



LIVESTOCK SA INCORPORATED

2023 ANNUAL GENERAL MEETING

Wednesday 15 November 2023
Adelaide Pavilion, South Terrace ADELAIDE SA
5.00 – 6.00pm

MINUTES

Attendees

Board: Joe Keynes (President), Allan Piggott, Gillian Fennell, Glen Tilley, Mark Dennis, Leonie Mills, Colin Trengove, Andrew Smith (ex officio)

Present: Sally Keynes, Tom Cosentino, Jon Mills, Brad Perry, Ronald Rollond, Helen Rollond, Robert Seymour, John Falkenhagen, Rebecca Falkenhagen, Claire Arney, Lynton Arney, Matthew White, Mark Fennell, Elke Hocking, Jim McBride, Bill Nosworthy, Brad Bateman, Colin Greenfield, Jill Greenfield, Jim McBride, Joanna Andrew

Online: Geoff Power

Staff: Travis Tobin, Pene Keynes, Hannah Trevilyan, Mandy Bowling, Melissa Kinnane

Apologies: Samantha Neumann, Richie Kirkland, Anthony Hurst, Nick McBride

1. Meeting open and welcome

Chair declared a quorum and opened the meeting at 5.06pm.

2. Minutes from 2022 AGM held on 29 August 2022

It was incorrectly noted Bill Nosworthy attended as a board member and Glen Tilley was not included as an attendee.

MOTION

That the minutes of the previous Annual General Meeting on 29 August 2022 be accepted with the above changes.

Moved: Allan Piggott

Seconded: Leonie Mills

CARRIED

3. President's Report - Joe Keynes

Previous favourable conditions noted at the last AGM have declined with vastly different circumstances presented this year with the steep and sustained decline in livestock prices and

deteriorating conditions. The long-term outlook for the red meat and wool industry remains positive and strong.

The state and federal governments have bold agendas around climate, renewable energy and emission reductions which significantly impact the red meat and wool industry. The need for a capable and professional industry body to provide advice to government is necessary to seek the best outcomes for producers and the industry.

Livestock SA has provided critical representation on key policies throughout the last year with the Hydrogen and Renewable Energy Act, amendments to the Pastoral Act, Native Vegetation Act, Biodiversity Act and Animal Welfare Act and additionally the federal government's position on phasing out live sheep exports being political rather than animal welfare related.

Biosecurity continued to be a key area for the organisation with the increased risk of EAD and preparedness which saw the delivery of biosecurity and animal health workshops across the state. The government decision to move to mandatory eID in sheep and farmed goats from January 2025 in response to the increased risks of exotic animal disease saw the development of a supply chain committee for the sheep and goat eID project.

Livestock SA reached the 10-year mark since its establishment in 2013. Commencing with 120 members and now with more than 3,500 the organisation manages significant amounts of socialised funds on behalf of industry, to benefit industry. To achieve the transparency needed for good governance, the current structure of the organisation should evolve to ensure the organisation is properly governed to be more accountable to members and better aligned and focussed. Over several months, the board has worked closely with leading governance lawyer, Joanna Andrew from Mellor Olsson. Member consultation on the proposed changes will commence soon with a Special General meeting to be convened in June 2024 for members to have the opportunity to vote on proposed changes. Further information around the proposed constitutional changes will be provided by Joanna Andrew in other business.

The President thanked the board for their efforts and support throughout the year, the various committee members who provided invaluable advice throughout the year, the Livestock SA team and members of the organisation.

4. CEO's Report - Travis Tobin

Representation and advocacy

2023 saw various achievements, challenges and key decisions made for Livestock SA.

Some of the biggest issues of the last year included state and federal government policy responses to increasing biosecurity risks with the implementation of eID for sheep and farmed goats for 2025, adjusting biosecurity funding models including a proposed new federal biosecurity protection levy to commence from 1 July 2024, passing amendments to the Livestock Act to enable stronger state government responses to EAD and modernising the state biosecurity legislation through a new Biosecurity Act.

Eager to drive a green grid by 2030, the state government has fast tracked the Hydrogen and Renewable Energy Act along with early consultation on future changes to the Native Vegetation Act and Biosecurity Act. A shift in environment policy including conservation and carbon farming to be recognised as primary purposes in the Pastoral Land Management and Conservation Act.

The federal government continues with its election promise to phase out live sheep exports by sea despite compelling industry investment and reform which sets the global standard for animal welfare.

Members are encouraged to read the submissions readily available on the website and continue to follow issues in the monthly member newsletter provided.

Projects

Project delivery was enhanced last year with a more visible presence aligning with the strategic direction of the organisation.

The handling of the sheep and goat traceability project resulted in the most generous state-based tag scheme in the country. The successful execution of the pilot AgRiSilience program resulting in a second year of funding along with other examples including the delivery of the emergency fodder scheme for producers impacted by the River Murray floods and the coordination of the flagship conference Growing SA in conjunction with GPSA.

Industry Funds

This year saw the third year of administering the Sheep and Cattle Industry Funds with reconciliation of all expenditure and accountability for the funds to the Minister. A full listing of approved projects can be found in the 2023 Annual Report.

Organisation

The operational change which commenced last financial year being the separation from the South Australian Dairyfarmers' Association was completed at the end of September 2022. The subsequent move to the Adelaide Showground enabled the onboarding of new staff and additionally the review of funding for core functions aligned with industry fund regulations to govern expenditure has delivered a sustainable and transparent structure for Livestock SA.

Further consideration for a better aligned, focussed and accountable body which is properly governed has progressed and is being developed in accordance with legal frameworks and modern governing principles by Joanna Andrew from Mellor Olsson. The draft proposal and consultation process work will be completed in the current financial year.

Partnerships

Corporate relationships have been strengthened to ensure partnerships are aligned with the organisation's strategy and direction. Mellor Olsson provides legal services in addition to the existing partnership with Mediation and Employment Relations Services and WFI. Shell and Perry's fuel commenced as corporate partners in the current financial year.

Looking to 2023-24

The macro drivers of the industry and the longer-term outlook remain strong after entering a rapid downturn in the pricing cycle across all livestock. The workload undertaken and general industry pressures have become greater on a lean staffing level within the organisation, these times also reflect greater support to members from their industry body.

Engagement

To increase engagement with producers and enable them greater influence over the work of the organisation, next year will see 'Regional Roundups' launched around the state to build on the existing northern and southern regional meetings.

The CEO thanked members for their ongoing support and valuable contribution to the industry, the Livestock SA Board and President, Joe Keynes and the team consisting of six staff noting Livestock SA has fewer paid employees comparatively than any other South Australian agricultural organisation.

5. Treasurer's Report - Gillian Fennell

Total income was \$7,128,158 an 50% increase in turnover from the previous year which reinforces Livestock SA continuing to grow and become a mature and stable organisation.

Adoption of better accounting processes reflecting the increasing size of the organisation and the simple and transparent financial reporting demonstrates the continuing maturity of the organisation and accountability to its members.

Livestock SA continues to invest in the sheep and cattle industries of South Australia by administering a significant amount of project work. The significant increase in turnover is attributed to the increased project portfolio which the organisation has taken on throughout the financial year.

Key expense line items which have grown in accordance with the larger project portfolio were:

- Consultancy fees which formed part of the AgRI-Silience program and additional corporate governance fees providing expert advice to transition into an organisation with stronger governance.
- Project expenses sub-contractor payments to parties who complete work such as PIRSA and the University of Adelaide.
- Administration and travel reflecting the growing organisation and engagement with stakeholders.
- Board expenses such as travel and accommodation which includes costs for the Sheep Industry Fund, Cattle Industry Fund and Blueprint committees.
- Sub Committee expenses relating to issues-specific sub-committees, such as the Sheep and Goat eID work, which require dedicated secretariat support.

Profit and Loss statement shows a profit of \$1.2 million for FY22-23 attributable to the recording method for industry funds where funds that are received and expended are reported as income, noting unexpended funds from 2022 were reported as income for 2023.

The actual trading profit for FY22-23 is \$62,000 derived from project administration fees, bank interest, investment dividends and the accounting treatment of the Galipo foods donation in 2020.

Livestock SA maintains a healthy balance sheet bolstered by an investment portfolio of \$210,000 achieving modest growth of 2% on last years balance and a cash balance of \$2.8 million.

Overall, Livestock SA is in a financial position of good health and capable of dealing with industry issues and opportunities as they arise.

MOTION

That the annual report and audited financial accounts for FY2023 be accepted as presented.

Moved: Allan Piggott

Seconded: Joe Keynes

CARRIED

6. Auditor's Report - Matthew White

Business Initiatives has conducted the audit of Livestock SA financials since 2014. Over that time the organisation has continued to grow and professionalise. The clean financial reporting over the past financial year was noted and commended. No questions were asked of the auditor.

7. Appointment of Auditor for FY2024 - Joe Keynes

The Livestock SA Board had conducted a review of its audit arrangements and the restructuring process underway and recommended that Business Initiatives be re-appointed as the organisation's auditor.

MOTION

That Business Initiatives be appointed as auditor of Livestock SA Incorporated's FY2024 accounts.

Moved: Leonie Mills

Seconded: Brad Bateman

CARRIED

8. Director Elections - Travis Tobin

AGM Notice (26 September 2023) advised that there were five director positions available at this the 2023 AGM. All five incumbent directors confirmed their willingness to continue serving on the Livestock SA Board to complete the organisation's governance and structural review and renominated for the vacant positions.

Additional member nominations were due by Tuesday 10 October 2023. No additional director nominations were received.

Under Clause 10.5 of the Constitution, if the number of nominations for the vacant Board Member positions is less than or equal to the number of vacancies, then all those nominated are to be declared without the meeting proceeding to an election.

MOTION

That the following five (5) Board Members be reappointed: Allan Piggott, Gillian Fennell, Samantha Neumann, Glen Tilley and Mark Dennis.

Moved: John Falkenhagen

Seconded: Geoff Power

CARRIED

9. Other Business

9.1 Proposed Constitutional Change

Joanna Andrew, Partner - Mellor Olsson Lawyers, thanked the President and CEO for the invitation to attend the AGM and present on the work she has been completing with the board.

Good governance, processes and structure are essential for a growing organisation to always ensure legal compliance. The growth in the organisation currently sees more people involved but with less structure.

The proposed change from an Incorporated Association to Company Limited by Guarantee will ensure it's recognised under the Corporations Act which holds directors to a higher degree of accountability. The change will ensure every decision made by a director is made in good faith and with proper purpose, due diligence, managing conflicts of interest and to not misuse information.

The third element prevents breaches of insolvent trading with significant penalties and jail terms imposed.

The composition of the board has been reviewed and will facilitate a skills-based directorship and a new direction for committee structures to enable the board full oversight due to legal governance and fiducial responsibility sitting with them.

The President thanked Joanna for her advice and the work that had been completed to date. In closing, the President advised the board expects consultation in the new structure will commence shortly and a Special General Meeting would be held in May or June 2024.

9.2 Heritage Listing

Jim McBride raised concerns around heritage listing and if a leaseholder wishes to embrace conservation it should not impact the next leaseholder, as this would lead to licking up land for future generations. The President confirmed there has been consultation with the Department of Environment and Water on this issue and that Mr McBride's concerns will be conveyed to government.

9.3 Reduction of Services to Primary Producers

Bill Nosworthy highlighted the reduction of government services noting he was unable to secure advice or assistance with bovine brucellosis. Mr Nosworthy highlighted the growing inefficiencies and gave an example where it took a week to receive a response from PIRSA on this issue, which is potentially devastating for a levy and tax paying producer. The President confirmed Livestock SA is the only organisation conducting biosecurity education and animal health workshops in South Australia. Concerns have been raised with the Chief Executive of PIRSA and consideration should be given on how this can be structured within PRISA being a large issue for producers.

Meeting close: 6.05pm

Joe Keynes
President
...../...../2024

Travis Tobin
CEO and Public Officer
...../...../2024