

From: [Fred Jones](#)
Cc: [RRAT, Committee \(SEN\)](#);
Subject: Re: RRAT Committee - Dairy Inquiry, Public Hearing 19 June 2020 - 1st tranche of requested documents
Date: Friday, 28 August 2020 5:01:12 PM

Good afternoon ,

I trust this email finds you safe and well.

Further to the request received from you to Craig Hough, (ADF Director Policy & Strategy) on 27 July, 2020 for additional documents relating to the transfer of Dairy Industry Stabilisation Funds (DISF) to the Australian Dairy Industry Council (ADIC), I provide the following information that may assist.

The transfer of DISF occurred sometime in the late 1970's under the direction of the then Agriculture Minister, The Hon. Robert Collins. The basis of the funds transferring to ADIC are not known by the current staff or management of Australian Dairy Farmers (ADF) , however, it was conditional that the funds be invested in property and not shares, bonds or other investment schemes. This was done, with three (3) properties being purchased in Melbourne, a commercial property in Burwood Road, Hawthorn, a block of flats/units in Walsh Street South Yarra and a commercial building located at 84 William Street Melbourne. The income from these properties was used to help fund the operation requirements of ADIC until 2003. The buildings were sold in early 2003, with a combined sale value of \$10.5m.

Up until 2003, ADIC was a separate entity, with a separate management team. Following the formation of the dairy research and development corporation Dairy Australia (DA), the team was made redundant in 2003. All files connected with ADIC were placed in storage and the transfer of the ADIC assets were to be transferred to ADF. This was approved by the then Minister for Agriculture The Hon. Warren Truss (attached). However, for reasons not known to any of the current management and staff the transfer did not occur at this time.

What did occur since July 2003, was that ADF managed the funds on behalf of the ADIC, with part of the distributions from the investments returning to ADF. This continued to be the case until in June/July of 2019 documents relating to the transfer from ADIC to ADF were found when preparing to relocate offices. The documents found were minutes of ADIC Board meetings where resolutions were passed re the transfer of assets and a Heads of Agreement between ADIC and ADF which detail certain conditions on the use of the funds and commitments of activities that ADF would undertake for a seven (7) year period after the transfer was finalised. (I believe these documents have already been supplied). Despite the transfer not occurring at this time, ADF undertook and completed all the obligations listed from 2003 until 2019.

Despite a detailed search of the archive facility for documents that relate specifically to the DISF and management of the funds we were unable to locate any further supporting documents or material that may aid in answering questions from the Senators. It should be noted however, that as the ADIC was its own entity, and ADF has not been responsible for the control or management of the files of ADIC prior to 2003, we were not in a position to control the flow of documents or filing/retention of documents prior to 2003.

I trust this addresses the matter satisfactorily.

Kind regards,

Fred

Fred Jones
Operations Manager

Australian Dairy Farmers Limited



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HON WARREN TRUSS MP

Minister for Agriculture, Fisheries and Forestry

25 JUN 2003

Mr Patrick Rowley CMG
Chairman
Australian Dairy Industry Council Inc
84 William Street
MELBOURNE VIC 3000

Dear Mr ~~Rowley~~

Thank you for your letter of 6 June 2003 regarding the sale of investment properties belonging to the Australian Dairy Industry Council (ADIC) and seeking my agreement to the transfer of ADIC assets including the proceeds of the property sales to Australian Dairy Farmers Limited (ADF).

You have advised that ADIC is rationalising and streamlining its operations in line with the restructuring of the dairy service bodies. I note from your letter that as part of this restructuring, some of ADIC's technical functions will be transferred to the Australian Dairy Corporation (ADC) for transition to Dairy Australia and that the size of ADIC will be reduced substantially with no further requirement for staff resources.

On this basis and on the understanding that ADF will undertake secretariat functions for ADIC, I have no objection to the proposed transfer of assets to ADF. However, in order to ensure that the funds continue to be used in a transparent way and for the benefit of the dairy industry, the transfer of assets is to be subject to similar conditions as applied to ADC and ADIC of 28 April 1994 from Robert Collins, then Minister of State for Primary Industries and Energy. In particular, the following conditions would be relevant to this transfer:

- that the funds are used for the benefit of the dairy industry and all records and documents of this use and of associated financial transactions are to be completely open to scrutiny from the Government and industry;
- that ADF is to provide to the Minister and to all members who attend the ADF annual general meeting, at that meeting, an audited annual statement relating to the funds and outlining how these funds have been utilised for the benefit of the dairy industry; and
- that prior to the dissolution of the ADF or, if in the opinion of the Minister the functions of the ADF have changed significantly, the funds including any real or

other property into which the funds may be traced, must be transferred to another body approved by the Minister.

Thank you again for keeping me advised on developments in ADIC. I wish ADIC, ADF and the Australian dairy industry a productive and prosperous future under the changed arrangements.

Sincerely

Signed by Minister

25 JUN 2003

WARREN TRUSS