes?**
- A:** Dr BT advised the plan to increase attendance at Field Days will be supported by funded individuals to attend Field Days on the VFF's behalf and the costs will be funded externally.
- The Chair added the importance of streamlining the process for potential new members in situ.
- A:** Emily responded on the reception question and advised that there was a time where the number was not allocated to a proper voicemail redirection. This has been amended.
- Q:** **On July 19, 2022, the Supreme Court deemed the VFF action invalid to terminate my membership and expel me outlining that the VFF did not follow its Constitution and grievance processes and did not follow natural justice.**
- **Why have you, the President, Vice President and the then Board Members not resigned due to the total breakdown in appropriate Governance and waste of members funds?**
- A:** The Chair advised that it would be inappropriate to comment on this topic in a public forum, given that the legal proceedings (costs) are still active.
- Q:** **Question regarding clause 9.1.1 of the Constitution stipulation and the question of whether the VFF having a combined Conference with one day for Commodities to run their own Conferences is in line with the Constitution?**
- A:** The Chair advised that the Grains Group can join the Combined Conference as scheduled or raise the issue with management if that date is not appropriate.
- Q:** **Clause 7.2.1 (h) of the Constitution, Commodity powers of setting budgets and expenditure.**
- A:** Dr BT advised that the Commodity could submit a budget but the Board sets the company budget. The Chair added that further detail regarding Commodity surpluses and deficits and the common service fee needs to be raised at the Policy Group level not an AGM. Accounting is still performed the same was but discussion is required.
- Q:** **A further reference to the recent court case was made.**
- A:** The chair responded that no discussion would be held in this forum.
- Q:** **Who is taking minutes?**
- A:** The meeting is being recorded.
- Q:** **Why was my work and references to my work vetoed in the UDV/VFF Conference report and when it was reported that reference to my work was not included, you mentioned this was due to legal proceedings?**
- **I am putting on record that I want an apology from the VFF and the Weekly Times.**
- A:** The Chair asked to confirm that this request for an apology has been recorded in the minutes.

Q: Asked that the staff attending Branch meetings have an understanding that policies raised at the meeting are understood and the recommendations are not a consideration of one person, rather a group of members.

A: The Chair shared that the VFF values the Branches and is working on developing more effective communication back and forth from Branches to the VFF and vice versa.

- She went on to share that there are 167 branches that are currently registered in the database but not all are active.
- Less than 15% of the VFF members are engaging in the Branch meetings, so consideration needs to be taken to ensure information fed back is reflective of the entire Branch.
- In one case, there are 200 branch members and only about eight members attend Branch meetings and decide issues on behalf of the entire Branch.

Q: The eight people you mention are in the community and reflecting on what others that are not attending the meetings are thinking. It does not necessarily mean that the feedback coming regardless of numbers is not representing the broader membership group.

A: The Chair shared that she is not dismissing the case where there is proper representation, however there are cases where the information coming back is not reflective of the community and other members.

- The framework needs to be reworked and corrected, to ensure accurate and reflective information is being fed back.

Q: Is there much framework already undertaken in relation to the Branch topic and will there be consultation?

A: The Chair advised that now, there is a list of recommended branches, and the Board is awaiting an implementation plan to be presented by Management on how to implement the changes.

- All active Branch Executives will be consulted, with no change to active Branches being considered.

Q: How does the recruitment for Special Skills Directors occur? And I recommend Paul Weller.

A: There is a nomination Committee that is open to everyone. Paul Weller needs to go through the same process as everyone else.

Q: How is the framework to combine Commodities and Industry Advisory Committees going to work?

A: They are totally separate bodies as per the constitution ie Commodities and Issues Advisory Committees, there is no proposal to combine them.

Q: Who is on the Committee to determine the Independent Director's appointment?

A: The Chair indicated that this was not the appropriate forum to answer the question given that the position was currently being advertised, as no undue pressure should be put on the nominations committee and is happy to chat separately should the questioner desire.

Q: Is the CEO recruitment process the same as the Director appointment?

A: The Chair advised that the process is the same with the Board having final say on the recruitment of the CEO.

Q: Is the appointment of the Independent Directors going to be finalised before the appointment of the CEO?

A: The advertising of the role of CEO is active and if and when the Independent Directors are appointed, they will take on the fiduciary duties upon commencement.

10. END OF MEETING

The Chair closed the meeting at 1:37 PM by thanking all present and expressing their appreciation for members' engagement throughout the session.

This is a true and accurate record of the Minutes of the 44th VFF AGM approved by VFF Members at the 46th VFF AGM held on 19 February 2025



Brett Hosking
CHAIR

25/3/25

Date