

Table 6: Results of Dairy Service Levy Poll 2007

Option	Levy Rate	Votes	Percentage of votes cast	Voters	Percentage of valid ballots
A	Increase by 15%	777,563	4.07	161	3.28
B	CURRENT	12,163,043	63.66	3077	62.73
C	ZERO	6,164,925	32.27	1667	33.99
Total		19,105,531	100.00	4905	100.00

Dairy Australia forwarded the results of the poll and the recommendation to maintain the levy at its current rate to the Minister for Agriculture, Fisheries and Forestry, Mr Peter McGauran, who on 27 March determined that the current levy rate would continue.

## RISK MANAGEMENT

The assumption of risk by Dairy Australia is a necessary part of the activities undertaken to achieve Company and industry objectives and its role as Trustee for the Dairy Structural Adjustment Fund.

However, the Board is committed to the identification, assessment and management of these risks. The Board's committee structure forms an important part of the risk management process. The Board receives regular reports on specific business areas where significant business risk or exposure might exist through the Audit and Risk Management Committee.

## RISK MANAGEMENT PLAN

In addition, Dairy Australia recognises that risk management is an intrinsic part of each manager's day-to-day activity.

Each business group is individually responsible for ensuring that there are appropriate systems and structures in place to manage risk. During the year, Dairy Australia reviewed its Risk Management Plan and updated its Risk Records; that is the record detailing each identified risk and the controls and processes in place for managing that risk. A number of internal audit reviews were completed during the financial year and there is an ongoing review process which aims to link improved efficiency and performance with conformance with legislation, the Constitution, the funding deed, and other business and professional guidelines.

## INSURANCE

An appropriate insurance program was maintained by the Company throughout the year providing cover against identified, insurable risks. As provided under the Constitution, the Company indemnifies Directors and senior officers for loss arising from a claim by reason of a wrongful act committed by them in their capacity as Director or officer unless the liability arises from conduct involving a lack of good faith. During the year, the Company paid a premium in respect of an insurance contract insuring its Directors and senior officers against liability of this nature. In accordance with normal commercial practices, under the terms of the insurance contracts, the nature of the liabilities insured against and the amount of premiums paid were confidential.