



**Murray Goulburn Co-operative Co. Limited**

**Director Elections**

Northern Region

2017

## Ian Goodin

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Dear Suppliers,

I was very pleased to be nominated for election to the board and the opportunity to represent your interests in Murray Goulburn (MG).

I was born and raised on a dairy farm in the Wairarapa region in the lower North Island of New Zealand. I am now a farm owner in Northern Victoria with my wife, Lisa, and our two children, Hunter 13, and Luke 10. Due to being the youngest of three brothers there was no opportunity for me to return to the family farm. This led me to Victoria University of Wellington where I completed a Bachelor of Commerce and Administration, and then on to a career in Accounting.

Although I enjoyed my time as an Accountant I always wanted to be a dairy farmer, so when my eldest son was born, Lisa and I made the decision to finally give dairy farming a go. I took a job as a farm assistant in Southland, New Zealand and started my dairy career at the bottom.

We worked our way through the New Zealand share milking system and eventually purchased land and were building our dairy herd. However, we were still a long way from purchasing a Dairy Farm in New Zealand. A holiday to Northern Victoria made us realise we could skip a few steps to farm ownership with the affordable property that was available here. We therefore sold our land and our cows in New Zealand and purchased a 200 acre farm at Yarroweyah.

We have since built a very successful dairy farm business here, acquiring additional properties and building cow numbers to over 400 cows this spring.

Although I now consider myself 100 percent dairy farmer my accounting background gives me great skills and experience for the role of Director at MG.

I started accounting with Global accounting firm KPMG which, at the time, was the largest accounting firm in the world (currently KPMG member firms can be found in 152 countries, collectively they employ more than 189,000 people across a range of disciplines). I worked my way through the ranks and gained my Chartered Accountant qualification while there, before accepting a Manager's role with another global accounting firm BDO (BDO is in 158 countries employing over 67,000 people).

During my time with both KPMG and BDO I was given the best training available and worked with a number of large and interesting clients. Clients ranged from high net worth individuals, including the All Blacks and famous movie directors, through to large national companies specialising in freight and hospitality, to audit work on listed companies.

It has not all been plain sailing since we arrived in Australia and the Global Financial Crisis (GFC) forced me back to working off farm while Lisa picked up the slack. Initially I packed cheese at Bega's Strathmerton factory before running M&S Accounting's newly opened office in Cobram.

Working in the Bega factory was a real eye opener and gave me insight into the way a cheese processing factory works along with all the politics and union issues that come with it. My time at M&S was enjoyable as it was largely the first farm accounting I had done. In particular, I assisted a great number of farmers with interest rate subsidies. It gave me a very good understanding of how tough many farmers were doing it, and it was very rewarding maximising the value of their subsidies. I finished at M&S when the salary I was paying to staff was starting to become larger than the salary I was receiving for my work, largely due to the increasing size of our business. I was though overjoyed to be able to return to the farm fulltime.

I am a very strong believer in the Co-op. Having grown up in New Zealand and seeing the co-operatives my parents supplied (Tui, then Kiwi merging with others to become Fonterra) and seeing it then become, not only a powerhouse in New Zealand, but also on the global stage. It's a great example of what can be achieved. I don't think we can replicate what Fonterra was able to do in New Zealand (greater than 80% of the milk pool), but I do believe MG can have a great future in dairy, both in Australia and globally. I want to be part of it and I want you to be part of it too.

MG has done a lot of things right in the past few years, but it has made its share of mistakes too. We can learn from the past but we need to focus on the future. We need better communication with suppliers, more accountability from our directors and management, and most importantly, an improved and sustainable milk price.

It is a very important time for MG. We need farmers to unite and support the Co-op for it to succeed. In order to do this, we need to rebuild trust by having clear and attainable goals with open and honest communication. We also need the best people on the board. People with passion, experience, qualifications, and most importantly, who are 100 percent committed to the Co-op. I believe I am one of these people and I would love to have your support to gain a place on the board.

Regards,

Ian Goodin

## QUALIFICATIONS

- Victoria University Wellington New Zealand 1994 - 1996
- Bachelor of Commerce & Administration 1997
- Qualified Chartered Accountant Australia and New Zealand 2002
- Advanced Diploma of Agriculture 2011

## EXPERIENCE

### Current Position

#### ***Farm Owners 9 years***

- Situated at Yarroweyah, Victoria.
- 400 cows. Low input system budgeted to produce 180,000 milk solids 2017/18.
- 287 ha.

### Previous Positions

#### ***Murray Dairy Regional Education and Extension Committee 2010-2016***

#### ***M & S Accounting - Senior Accountant***

- M&S is one of the larger Accounting firms in the Goulburn Valley.
- Manager of the Cobram office.
- Developed a client base from nothing.

#### ***Contract Milkers. Gore, New Zealand***

- Situated in Knapdale, Gore, New Zealand.
- 420 Friesian cows. Low input system, 174,000 milk solids 2007/08 (2006/07, 160,000).

#### ***Lower Order Sharemilkers. Edendale, New Zealand***

- Situated at Edendale, Invercargill, New Zealand.
- 530 Friesian cross cows. Low input system producing approximately 200,000 milk solids.

#### ***BDO Spicers Chartered Accountants and Advisors - Manager***

- The Wellington office of BDO Spicers is part of an international accounting firm located in over 100 countries around the world.
- Manager. Directly responsible for five staff.
- The main contact for a number of significant clients
- Ensured the correct applications of Accounting Standards in the Wellington Office

#### ***KPMG - Supervising Senior Accountant.***

- KPMG is a very large international accounting firm.
- Staff training and the work ethic instilled in their staff is second to none.
- Preparation of financial statements.
- Liaised with Inland Revenue Department (IRD)
- Large range of clients, from small partnerships to listed companies.
- I completed the requirements to become a qualified Chartered Accountant while at KPMG.

## Paul Mundy

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My fellow suppliers,

I am standing as a candidate for the current Northern Region Supplier Director Election. I am asking you to vote for me.

My wife and I own and operate our 305 acre 300 cow irrigated dairy farm at Cobram East. We started supplying Murray Goulburn 17 years ago. I am the third generation of dairying having only supplied Co-Op's.

Lenore and I started share farming together in 1995. Like so many of you we have worked hard, experienced the challenges and risks and have grown our family farming business. This being the third farm we have owned.

With regard to the competencies as requested by the Board. My CV outlines in detail my broad range of experiences and skills that I have developed, which gives me a sound grounding in their key competency requirements.

From my six years in manufacturing as a Fitter, Production Technician within production engineering, I gained experience in quality control, scheduling (JIT), design and implementation (product, tooling, verifying, testing, manufacturing, quality control and warehousing).

My time spent in Agricultural Merchandise, Fertilizer, Chemical sales and service including the role as Regional Sales Manager, and time with Boumatic Australia, all contribute to my knowledge.

Through my years of proactive involvement, whether it be industry and farming, I have been requested to be a member on committees, be it elected or appointed to numerous roles of advocacy, representation, leadership and consultation. Many of these being outcomes based.

I will bring a new and different perspective along with integrity, honesty, open mindedness and strength of character to advocate, represent and negotiate outcomes.

I have declined the Boards invitation to participate in their voluntary candidate assessment process. The reason for this is because there are five directors remaining on the Board that are responsible and accountable for the unprecedented chain of events that has Murray Goulburn in the situation we are currently in. I have no intention of putting myself before them for their evaluation as to whether I suit the Boards prerequisites for directorship. You the owner/suppliers of our company (co-op) have the sole responsibility to make these decisions.

Murray Goulburn is at the crossroads. We need to change the culture of the Board from a corporate mentality back to the Co-op perspective.

Murray Goulburn needs to remember why and how it originated. The absolute focus needs to be to maximise profit back to the majority family farming businesses through milk price. Cash is king. Cash pays bills. Cash produces milk.

At the time of writing to you, MG is facing the very real situation of a continuing loss of milk supply, therefore compounding the lack of confidence and trust along with the challenge of improving manufacturing and processing cost efficiencies.

The attributes that I believe I possess that would contribute to the position as one of your directors are:

- **Personal Integrity and Strength of Character**

I believe you must have absolute empathy and understanding, skin in the game and the streak of mongrel or moral fibre that when needed allows you not to be intimidated, bullied, coerced or manipulated when making the hard decisions at the board table on behalf of you the owner/suppliers.

You can spend your whole life building a reputation and lose it in seconds from being egotistical and or arrogant. This cannot be a popularity contest.

- **Common Sense.**

This should be the highest attribute to hold in any position of responsibility, accountability, representation and leadership. The ability to scrutinise, analyse and think laterally without a predetermined outcome.

In all decision making if common sense is applied at all levels of the deliberation process the outcomes are almost guaranteed of being sound and right.

- **Co-operative principles and ethos as opposed to corporate thinking**

I am yet to find a corporate minded person who truly understands and believes in the co-operative model. We the Farmer owner/suppliers of Murray Goulburn need to take back full control of our company (co-op). Under Co-op principles all suppliers are treated with equal respect and consideration. The vast majority of us, as owner/suppliers of MG, believe in the above principles. There is an array of corporate competitors to supply, if your beliefs lie with the corporate model.

When representing others in a position of responsibility, accountability and or leadership, you should treat people with the courtesy and respect that you would ask of them.

If given the privilege of representing you as one of your directors some of the outcomes I intend to proactively pursue are as follows

- A return to an owner/supplier Board including the Chair. With a preference for 11 directors, 9 from the 3 original regions plus 1 each from Tasmania and Northern Region Sydney milk. Positions of authority only reduce the number of representatives around the table for the purpose of efficiency of decision making and implementation of personal agendas. The Board has had independent specialist director representation for nearly a decade from the corporate world. I would argue we have not seen enough value from this. Senior Executive Management is employed and expected to provide the Board and the company with the professional corporate knowledge and associated skills to deliver the outcomes required. The Board at all times retains the right to engage external opinion.
- The severing of the direct linkage under the profit sharing mechanism (milk price matrix) regarding dividend payments between supplier/ unit holders.
- No special pricing or deals. For example the no disadvantage clause or no additional deals on pricing for new supply.
- Serious consideration be given to monthly or at the very least a quarterly pricing/payment system. The purpose to reflect through milk price a true indication after all costs to the company of the value of the end products at the time of milk supplied.
- As a co-operative I believe the Trading stores are a valuable asset. The Trading store should be seen as a value add service provider to us the supplier to help us maximise our production at least cost. Not a profit centre. Murray Goulburn suppliers only should receive all products and services at true break even pricing. All other customers should pay normal market competitive pricing.

This election gives us the Northern Region Suppliers the opportunity to send a very strong and clear message of the expected way forward for our company co-op.

Some of you are of the belief that we now need stability on our Board. I say to you that stability means staying with what you have therefore getting more of what you have had.

Please consider your very important votes and support me to help rebuild our Murray Goulburn Company (Co-op).

Regards,

Paul Mundy

## QUALIFICATIONS

- Year 11 Benalla Technical school
- Fitter and Machinist Trade
- Hydraulics and Pneumatics Technician, Welding Technician
- Production engineering Technician
- Diploma Dairy Farm Management VCAH Dookie
- Marcus Oldham Rural Leadership Program
- Fairley Fellow 2004 (Fairley Leadership Program)

## AGRICULTURAL INDUSTRY COMMITTEE AND COMMUNITY REPRESENTATION

### Current.

- GMW Connections Stakeholder Consultative Committee
- GMW Water Services Committee Murray Valley Deputy Chair
- Katunga Water Supply Protection Area Consultative Committee & Management Plan (Ministerial Appointment)
- Deputy Prime Minister's Australian Dairy Symposium participant August 2016.

### Previous

- Inaugural Murray Goulburn Co-operative Supplier Development Program 2010-2011.
- Murray Goulburn Co-operative Australian Co-operatives School.
- UDV District" Council No 3 President.
- UDV Branch President (Cobram/Katamatite) UDV Secretary/Treasurer Benalla Branch.
- VFF Water Resources Committee.
- Moira Shire Drought Social Recovery Committee.
- Northern Region Target 10 Committee.
- State Government White Paper Irrigation Reforms Consultative Committee.
- ADF Young Dairy Farmer Business tour to New Zealand 2007.
- NVIRP Murray Valley Modernisation consultation Committee.
- Victorian State National Party State Councilor (Board of Management) two terms.

## EXPERIENCE

Current	305 acre irrigated dairy farm at Cobram East, purchased January 2015 Murray Goulburn Supplier (17 years).
2005 – 2015	117 acre irrigated dairy farm at Katunga, Murray Goulburn Supplier.
2001 – 2005	Share farmed family dairy farm at Katamatite, Murray Goulburn Supplier. Purchased mixed farm irrigated out-block, Cobram East.
2000 – 2001	Leongatha - Logistics Controller and Inventory Controller, Customer and Dealer Service and Support - Boumatic Australia.
1998 – 1999	Colac - Western Region Sales Manager Dairy Rural / IAMA.
1995 – 1998	Katamatite - Share farmed family dairy farm.
1992 – 1995	Griffith Stockman/Merchandise Sales, Rawlinson & Brown Stock & Station Agents.
1990 – 1992	Swanpool family Dairy Farm. Leased a sheep/beef property in Lima (successful fine wool exhibitor at the Royal Melbourne Show).
1988 – 1990	Melbourne, Production Technician, Production Engineering - Brake and Clutch Industries Australia.
1984 – 1987	Melbourne Trade, Fitter & Turner/Production Engineering (Patents Brakes Repco) East Bentleigh.
1966 – 1983	Swanpool, family dairy farm (Soldier Settlement); Benalla Technical School Yr 7 – 11.

## David Paton

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Dear Suppliers,

I have a profound passion for Australian agriculture, and in particular the dairy industry, and have continued my education in this field, completing an agricultural science / business double degree (with Honours), and building my professional and leadership experience specifically in this area.

Since tertiary education, I have gained extensive experience with global commodity trading house Glencore Grain, and subsequent establishment of dairy advisory business Lachstock Consulting Dairy, which has put me in the best possible position to understand agricultural commodity supply chains and markets. I fundamentally believe that there is enormous potential to achieve greater economic benefits to primary production with expanding consumer markets around the world. In order to do this however, the global market place must be understood. With my commercial and agricultural industry experience, I have learned that the fate of regional Australia is not decided at the farm-gate, but it is in fact dictated to by global markets, consumer trends, new found volatility, and the behaviour of the businesses that connect the farmers to these exposures.

Murray Goulburn is a crucially important business that many farmers rely on to connect them with this global market place. My objective in becoming a Murray Goulburn Northern Director is to collaborate with other MG board members to improve the transparency in the way the global market is effecting supplier milk prices. This will better inform the farmer members to make key on-farm decisions, and maximise the value creation from the global market place as it evolves.

I believe that I have the commodity trading, supply chain, advisory, and other dairy industry skills and experience necessary to help the Murray Goulburn board make better decisions around maximising the value for the farmer shareholders, which includes sending the correct price signals to the farmers. It is Murray Goulburn's prerogative to bring maximum value back to the farmer members through a competitive and transparent milk price but also shareholder value.

The most recent experience I have is undertaking family farming succession to continue the family dairy farming business through the generations. Being a highly active board member of our MG milk supply farming business, means I know firsthand what it is like to invest in dairy farming during challenging times. My unique commercial agricultural industry exposure and dairy farming background will provide strong diversity and bring benefits to the board. It is not only important to me, my family and other MG shareholders to have a strong and efficient Murray Goulburn, it is important to all of us in the Australian Dairy industry.

Regards,

David Paton

## QUALIFICATIONS

### EXPERIENCE

<b>Director</b> , Mitta Dairies, Tallangatta South, Victoria	2014 - current
<b>Senior Dairy Advisor (Australia / New Zealand)</b> , Lachstock Consulting, Geelong, Victoria	2012 - current
<b>Senior Logistics Manager (Trading Portfolio)</b> , Glencore Grain, Melbourne, Victoria	2010 - 2012
<b>Regional Logistics Manager &amp; Grain Accumulator</b> , Glencore Grain, Melbourne, Victoria	2008 – 2010
<b>Contract Administration</b> , Glencore Grain, Melbourne, Victoria	2007 - 2008
<b>Dairy Farm Worker</b> , Family Farm, North East Victoria	Up until 2007

### **Key Duties**

#### Mitta Dairies

- Co-formation of dairy farming company
- Staff employment
- Accounting and Budgeting
- Tax and legal obligations
- Financial reporting and Banking
- Remote protocol implementation
- Takeover of neighboring dairy property for dairy expansion
- Company policy documentation
- Navigating adverse commodity price and dairy margin environment

#### Lachstock Consulting

- Client onboarding process
- Market Analysis and Reporting
- Trading Strategy and execution
- New market discovery, analysis and advice implementation
- Risk management advice and market value creation
- Hedging policy document implementation
- Grain trading and position management advice
- Market arbitrage discovery and subsequent advice
- Sales, Lead generation and client onboarding process
- Business planning and strategy development
- Staff Management
- Budgeting

#### Glencore Grain

- Creating legally binding contracts keeping to trade rules and regulations
- Contract price and volume negotiation
- Dealing with grain brokers
- Keeping to business goals and objectives by contracting specific sites and grades
- Forming strong customer relationships
- Negotiating freight rates with freight companies
- Managing bulk handler site matrixes and executing sites with the most beneficial financial outcome
- Keeping to deadlines and contract specifications
- Organising the timely execution of back to back contracts within trading rules and regulations
- Liaising with end users and freight companies to deliver mutually beneficial outcomes
- Market and competitor discovery
- Product research and development
- Negotiating storage and handling agreements
- Trading commodity stocks to maximise margins
- Price determination and competition

- Managing erratic stock levels from the off take agreements
- Creating fair market price washout agreements
- Limiting company exposure to further washout disputes
- Keeping compassionate demeanor with growers while reiterating contractual terms and obligations
- Identifying unstable personal situations and acting to avoid undesirable reactions to financial problems
- Negotiating freight rates for road, rail and containers
- Managing Glencore's train and arbitraging between rail contracts
- Negotiating grain packing rates
- Determining least cost pathways for grain execution from origin, to ports and international customers.
- Liaising with grain accumulators and traders to cover positions
- Managing the fulfillment of sales contracts within a specified timeframe
- Aligning purchase contracts with sales contracts and facilitating their execution
- Providing traders with freight market updates including foresight into availability and rates
- Negotiating international container freight rates

### ***Education***

**Bachelor of Agricultural Science (Honours) / Bachelor Business (Major Finance),** 2004 - 2008  
 Latrobe University, Bundoora, Victoria  
 Final year Thesis competed on Price Risk Management of Grain Purchasing

**Victorian Certificate of Education,** The Geelong College, Geelong, Victoria 2000 - 2003

### ***Other Skills***

- Microsoft Office Products: Excel, Word, Powerpoint
- Grainsmart Trading Software
- Lotus Notes
- Microsoft Outlook
- Grain Trader Software
- Xero Accounting
- Futuresource Commodity Trading Platform
- Internal computer programs

### ***Community Service***

CFA Member, Noorongong, Victoria

## Russell Robins

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Rus Robins  
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Dear Supplier/Shareholder

My name is Russell (Rus) Robins and this is my call for your vote for the 2017 supplier director position in the Northern region for MGC.

I grew up on a dairy farm at Mincha West in the Cohuna-Leitchville region of North West Victoria. My family supplied MG and I still do so today. My parents sold their milking cows in 1994 and I left home to travel to Europe and North America, working on dairies to experience the different culture of dairying around the world. I later worked for a period at Torrumbarry estate for Profound Dairies before taking a job with Genetics Australia. At age 19, I returned home to the family farm with my brother, against our parents' wishes we went unassisted, as a teenager and a 22 year old to a bank to borrow everything and more, to retain the family farm and were successful.

After deregulation, my brother and I went our separate ways and my wife Ruth and I leased her parents' small farm just outside of Cohuna. While milking at this farm, I also worked for NHD in stock services to support our family's income. Ruth's parents were MG suppliers as were both of their parents, culminating in nearly 100 years collectively as MG suppliers. In 2006, we sold our milking herd retaining our heifers. During this time, I spent the summer at Moxey Farm's 2000 cow dairy as herdsman, before taking a job with WWS Australia. Whilst at WWS Australia, I travelled again to North America visiting countless farms and Industry related businesses. At the end of 2009, we purchased our current farm at Cohuna, typically producing between 1-1.5 million litres annually.

In recent years, I have been one of the architects behind the extremely successful Victorian Winter Fair, the second largest Holstein Show in Australia. My eldest daughter sees herself taking over the business one day. I would love to see this happen.

In the call for nominations for the board, Key Competencies are outlined. Here are my thoughts.

- **Industry Knowledge** - I have a desire to produce food and beverages for consumers both in Australia and worldwide. I want it to be the best product possible and a clean and green one. I have a broad understanding of the industry.
- **Knowledge of Directors' responsibilities** - My responsibilities are to the shareholders of the company, to represent their interests and not my own agenda. However, I would be entrusted to make the right decisions for the benefit of the shareholders without being able to necessarily consult those who elected me. To uphold key values and conduct oneself with high moral standards.
- **Strategic thinking** - Strategic thinking is definitely a strength of mine. As by nature I am a very analytical person and have strong beliefs in achieving outcomes from analytics. I am confident in reading financial reporting, policies and legal documents.
- **Finances and accounting** - As a dairy farmer I have been the primary person responsible for the finances of our business for 20 years. We use modern accounting software in our business and I am functionally adept with this. I gained experience as a treasurer of the North West Holstein Australia sub-branch for several years.
- **Risk management** - An example of a Company Risk Management Strategy is to transfer

all or part of a threat or risk to another party. I strongly believe a cooperative shares the risk with supplier shareholders as equally as the benefits.

- **Experience in people management and achieving change** - I have diversified our core business of milk production, whilst maintaining the central focus of our dairy enterprise, not dissimilar to MG's use of their separate arms ie milk brokerage, trading stores and MG Feed Solutions.
- **Commercial experience** - Experience in commercial business as a Territory manager for World Wide Sires Australia from 2007-2009 growing sales for the company in South Australia, Western Victoria, Tasmania, Northern Victoria and Riverina. Also marketing our own Holstein stud Kayton Holsteins.

### **My Key Issues**

- Poor farm gate milk price.
- The loss of milk, suppliers and trust.
- Maintaining cooperative strength in the marketplace.
- Loss of 100% ownership and introduction of profit sharing.
- Clearer communication to suppliers.
- Board review and potential loss of cooperative values to company values.
- Brokerage or swapping of milk to the company should not be ahead of a high and sustainable milk price to the shareholder.

### **Summary**

Now more than ever in the history of MG we need people of strong conviction, morals, ethics and focus to deliver a board of directors capable of providing the supplier shareholders with the confidence to take their own business into the future for the benefit of our children and their children. As previously stated we are a multi-generational MG supplying family and want to continue to be. I want to see to it that MG employs only the best of people to drive the management and assist in the decision making going forward. To quote a friend "It was farmers who made this billion dollar business. The white collar professionals have mismanaged it". If MG is to be great again, it will take real farmers like myself to get the job done.

I feel at this time I am the right person for the role and I respectfully encourage you to consider voting for me. Please feel free to contact me, as I am very approachable and considerate of your time, opinions and concerns.

Regards,

Russell Robins

## **QUALIFICATIONS**

Born November 1976 – Kerang, Victoria

Schooling Primary to Secondary – 1982-1993

## **Employment**

- August 1993 – September 1994 worked at home family farm at Mincha West, Vic.
- October 1994 – December 1994 Travelled through Europe and North America working on dairy farms.
- January 1995 – April 1995 Family Farm.
- May 1995 – July 1995 Profound dairies “Torrumbarry Estate” Milking 1000 cows.
- August 1995 – April 1996 Genetics Australia.
- May 1996 – September 1996.
- October 1996 – December 1996 Richardson family Mincha West dairy farming.
- January 1997 – April 1997 worked contract for private breeders, fitting cattle for shows sales and photography. Mostly Genetics Australia.
- May 1997 returned home to buy the family farm with my brother.
- October 1999 married and moved to my wife’s family farm at Cohuna.
- November 1999 – November 2009 Leased Frantz family farm. MG Supplier number 5702.
- 2002 – 2004 NHIA Accredited AI technician NHD Cohuna.
- 2005 – Full time whilst still farming working at NHD in stock services and semen sales.
- October 2006 dispersed Milking herd and retained heifers.
- November 2006 – February 2007 Moxey farms 2000 cow dairy Gooloogong, NSW.
- March 2007 – April 2007 I took a break.
- May 2007 – October 2009 World Wide Sires Australia Territory Manager semen sales.
- October 2009 current family farm 461 Cohuna-Leitchville Rd, Cohuna, Vic. Supplier No.5828.

## **Brock Williams**

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Dear Fellow Murray Goulburn Supplier,

We are facing the greatest challenge in Murray Goulburn's history and require people with the expertise, industry knowledge, resilience and passion to lead our great co-operative into the future, ensuring we remain strong and thrive once again.

I believe I have the skills and passion to help steer Murray Goulburn (MG) to a brighter and stronger future, therefore please accept my nomination for the upcoming Northern Region board election.

I am a 40-year-old fourth generation dairy farmer currently milking 240 cows with my wife and parents at Torrumbarry in Northern Victoria. I have extensive experience in the Agri-finance area having worked at both the Commonwealth Bank and Rabobank, and therefore have a heightened understanding of compliance, governance and risk management, along with the key drivers of commodity and financial markets.

My time at MG as Agribusiness Manager Northern Victoria and New South Wales, has given me an excellent insight into the inner workings of the business, along with the businesses of suppliers in the region. My role covered an enormous area, spanning from the Mallee in the west, to the Alpine Valleys east, up to the edge of the sub tropics in the north. From my experience in this role, I have an in-depth understanding of the range of issues suppliers face across the region, and I am well positioned to make strong representations at board level.

As dairy farmers we are all making key business decisions every day. I am supportive of quarterly updates to provide our suppliers pricing signals that are transparent, precise and current, along with a milk pricing mechanism that encourages profitable production systems. I fundamentally believe that MG needs to reset the business to the most profitable position throughout the commodity cycle and the focus must be on supplier profitability and margin, adding value wherever possible while utilising Murray Goulburn Trading to drive down input costs for suppliers.

Like you, I am incredibly disappointed with the events of 2016. A complete failure in governance and accountability, combined with a lack of understanding and disconnect with our supply base has damaged the brand and business significantly. However, we need to move forward, and this election is an opportunity for that to take place. I am under no illusions as to the size of the challenge ahead, and will not shy away from any difficult conversations required at board level that ensures we have a mandate for positive change moving forward.

I believe at this time board roles at MG require a full time commitment, therefore I have resigned from my previous banking role, this also eliminates any perceived conflict of interest and ensures I can approach the role with complete focus and intent. Leading with strength and confidence, attributes key to the success of this company and making a lasting difference to the people who matter the most... the suppliers.

To represent you and your interests on the board of Murray Goulburn, I ask for your support.

Kind regards,

Brock Williams

## QUALIFICATIONS

A dairy industry and finance professional with extensive experience in Northern Victoria and the Riverina. I have a comprehensive understanding of the operating environment, dairy farm businesses and their pressure points. My time at Murray Goulburn has given me an excellent understanding of the business internally, and where improvements can be made to increase Murray Goulburn's supplier shareholders profitability.

## EDUCATION

Bachelor of Commerce – La Trobe University, Bendigo (2009)

Victorian Certificate of Education – Assumption College, Kilmore (1994)

## CAREER AND EMPLOYMENT HISTORY

- |                     |  |
|---------------------|--|
| 1996 – Present      | <u>Williams Partnership, Torrumbarry</u><br>Management of 356 hectare dairy and cropping operation, milking 240 cows. A family owned farm, 16 year association with Murray Goulburn.   |
| 2016 – 2017         | <u>Rabobank, Echuca</u><br><i>Senior Rural Officer</i><br>Analysis of cash flow budgets and financial statements. Marketing, business development, compliance and risk management - a key focus of the role.   |
| 2013 – 2016         | <u>Devondale Murray Goulburn, Rochester</u><br><i>Agribusiness Manager Northern Victoria and New South Wales</i><br>Initial pilot position of Murray Goulburn's Agribusiness Manager, now replicated in all supply regions.  |
| 2011 – 2013         | <u>Commonwealth Bank of Australia, Shepparton</u><br><i>Agribusiness Executive</i><br>Relationship management of agricultural (majority dairy) clients across a range of industries in Victoria and Southern NSW. Analysis of cash flow budgets and financial statements. Responsible for revenue, business development, risk and compliance of the portfolio. |
| Jan 2011 – Dec 2011 | <u>Commonwealth Bank of Australia, Shepparton</u><br><i>Regional and Agribusiness Graduate Program</i><br>One of nine graduates selected Australia-wide as part of CBA's Agribusiness Graduate program.  |

## Ian Zandstra

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Dear Suppliers and Shareholders,

MG is a business with lots of challenges; the Board and management acknowledge that, the farmers know it and the market highlights it. I have experienced many of these scenarios. I offer experience, it's one thing that you can't get for nothing. MG has to be returned to delivering a leading price to its farmers and to service shareholder capital.

I am from a migrant dairy farming family. I am married to Cheryl and we have four children, a lawyer, a teacher, a nursing sister and a son studying science. I have a University Arts degree, taught Economics and Geography for a few years, and then worked Australia-wide in construction, to fund a dairy farm. I have also taught Dairying at TAFE for five years.

My wife Cheryl and I purchased our first small dairy in 1982. After several progressive steps, and a relocation, we were decimated by interest rates in 1990 and then restarted on a lease farm in 1992. We farm at Nowra NSW and have a share farmer milking 900 cows annually and supplying MG. We have started up two young farmers, and now hopefully a third at Ardmona, Victoria. We purchased a 300 cow dairy farm in the Goulburn Valley in 2010, supplying MG. We ceased farming in late 2016 and leased out the property in December 2016.

My Board experience: I was on the Board of Nowra Dairy Co-operative from 1984-86, and elected to the Board of Dairy Farmers Co-operative in 1998. I was Chairman of Dairy Farmers Milk Co-operative, following the restructure of Dairy Farmers in 2004 and retired from the Board in November 2013.

My objectives if elected to MG Board are:

- To contribute based on my long and broad industry participation, as a farmer, a representative, director and business person, to help the MG community to set the business right again.
- The milk pricing scenario has been a disaster. Everyone knows that price is dependent on market returns, which were in decline. However trends were not being watched closely enough, and managements and Boards decisions, I believe, were "overhung" by the partial listing of 2015. Many of those decisions have been corrected but the effect upon farmers (both financial and trust) and response by farmers reflect a very poor strategic call. MG's biggest challenge now is shortage of milk.
- I believe that the Profit Sharing Mechanism has to go. The capital of the shareholders, farmers and unit holders alike, has to be serviced by a profitable business, but not set by an equation.
- The Restructure of 2015 has to be revisited. Structure is about the organization of the members, generally about ownership, capital and governance. The challenge now is, what is the best structure for a co-operative like MG, especially now that the relationship with the suppliers, the shareholders, and the performance and balance sheet has changed?
- The communication structure should be improved. Trust is primary in business and especially in a co-operative, where the members own the entity, elect their representatives, where everything swings on MG business performance (governance); their milk price, farm revenue, viability, farm values, future (and let's not forget, morale). Trust and communication is the key, especially when big decisions have to be made, when big issues occur.
- MG has to return to be the leading competitive payer for milk. That is its reason for being. It can do this because it is a "performance pay" co-operative. It needs performance. All processors have different strategic (business) differences, it is the role of MG to have the best business position and performance to be price competitive for milk. Not being so has hurt everyone badly, the co-operative, the suppliers and the shareholders.

Regards,

Ian Zandstra

## **QUALIFICATIONS**

The skills and experience I will bring to MG Board:

### **INDUSTRY KNOWLEDGE**

In addition to my farming background I have been involved in many entities (Future Dairy, NSW DFA, and NSW Farmers Dairy (current committee member). My time on all Boards gave me in depth knowledge of milk pricing, and terms of milk supply.

I have a good understanding of the structure, the business and the challenges of MG. I understand the co-operative model very well and I am a co-operative person.

### **KNOWLEDGE OF DIRECTORS RESPONSIBILITIES**

Corporate Governance is to see that the entity is directed and managed in the best interest of the owners, to ensure that the entity is ongoing. I have had long experience with Corporate Governance; it is, really, about doing the right thing.

### **STRATEGIC THINKING.**

I have had much experience in this field. Positioning a dairy co-operative, takeovers, mergers and acquisitions, (successful and failed), investments and restructures have been part of my experience. An entity must always be positioning itself for its ongoing future.

### **FINANCE AND ACCOUNTING**

Having worked on DF Board and Audit Committees and as Chairmen of DFMC (including acting as executive officer for the first five years when we did not have a CEO) has provided me with a strong knowledge of finance and accounting.

### **RISK MANAGEMENT'**

This has been very much a part of my Board experience. It is the Boards role to create the right risk management strategy and monitor management's performance and reporting.

Strategic planning is about finding the best place for the business going forward, and that is a lot about risk appraisal, not always done well.

### **MANAGING PEOPLE AND ACHIEVING CHANGE**

As Chairman of DFMC I chaired the selection of Independent Directors, legal firm and CEO. I have led the formal and commercial interaction with many parties. The meetings were full time, it was a constantly changing landscape. Supplier meetings were important on my agenda.

### **COMMERCIAL EXPERIENCE**

From a start with nothing, my wife and I have built a successful dairy business I believe it is because of our business approach.

As a Board member I played a role in the restructure of DF and to create DFMC as an entity to provide assurance of milk off take, a competitive milk price and to ensure that farmers would not be dispensable. We had a solid Milk Supply Agreement. Good deals were made.

## **EXPERIENCE**

### ***Farming History***

- Born in Holland, of a dairy farming family. My migrant father share farmed and then purchased his own farm. I have an Arts degree from University of Newcastle and taught Economics and Geography for a few years, and then worked Australia wide in construction to fund ourselves into dairying. I also taught dairying at NSW TAFE for 5 years.
- We have experienced the full spectrum of dairying. My wife Cheryl and I purchased our first small dairy in 1982. After several progressive steps and a relocation we were decimated by interest rates in 1990 and then restarted on a lease farm 1992. We farm at Nowra NSW and have a share farmer milking 800 cows and supplying MG. We have started up two young farmers into ownership and now hopefully a third at Ardmona, Victoria.

- We purchased a 300 cow dairy farm in the Goulburn Valley in 2010 supplying MG. We ceased farming in late 2016 and leased out the property in December 2016.

### ***Industry Experience***

- Elected to Board of Nowra Dairy Co-operative 1984/86.
- Elected to Board of Dairy Farmers Co-operative 1998.
- Chairman of Farm Services Committee 1998/2002 and Audit Committee 2002/2004.
- Chairman of Dairy Farmers Milk Co-operative following the restructure of Dairy Farmers in 2004 and continued on as Chairman after the sale of Dairy Farmers to National Food/Lion Nathan in Oct 2008.
- Retired from DFMC Board November 2013.
- Involved over time in many local representative groups; NSW DFA, Show Societies, Cattle Breed Societies, Rotary.