



**MINUTES OF THE THIRTY SEVENTH ANNUAL GENERAL MEETING OF MEMBERS OF THE HOLSTEIN- FRIESIAN ASSOCIATION OF AUSTRALIA, HELD IN TINAROO QLD ON TUESDAY 22 OCTOBER 2024.**

PRESENT: Chair : Mr Gino Pacitti - President

Members : 12 in person / 9 online

Officers : Mr Rohan Butler – CEO

: Mr David Jupp - Company Secretary

Staff : 2

Visitors : 5

**1. OPENING and WELCOME**

The Chair welcomed all members present in the room and online and opened the meeting at 1.05pm pursuant to Notice of Meeting distributed in October.

**2. ATTENDANCE REGISTER – DECLARATION of QUORUM and PROXIES**

The Secretary advised the meeting that there was a quorum of more than 20 members including proxies and the Chair declared the meeting duly constituted.

**3. APOLOGIES and PROXIES**

The Secretary advised the meeting that apologies were received from H. Bevan, A Shelly and J. Suares.

**MOVED** Bryan Dickson seconded Ross Gordon that the apologies be accepted.

***Carried***

The Secretary advised the meeting that 12 proxies were held by members at the meeting.

**MOVED** Colin Daley seconded Phil Daniel that the proxies be accepted.

***Carried***

**4. ORDINARY BUSINESS**

**4.1 Confirmation of the Minutes of the Previous Meeting**

**MOVED** Ron Chittick seconded Bryan Dickson that the minutes of the Thirty-sixth Annual General Meeting held on 20 September 2023 be accepted.

***Carried***

**4.2 National Presidents Report**

Mr. Gino Pacitti presented the President's Report for the financial year 2023/24.

*The last year has seen dairy farmers face both challenges and opportunities, but overall the industry remains in a relatively good position. The same could be said for Holstein Australia.*

*For members, the challenges have included weather disruptions, rising production costs and labour shortages, balanced out to a degree by a recovery in milk production during 2023 and into this year.*

*For the Association the challenges have included the rising cost of doing business - certainly not unique to the dairy industry - and the impact of the dramatic slow-down in the export market.*

## **Export**

*As seen in the financial report the effect of the live export slow down for the Association has been drastic.*

*Over this time the Association has continued to work with industry partners on building alternate export markets for Holstein heifers as well as promoting the benefits of registered Holsteins to these markets. While good progress has been made on this front, this is very much a medium to long term project to develop these markets.*

*Conversations with organisations such as Dairy Australia and LiveCorp indicate that there is still potential for a long term market in China but it is unlikely that it will return in any significant manner over the short term.*

## **Governance**

### Member Advisory Committee

*Established in the previous financial year this was the first full year of the Member Advisory Committee (MAC) being active.*

*The Committee made a positive contribution providing advice to the Board on a number of areas including pricing for large volume registrations, changes to the Semex Holstein Australia All-Australian Photographic Competition and a program to provide additional support to sub-branches.*

*The Board and HA management are also working on a number of initiatives put forward by the Member Advisory Committee, including increased inspections of animals entered to high level shows, which are due to be implemented over the 2024 / 25 financial year.*

*A real positive has been the level of engagement with the Member Advisory Committee. Currently 14 Holstein Australia Sub-branches are represented on the Committee. It provides a member based focal point to consider and recommend policies and systems to effectively engage with the membership.*

*As a representative forum for members to contribute to Holstein Australia programs and activities I would encourage all members to talk with their Member Advisory Committee representatives at local sub-branch meetings*

### Show Ethics

*Obviously the Covid-19 years saw a reduction in the number of shows being run. In turn there were reduced matters for the All Dairy Breeds Show Ring Committee (ADBSRC), responsible for the Code of Ethics, to consider.*

*Across the past 18 months we have seen a return to a full show season, with a strong Holstein presence at both the major state and national shows and at local level, as has been the case for all other breeds.*

*Given the increase in activity, there has been an increase in matters referred to the ADBSRC.*

*Holstein Australia endorses the All Dairy Breeds Show Ring Code of Ethics, which has the primary purpose of ensuring that all animals presented for exhibition will be in their natural conformation and structure, free from any alteration or modification caused by unethical fitting practices.*

*The Association remains an active ADBSRC contributor as it looks to refine and improve its processes.*

#### ***Rules Review***

*Back in 2016 the Association made significant changes to the Rules and reshaped the way sub branches interacted with the Board and staff, so it has been sometime since a full review of the Rules was undertaken.*

*Holstein Australia is a member of the Associations Forum and as such can utilise the Forum to undertake a review of the Association Rules to ensure they meet current requirements and best practice. This process was undertaken in May 2024.*

*With the Rules review completed, the Board has determined that the next step is undertake broad consultation with Holstein Australia Committees and members to ensure that the Rules, and any proposed changes, meet member and Association needs. Ideally this consultation will take place during the first half of 2025.*

#### ***Youth and Future leaders***

*The 2023 / 2024 financial year was a positive year for Holstein Australia on the youth front.*

*Regular programs, including The Holstein Australia IDW Youth Challenge and UK Exchange, along with the many member run calf days and state based and regional youth camps supported by the Association, continue to be well attended and are positive contributors to both HA and the broader industry.*

*Holstein Australia was also a founder member of the Australian Dairy Youth Association (ADY), which supports the development of our next and future generations of dairy farmers and leaders through programs that grow and nurture farming and leadership capabilities.*

*Working together with the other dairy breed associations, the last financial year saw three key ADY programs launched. An educational travel scholarship, three creative content internships and the first Australian Dairy Youth Academy.*

*Held over three days at AgriBio, Dairy House and the Dairy Australia offices at Southbank in Melbourne, participant feedback to the Academy highlighted that it had met a real industry need.*

*The piece of feedback which resonated the most with me was: "It was truly a great experience and opportunity to gain knowledge and skills to better yourself. A great way to also meet and spend time with likeminded people who all have similar goals and aspirations who want to see each other succeed. I cannot thank the organisers and guest speakers enough".*

*Youth and our Association taking the lead in bringing the registered sector together to develop new youth programs that support the future of our industry is a key part of HA's current strategic plan. These first steps have ticked a lot of boxes, with more ADY programs in the pipeline.*

*ADY founding members are Holstein Australia, Jersey Australia, Guernsey Australia, Illawarra Cattle Society of Australia, Australian Red Dairy Breed and Brown Swiss Australia.*

#### ***World Holstein Friesian Federation Conference 2028***

*Holstein Australia was successful in its bid to host the 2028 WHFF Conference in Melbourne during the last financial year.*

*A lot of work went into the successful bid, and I'm sure with the support of members and HA staff the Association will create a world class event that shows Australia and the Holstein breed in the best way possible.*

*This project will obviously continue to develop over the next couple of years, with the next stage being seeking member input into the program to ensure that Australia puts on an impactful and relevant event for international Holstein breeders.*

**Thank you to members and staff**

*I extend my heartfelt thanks to each and every one of you who has contributed to Holstein Australia.*

*Our achievements would not be possible without the unwavering dedication of our members, the tireless efforts of our staff, and the invaluable support from our entire community. Your passion, commitment, and belief in the Association's values drive us forward year after year.*

*In particular I would like to acknowledge our Member Advisory Committee and Breed Development and Conformation Committee members. Their work directly benefits all members and plays its part in strengthening the Association.*

*I would also like to thank outgoing director, Jacqui Soares. Jacqui, along with husband Ross, passionate and active Holstein Australia members all their farming life. Jacqui brought that passion to the Board table, along with her considerable industry, commercial and governance experience.*

*Her focus on youth and the future of the dairy industry was also invaluable in shaping the Australian Dairy Youth Association's remit, ensuring a real focus on programs that will equip young people with the skills and knowledge essential for thriving in our industry.*

**The future of the Association**

*The 2024/2025 Financial Year is set to be a definitive one for the Association.*

*This is an opportunity for members to inform the Board about how they believe the Association can best work for them and play an active part in helping the Board develop strategies for management to deliver.*

*Times are certainly tough, particularly given the live export situation. However tough times also present an opportunity. It can make us stronger and more resilient, help us to develop new skills and perspectives, and give us a greater appreciation for what we have.*

*The Board will work with all committees and the broader Holstein Australia membership to meet these challenges.*

**MOVED** Ross Gordon seconded Bryan Dickson that the President's report be received.

**Carried**

**4.3 Directors Financial Report, the Auditors Report and Financial Statements for the year ended 30 June 2024**

Mr. Butler on behalf of Phil Hall presented the Financial Report for the Financial Year 2023/24.

*The annual accounts of The Holstein Friesian Association of Australia Inc. have been prepared in accordance with the requirements of the Incorporated Association Act, Statement of Accounting concepts and applicable accounting standards.*

*All financial statements were audited by Mr Michael Port, Partner, dfkkidsons, Level 6/30 Collins Street, Melbourne, Victoria.*

*The Association reported a loss of \$229,923 in 2023/24 compared to a profit of \$284,552 in the previous year largely due to sustained poor live export trading conditions. Total income reduced by over \$800,000 however operating expenses were lower by around \$300,000.*

*The Association's balance sheet remains strong with total equity of \$4.4million slightly down on the previous year mainly due to lower cash reserves reflecting the low level of live export activity and the investment portfolio with Perpetual continues to deliver satisfactory results.*

## **Sales revenue**

### Membership

*It was pleasing to see that package fees and subscriptions remained steady against the previous year representing the fact that while some members resigned this was matched with new and returning members.*

### Live Export

*The significant reduction in live export is well documented with significantly fewer shipments of heifers going to China. The issue of fewer live export certificates represented a reduction of \$391,027 compared to the previous financial year, while income from inspections was down \$266,321.*

### Classification

*Classification income reduced by 6%, which was a reasonable result when compared to the reduction in classification expenses. The reduction in classification income was a combination of reduced member classification and industry classifications. Classifications for other breeds was up \$7,097, a 23% increase on the previous year.*

### Genomics

*The link between genomic testing and live export meant there was reduced up take in this service, with a 7% or \$38,262 reduction.*

### Registration and Transfers

*Income from registrations rose by \$94,703. This was driven by several factors. The market changes around live export meant that some other markets such as Indonesia and Pakistan strengthened. Orders for these markets often require animals are registered with a breed association rather than an export pedigree certificate.*

## **Expenses**

### Classification

*Expenses for classification were down \$143,174 against the previous year in part because the Association operated for most of the year with one less classifier. The savings come from both saved salaries but also cost savings such as travel, accommodation and meals. While a delay in the delivery of the classification system was frustrating it did result in a reduction in costs to the value of \$18,987 by continuing to use the previous system.*

### Export Services

*The reduction in live export expenses is a result of the fact Holstein Australia invoices exporters on behalf of its partners in the Memorandum of Understanding for Live Exports to China, and this is reflected in the reduction of those outgoing costs.*

### Marketing and Journal

*The rise in Marketing and Journal expenses is due to some of the expenses related to printing the Member directory, totalling \$12,210. Mailing expenses also rose by \$5,516. An additional \$5,643 was also spent on promotional activities such as running the Classification Promotional Days.*

### Projects

*Costs allocated to projects for the financial year remained steady, this related primarily to the development and implementation of the new classification system.*

## **Investment fund performance**

*The Associations managed fund performed well, with a balance increase of \$246,967.*

## **Balance Sheet**

*The drop in cash of \$648,403 does reflect a period in July where the Association had purchased new vehicles for the classification team using cash reserves. Finance for the vehicles was finalised for these vehicles during the current financial year. The value of these vehicles is reflected in the increase of plant and equipment of \$107,687 and a reduction in Motor vehicle liability of \$31,141.*

## **Summary and Outlook Ahead**

*The change in live export income has had a clear impact on the bottom line of the Association. This has been mitigated somewhat by improved registration performance and a positive outcome for the investment portfolio.*

*While the Board took the necessary time to see if there was a recovery in the live export market the current situation seems to be the new normal. In August this year the Board asked management to look at ways to significantly reduce costs over and above what was budgeted previously for the year. Management is currently working its way through these cost saving measures including a reduction in staffing levels that will be implemented in October / November 2024.*

**MOVED** Phil Hall seconded Bryan Dickson that the annual accounts for the year ending 30 June 2024 be approved and adopted.

**Carried**

## **5. DECLARATION OF ELECTION RESULTS**

### **5.1 The Board**

The company secretary advised the meeting that Jacqueline Suares has completed her one year term as Appointed Director and that the Board had resolved to expand the Board and fix the number of elected Directors to a maximum of seven (7) meaning there were two vacant director positions.

A call for nominations was made to members and at close of nominations a nomination had been received from Marg Hinde.

As the number of nominations received did not exceed the number of vacancies a ballot was not required and Mr Jupp declared Marg Hinde elected to the Board for a term of 3 years and the remaining elected director position remains vacant.

### **5.2 The Breed Development and Conformation Committee (BDCC)**

The company secretary advised the meeting that current BDCC member, Scott Somerville, having held his current position for three (3) years must retire by rotation and was eligible for re-election.

In addition the Board called for nominations for the vacant position on the BDCC following sitting member Bryan Dickson's election to the Board in January 2024 meaning there were two vacant positions on the Committee.

A call for nominations was made to members and at close of nominations a nomination had been received from Scott Somerville.

As the number of nominations received did not exceed the number of vacancies a ballot was not required and Mr Jupp declared Scott Somerville elected to the BDCC for a term of 3 years and the remaining committee position remains vacant.

## **6. OTHER BUSINESS**

### **6.1 Report of the Breed Development and Conformation Committee**

Chair of the Breed Development and Confirmation Committee Garry Carpenter presented the 2023/24 report.

*It has been a busy year for the Breed Development & Conformation Committee with the implementation of the updated classification system and significant work on the pre-National Breeding Objectives Survey which was completed by members a few months ago.*

### Committee

*At the end of the previous financial year Phil Daniel's term on the BDCC completed and he did not seek re-election. Thank you to Phil for his contribution across the previous three years. We also welcomed Bill Morgan to the Committee. Bill has passion for breed improvement coupled with his experience as a breeder and also working in the Herd Improvement industry, which has brought a valuable contribution to the Committee.*

### Competitions

#### *Semex Holstein Australia All Australian Competition*

*Another good year for the All Australian Photographic Competition with 143 entries, a pleasing result given a change to the date of entries closing resulting in shows held during June 2024 falling into the next competition next year. Andrew Koch (Glenunga) was added to the judging panel for the next three years alongside David Johnston (Segenhoe Park) and David Ninness from Semex. This was David Johnston's final year on the panel and we thank him for contribution, especially taking on the role during the testing COVID period.*

### Cow of the Year

*The Cow of the Year competition goes from strength to strength. The Committee, along with guest judges Anthony Shelly (Genetics Australia) and Owen Daley (Promenade) considered a strong field of 9 entries. All entries were worthy contenders and the Committee congratulates the finalists.*

### Classification

#### *New system new traits*

*In April 2024 the Association finalised implementing the new version of the classification software. The Committee is pleased that the new system has allowed for both refreshed reports and a smoother reporting process.*

*The new system also allows more flexibility around new traits. Something the Committee has witnessed and heard from fellow breeders is increasing issues around the tilt of the udder floor making putting cups on cow difficult. This has seen this trait added as a research trait with low scores representing a tilt, intermediate scores being level and higher scores representing a reverse tilt. This will allow data collection on this trait over the next 12 months. Part of the 2024 / 2025 plan is to review the weightings of the classification system and that is the natural time to consider the full inclusion of new traits.*

### **National Breeding Objective**

*DataGene is currently conducting its National Breeding Objective (NBO) review. This review looks at both changes in farm economics, development of new traits and technologies alongside feedback from farmers about their on-farm requirements. Once this is considered DataGene will make changes to the indices it calculates, primarily this is the Balanced Performance Index (BPI).*

*To ensure that member feedback regarding the NBO was captured and presented appropriately Holstein Australia management, under the guidance of the BDCC, undertook a survey of members to best understand the feelings of broader association. The outcome of this survey was then discussed by the Committee and then with DataGene to help the Committee form a considered position for the Association. A full report of this will be sent to members during November and included in the Summer edition of the Journal.*

### **The year ahead**

*The BDCC's key task for the year ahead is conduct a formal review of how traits are weighed in the classification system, coupled with contributing to the next Holstein Australia strategic plan.*

**MOVED** Garry Carpenter seconded Bryan Dickson that the report be received. **Carried**

## **6.2 Report of the Chief Executive Officer**

Mr. Butler presented the CEO report.

*As we reflect on the 2023 / 2024 financial year, it is clear that Holstein Australia continues to navigate an evolving landscape within the dairy industry with resilience and adaptability.*

*This period has seen both challenges and opportunities, with the unwavering commitment of our members, staff, and stakeholders maintaining our focus on delivering value, enhancing herd quality, and supporting the long-term growth of member businesses.*

### **Staff Operations**

*Our staff remain one of the biggest assets of the Association and the key drivers of service delivery and overall member experience. Over the past 12 months staffing levels had to be coupled with the financial reality of the continued live export slowdown and the income the Association receives from it.*

*The previous financial year started with 13.5 Full Time Equivalents (FTE) and this was reduced to 11.5 with two departures, one being the classifier Rebecca Haebich and the other Communications Coordinator Amanda Glossop. I'd like to take this opportunity to thank both Rebecca and Amanda for their contribution to the Association.*

*The Association continues to assess staffing levels in light of the financial constraints resulting from the ongoing live export situation. Balancing service delivery to our members while managing a reduction in staff has required a strategic realignment of resources and a focus on operational efficiency. Despite these changes, we have prioritised maintaining high-quality support and services to ensure that our members continue to receive the value and support they expect from Holstein Australia.*

### **Annual Operating Plan**

#### Why Holsteins

*The back of the calendar year saw completion of this project with Ian Lean. This project has helped provide Holstein Australia with the scientific facts that underpin the adaptability and resilience of the breed. Ian will present this work to the Member Advisory Committee and BDCC in the near future. After that we will use of this information in promotions to domestic breeders and also Live Export Customers.*

#### Classification Promotional Tour

*With the implementation of the new classification system it was thought it was time to get back to basics by promoting and educating members about the classification system. These presentations were conducted in three sub-branches to audiences interested in the system. This was both a good way to communicate information to members and but also get feedback on what members are wanting from the system into the future.*

#### Caisley Tissue Sampling Ear Tag

*HA is now an agent for Caisley Tissue Sampling Ear Tags within Australia. This is a fairly simple concept. For those that are genomically testing a tissue sample is taken at the same time as applying an ear tag to the calf. This has two key benefits. Firstly the single action completes two tasks, applying the ear tag and capturing a DNA sample. Also as the ear tag is linked to the calf and DNA sample, the sample cannot be wrongly applied to another animal's record.*

#### ILR Online

*Over the past 12 months Holstein Australia staff working alongside developers from ABRI have implemented the latest of version of ABRI's registration software. The key piece in this work was adding the ability to link a photo to an animal's registration. Positive feedback has been received from members regarding the software.*

### Live Export

*The entire industry is well aware of the decline in live export, which has had a significant impact on Holstein Australia's economic performance.*

### **Member Services**

#### Registrations

*Despite the decline in live export, animal registrations were 19% up for the financial year. This was driven by several factors:*

- *Between July and September, the Holstein Round Up enabled members to catch up registrations at a reduced rate to what they would usually pay based on animal age.*
- *While live exports were reduced there were shipments to several different countries that required animals to be registered with Holstein Australia.*
- *Office and classification staff worked well to identify and work with members that required a registration catch up.*
- *The previously mentioned update to ILR Online meant some members were able to undertake their own catch up.*

#### Genomics

*The industry has learnt that the exponential growth of genomic testing was in some way linked to breeders selecting animals for live export and as such we have seen a flattening of the uptake of this service. The Association continues to work closely with Zoetis for whom it provides data processing services.*

#### Classification

*On face value a drop of 18% in classifications conducted was not a great result. This was though coupled against reduced number of classifiers for the majority of the year, including the peak Spring period. Changes to the way the classifiers operate after the Spring of 2024 will mean Holstein Australia is more dynamic in the way the classification system is resourced from a staffing perspective.*

### **Summary**

*The 2023 / 2024 financial year has been a complicated period for the Association to work through. For the year ahead, balancing our resources will be critical in ensuring service delivery growth and continued member support. By optimising our operational efficiencies and prioritising key strategic initiatives, the Association will be able to navigate the challenges ahead while maintaining the high standards of service our members rely on.*

**MOVED** Phil Daniel seconded Bryan Dickson that the Chief Executive Officer's report be received.

**Carried**

## **6.3 Any Other Business**

### **6.3.1 Questions and discussion**

A number of questions, clarifications and matters of discussion were received including:

- Managing the association's budget in light of the poor ongoing live export trade outlook
- Filling the vacant Board and BDCC positions
- Member Advisory Committee outcomes
- Show ethics and ADBSRC
- The Associations rules review
- Hosting the 2028 WHFF world conference

- Acknowledging the good work of the office staff

## **7. CLOSE OF MEETING**

There being no other business the Chair declared the 2023/24 Annual General Meeting closed at 2.40pm.

SIGNED: ..... PRESIDENT      DATE: .....