

# Annual Report

2022/23

**DELIVERING**  
*for* **DAIRY**

# Key facts about Australia's dairy industry



Dairy is Australia's third largest rural industry

**3<sup>rd</sup>**

Total annual milk production

**8,129**

million litres

Value of farmgate production

**\$6.1**

billion

## Annual production of main commodities

**411,254 tonnes**  
Cheese

**71,260 tonnes**  
Butter

**171,956 tonnes**  
Milk powders



Number of dairy farms

**4,163**

Average herd size

**305**

COWS

Dairy industry workforce

**33,500**

Annual per capita consumption

**15** **90**

kg cheese litres of milk

## Australian milk use

**43%** Cheese

**2%** Whole milk powder

**30%** Drinking milk

**7%** Other

**18%** Skim milk powder or butter



Milk production exported

**30%**

## Major export markets

**261,689 tonnes**  
China

**64,933 tonnes**  
Singapore

**58,641 tonnes**  
Japan

**49,416 tonnes**  
Indonesia

**41,038 tonnes**  
Philippines



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## Acknowledgement of Country

Dairy Australia acknowledges the Traditional Owners of Country where we work throughout Australia and recognises their continuing connection to lands, waters and communities. We pay our respect to Aboriginal and Torres Strait Islander cultures; and to Elders both past and present.

# Message from the chair

It's been a good year to be a dairy farmer. Historically high milk prices have contributed to optimism about the future, including 86 per cent of farmers expecting a profit this season, and 84 per cent feeling positive about their business.

From a market perspective, this year has seen higher retail prices and financial pressures facing consumers. Despite this, dairy continues to remain a staple purchased by 98 per cent of households, with higher-priced alternative beverages taking a hit.

Despite this generally positive situation for dairy farmers, production was well down year on year and the industry was not without challenges. Extreme weather conditions have taken a toll. Rain and record flooding led to difficulties across parts of the country but will help dairy farmers prepare for the potential dry conditions forecast for later in 2023.

Addressing climate and environmental challenges is one of the most significant opportunities for farm businesses. Continued investment in improving efficiency of dairy farm inputs and supporting action on farm to reduce greenhouse gas emissions is a necessity. Initiatives such as measuring your farm's carbon footprint through the Australian Dairy Carbon Calculator will be essential in determining strategies to reduce greenhouse gas emissions, but also lower farm input costs and improve profitability.

World-leading research and innovation to improve genetics, herd management and nutrition has been a continued focus. DairyBio and DairyFeedbase are at the heart of this investment and are possible thanks to the power of partnerships. The Victorian Dairy Innovation Agreement brings together Dairy Australia, Agriculture Victoria and the Gardiner Foundation to deliver substantial gains for the industry through improved farm profits, milk production and herd health outcomes.

The industry commitment to sustainability and staying ahead of community expectations is a critical area of focus. For over 10 years, Australian dairy has been a global leader in sustainable food production. This commitment has been supported by the Australian Dairy Sustainability Framework.

The framework covers four commitments: enhancing farmer livelihoods and developing an industry that is rewarding and profitable, improving the wellbeing of people by providing nutritious, safe and quality dairy products, providing best care for animals throughout their lives, and that we are reducing environmental impacts and meeting the challenge of climate change.

The financial report includes a planned loss for the year with a \$5 million deficit. There have been more investments to increase short-term impacts for dairy farmers, such as attracting more people to the industry, and income has reduced as lower milk production means less levy paid. The board has also clarified the working capital requirements for Dairy Australia and the available reserves to remain prepared for scenarios in the future where there are major impacts on the industry. At the current level of milk production the forward budgets will need to have smaller planned losses or small surpluses.

To support farmers and ensure value for every dollar invested, we continue to measure our performance against defined outcomes. This year we've also reflected on and reviewed at the mid-point of our five-year strategy around the value we have delivered for farmers and where we need to refocus. Continued commitment to managing climate and environment, enhancing farm business management, addressing labour issues, and bolstering our regional teams to deliver even greater value to farmers will be critical to our plans for 2023/24 and beyond.

I would like to thank my fellow directors, Dairy Australia's leadership team, and our wonderful staff for their ongoing contribution. I particularly acknowledge and thank retiring directors Tania Luckin and Roseanne Healy, for their genuine commitment to Dairy Australia and the industry.



*James D. Mann.*

**James Mann** Chair

# Message from the managing director

This year marked the 20th year of Dairy Australia, the mid-point of our five-year strategy, and an opportunity to recognise the achievements of the current year. In doing so we have honed our focus and utilised our financial reserves to ensure we continue to deliver the greatest value to farmers in areas that matter most.

Key to our strategy is building the capacity of our regional teams to be more accessible and connected with dairy farmers. Each year we connect more than 10,000 farmers and their staff with our regional experts who can support all aspects of farming and deliver a broad range of services. While this has resulted in real outcomes, we see opportunity to strengthen capacity and resources in our regions to engage one to one with farmers, gain a deeper understanding of specific farm business needs, and provide relevant services. We look forward to scaling up this approach in 2023/24.

Attracting people to work on dairy farms has also been a core issue, made more challenging by a lack of awareness of job opportunities and career potential in dairy. To address this, we invested in the regional Dairy Jobs Matter marketing campaign to promote the benefits of working in dairy farming, engaged with schools, and established a strong presence at career expos and places where job seekers consider their next move. There's no quick fix to finding people to work on dairy farms, so continued investment will be essential. Enhancing farm business management by supporting farmers to set farm and personal goals and adopt business planning initiatives, is essential to delivering value to farmers. Our flagship business planning program, Our Farm, Our Plan, now includes innovative digital tools such as the Farm Business Snapshot, enabling farmers to identify financial strengths and weaknesses and improve budgeting and planning. This program's ongoing evolution and value has led to its delivery to over 950 farmers since inception, thanks to continued support from state governments and the Gardiner Foundation.

We continued to build community trust and value for Australian dairy by promoting the health benefits and quality of dairy products and demonstrating our industry's commitment to sustainability. This was delivered through the national Dairy Matters – Our Dairy Promise marketing campaign, resulting in high levels of trust in our industry and 80 per cent of people feeling more positive about dairy after seeing the campaign. It was further supported by our contribution to world-first research recognising that increased consumption of dairy foods reduces the

incidence of fractures and falls in the aging population and has significant financial benefits for the aged care sector.

Our investment in research and innovation is a continued priority. Beyond DairyBio and DairyFeedbase, which use the latest technology and bioscience to significantly improve on farm profitability, investment in animal and plant genetics has enabled dairy farmers to reap the benefits of selecting genotypes suitable for Australian farming conditions. This year, our partnership with DataGene led to a record number of dairy cows being genomically tested, providing better genetic information for breeding and management decisions. Genetic gains and partnership with DataGene have led to continuous, permanent and cumulative gains in the quality of cattle for 40 years. In Tasmania, the DairyHIGH research project is on track to increase pasture production with the potential to halve nitrogen fertiliser use and reduce farm input costs.

As the world's fourth-largest dairy exporter, we continue to support international dairy markets by developing and maintaining deep networks in key areas. We welcomed several cohorts of international scholarship program participants to Australia this year, strengthening our trade relationships.

We also activated the whole-of-industry issues management framework and elevated efforts in managing biosecurity risk in the event of a foot-and-mouth or lumpy skin disease outbreak. Working together with government, this whole-of-industry approach resulted in initiatives to support farmers to mitigate risk should these diseases reach our shores, including significant revisions to the milk movement matrix which enables milk to be transported and managed safely under permit conditions.

Two business decisions will have positive financial implications for future years. First, there has been a consolidation of office space in Melbourne, reducing the main office by over 30 per cent. Second, changing fleet management in the regions by leasing cars, have lowered fleet management costs.

For these achievements and more, I'd like to recognise the talented people of Dairy Australia and their ongoing dedication to our industry.



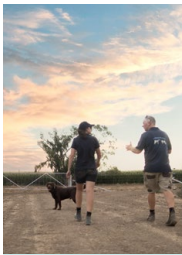
A handwritten signature in black ink, appearing to read 'D Nation', written over a light blue background.

**David Nation** Managing Director

# Key achievements in 2022/23

The following pages provide a short overview of some of our key achievements for 2022/23.

Our priorities, goals, and outcomes are set out in the Dairy Australia Strategic Plan 2020–2025, which is a companion document to this annual report and the performance report 2022/23.



## Regional services

Provided farm businesses with access to a team of **regional experts** who can support all aspects of farming. Each year we connect more than 10,000 farmers and their staff with our regional experts.



## Regional services

Bolstered regional teams to deliver greater value to farmers, through increased **one-to-one engagement** and understanding of specific farm business needs.



## Business management

Equipped farmers to more effectively measure business performance and **enhance decision making** through the Farm Fitness Checklist and Farm Business Snapshot online tools, which now have 711 users.



## Business management

Supported farm and personal goals through practical farm business planning initiatives, delivering to 272 farmers through **Our Farm, Our Plan**.



## Attracting people

Attracted people to work on dairy farms through the Dairy Jobs Matter **marketing campaign**. 64 per cent of those who recognised the campaign took action as a result and more than 438,000 people visited [dairyjobsmatter.com.au](http://dairyjobsmatter.com.au).



## Climate and environment

Provided practical means to **manage the environment** on farm, through resources and self-assessment tools including the National Guidelines for Dairy Feedpads and Contained Housing, a first of its kind, using global expertise.



## Climate and environment

Empowered farm businesses to understand and manage greenhouse gas emissions in line with community expectations through the roll out of the **Australian Dairy Carbon Calculator**.



## Feed innovation

Examined feedbase practice changes to improve margins where **C4 forages** are used in subtropical and other regions for dairy production. Post-investment review of the project showed \$22 million of net benefits.



## Feed innovation

Provided farmers and advisors with an independent assessment of the economic value of perennial, annual and Italian ryegrass cultivars through the **Forage Value Index**. This has the potential to deliver up to \$250 per hectare per year of increased net profit.



## Feed innovation

Invested in world-leading research and innovation to improve genetics, herd management and nutrition through **DairyBio** and **DairyFeedbase** initiatives. On track to deliver substantive gains for the industry thanks to partnerships with Agriculture Victoria and Gardiner Foundation.



### Herd innovation

Increased the number of dairy cows genomically tested to 83,000, providing better quality genetic information for breeding and management decisions. **Genetic gains** and partnership with DataGene have led to continuous, permanent and cumulative gains in the quality of cattle for 40 years.



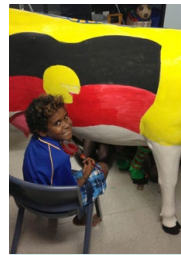
### Health and nutrition

Led **fractures research** that provided evidence that Australia's health system could save an estimated \$66 million a year if aged care residents consumed more dairy.



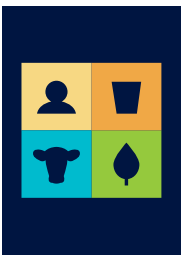
### Promoting Australian dairy

Ensured farmers and dairy products are trusted and valued by Australians through the **Dairy Matters** marketing campaign that reinforces dairy's sustainability credentials, contributing to 75 per cent of Australians who trust the industry.



### School education

Educated school children on the Australian dairy industry and our products, by engaging with 100,000 educators and 500,000 children through the **Discover Dairy** website providing access with curriculum-linked lesson plans and activities.



### Sustainability

Demonstrated the industry commitment to sustainability at the annual **Australian Dairy Sustainability Framework Summit**, which was attended by 110 stakeholders who explored trends that are shaping the future for sustainable food production.



### Sustainability

Delivered the **Silage Plastic Recycling Trial** that saw 90 farms successfully recycle 64 tonnes of silage plastic which would otherwise have gone into landfill. This is a model that private industry can now use to develop a long-term solution for responsible disposal of plastic on farms.



### International markets

Deepened relationships with key markets through the longstanding **scholarship program** that hosted delegates from South-east Asia, Japan and China.



### Policy development

Delivered **policy support** across industry in areas including biosecurity, climate, workforce, aged care nutrition and calf management.



### Critical issues and events

Ensured the preparedness of farm businesses and industry through major **biosecurity risks** such as the potential incursion of foot-and-mouth disease and lumpy skin disease.



### Internal processes

Matured our processes, platforms and ways of working including the way we **measure outcomes and engage with farmers**.

# About us

Dairy Australia works towards shaping a profitable and sustainable dairy industry by providing services that benefit and advance dairy farm businesses and the industry.

These services deliver value by:

- Enhancing farm business management.
- Supporting employment and people development.
- Driving herd and feed innovation.
- Managing climate and environment.
- Promoting Australian dairy and demonstrating the industry commitment to sustainability.
- Supporting international dairy markets.
- Contributing to policy development.
- Responding to critical issues and events.

Our regional teams connect and engage with dairy farmers across Australia to deliver these services through programs, events and resources. These teams are based at locations across Australian dairy communities including Gippsland, Murray/Northern Victoria, New South Wales, South Australia, Subtropical, Tasmania, Western Australia and Western Victoria.

We partner with farmers, industry, government and research organisations in our activities. Our key partners include Australian Dairy Farmers, state dairy farmer organisations, Australian Dairy Products Federation, the Gardiner Foundation, the Commonwealth and state governments, universities and other research organisations, Regional Development Boards and other Rural Research and Development Corporations.

We are funded by levies paid by dairy farmers and matching payments received from the Commonwealth Government for eligible research, development and extension activities.

Our core funding also allows us to attract additional external funding for key programs of work.

More information about how we invest this funding is included on page 12.





# Our vision

To be a leader in shaping a profitable and sustainable dairy industry.

# Our values

Farmer first

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Decisive action

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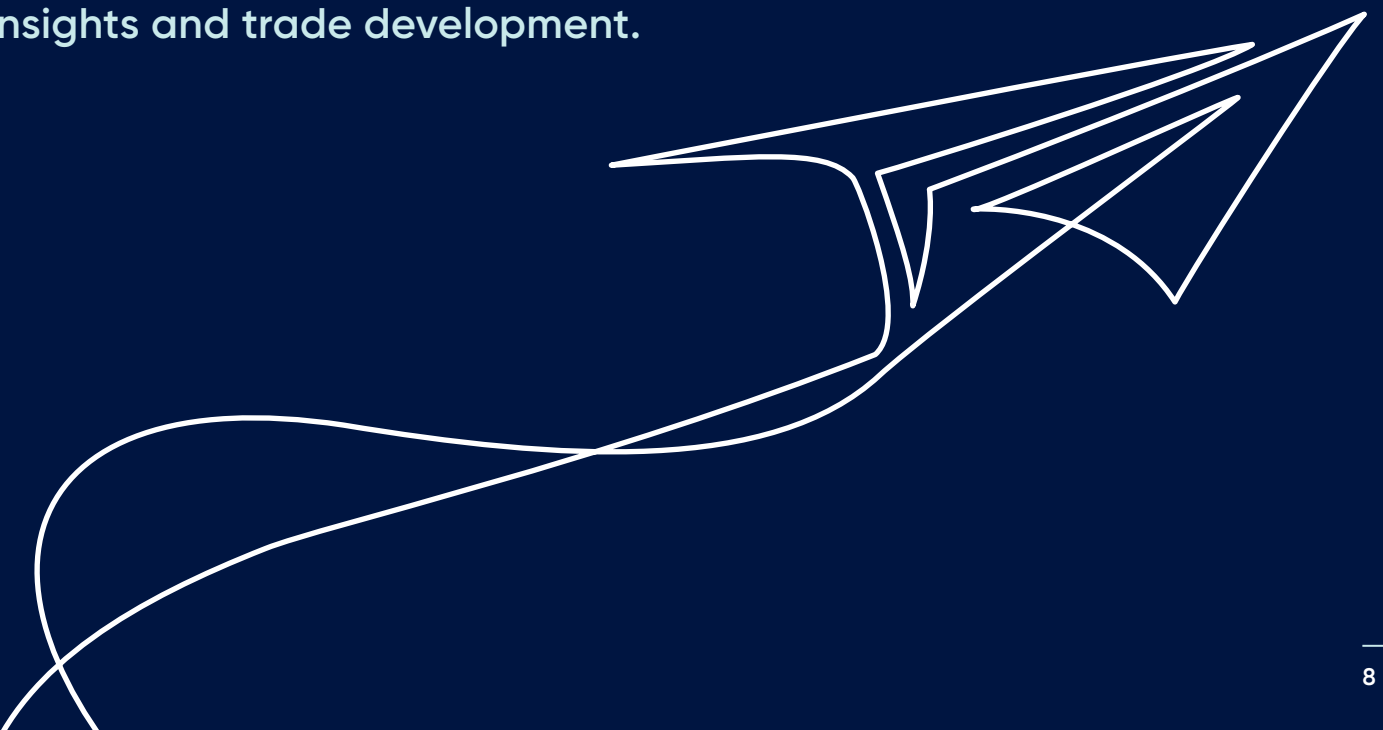
Innovative thinking

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One team

# Our purpose

To provide services that collectively benefit and advance dairy farm businesses and the industry, including investment in research and innovation, learning and capability development, marketing, policy research, market insights and trade development.





# Strategic priorities

Our priorities and outcomes are set out in the Dairy Australia Strategic Plan 2020-25. This is the third year of our plan.

Our strategy describes our priorities and the outcomes we will deliver over five years. We have six priorities that contribute to delivering improved profitability for farmers and a more sustainable dairy industry, and a seventh priority that focuses on our organisational performance.

Each priority is underpinned by a goal, key outcomes and key success indicators. Priorities and goals are set out below. For more information about the outcomes, see the strategic framework on our website.

We measure and report on our progress against strategic outcomes annually through our performance report 2022/23, the companion publication to this document. We review the strategy and our activities each year, and set goals for the coming year in the Dairy Australia Annual Operating Plan.

## Dairy Australia's strategic priorities and goals 2020-2025

|  |  |   |  |
|--|--|---|--|
| <p><b>Priority 1</b></p> <p><b>More resilient farm businesses</b></p> <p>Farm businesses that are more profitable, resilient and innovative in managing price and cost volatility</p>                                     | <p><b>Priority 2</b></p> <p><b>Attract and develop great people for dairy</b></p> <p>Attract great people to the dairy industry, build their capability and careers and foster a safe work culture</p>  | <p><b>Priority 3</b></p> <p><b>Strong community support for dairy</b></p> <p>Enhanced trust and value in the Australian dairy industry, farmers and products</p>                                        | <p><b>Priority 4</b></p> <p><b>Thrive in a changing environment</b></p> <p>Profitable farm businesses that adapt to the changing natural environment and provide good stewardship of resources</p>  |
| <p><b>Priority 5</b></p> <p><b>Success in domestic and overseas markets</b></p> <p>Improved access to high-value dairy markets, backed by trusted market insights and a favourable regulatory and policy environment</p>  | <p><b>Priority 6</b></p> <p><b>Technology and data-enabled dairy farms</b></p> <p>Inspire more agile and responsive dairy businesses through greater integration of technology and data</p>             | <p><b>Priority 7</b></p> <p><b>Innovative and responsive organisation</b></p> <p>An organisation that is farmer-focused, with talented people who embrace innovative thinking and decisive action</p>  |  |

# Approach to sustainability

We share the Australian dairy industry-wide commitment to sustainability and the promise to provide nutritious food for a healthier world.

## The framework

The Australian dairy industry is at the forefront of sustainable food production globally. The Australian dairy industry recognises it has a role to play in achieving the international sustainable development goals and is part of the national and global effort to address the world's biggest sustainability challenges.

Australian dairy is renowned for having the first whole-of-industry sustainability framework for the agriculture sector worldwide.

The framework which was developed in 2012 helps us deliver on the industry commitment, to enhance livelihoods, improve the wellbeing of people, provide the best care for animals, and reduce our environmental impact.

The sustainability framework is underpinned by four measurable commitments that the whole industry can use to enhance their practices and ensure they're heading in the right direction (see table below).

Dairy Australia provides secretariat services for the Australian Dairy Sustainability Framework. We play a key role in realising the industry's sustainability commitments by helping to develop and implement the framework.



### Enhancing economic viability and livelihoods

Creating a vibrant industry that rewards dairy workers and their families, communities, business and investors



### Improving the wellbeing of people

Providing nutritious, safe, quality dairy food



### Providing the best care for animals

Striving for health, welfare and best care for our animals throughout their lives



### Reducing our environmental impact

Meeting the challenges of climate change and providing good stewardship of our natural resources

# Our funding

Revenue is obtained primarily through the dairy service levy and Commonwealth Government funding for eligible research, development and extension activities.

## Dairy service levy

The dairy service levy is deducted by milk processing companies from payments made to farmers for their milk. The money is remitted to the Commonwealth Government and allocated to Dairy Australia. The rate of milk levies in 2022/23 was 2.8683 c/kg milk fat and 6.9914 c/kg protein. Based on national average milk composition, these combined levies were equivalent to approximately 4.7221 c/kg milk solids.

## Commonwealth funding

A statutory funding contract with the Commonwealth Government sets out the terms under which eligible investments of Dairy Australia may be funded (matching income). Matching income is based on maximum claimable amounts and is calculated on the gross value of production (GVP) averaged over three years. Dairy Australia is eligible to claim matching income to the lower of 0.5 per cent GVP or 50 per cent of eligible research and development (R&D) spend.

In 2022/23, approximately 80 per cent of our expenditure was directed towards activity that qualified as R&D under the government matching funding criteria.

The Commonwealth's contribution for research and development reflects the benefits agriculture, including dairy, make to the Australian public and economy. Rural Research and Development Corporations (RDCs) such as Dairy Australia, are the mechanism by which dairy farmers and the Commonwealth co-invest in research and development for community and industry benefits.

## Revenue for 2022/23

|                               | \$'000        | %          |
|-------------------------------|---------------|------------|
| Dairy Service Levy            | 28,759        | 44.2       |
| Government matching income    | 25,704        | 39.5       |
| External contributions        | 8,670         | 13.3       |
| Interest revenue              | 245           | 0.4        |
| Distribution from investments | 205           | 0.3        |
| Royalties                     | 1             | 0.0        |
| Other income                  | 1,438         | 2.2        |
| <b>Total revenue</b>          | <b>65,022</b> | <b>100</b> |

## Investment approach

We maintain a balanced portfolio of RD&E investments and invest:

- Over different investment time horizons in both long-term and short-term initiatives.
- In response to critical short-term issues including feed shortages and more strategic initiatives.
- After thorough consideration of the project costs, benefits (benefit-cost ratio) and risks.
- To maximise other industry funding and manage our risks (that is, with universities, Agriculture Victoria and the Gardiner Foundation).
- In projects that consider RD&E activities and recognise the importance of delivering successful research and programs to the industry.
- In projects with other RDCs to address agricultural industry issues.
- Strategically to achieve long-term benefits for the dairy industry.

## Available reserves

Dairy Australia distinguishes its assets as requirements for working capital and available reserves.

Dairy Australia holds available reserves to provide secure long-term funding to protect the continuity of its work, and to meet its commitments and any cyclical and structural changes in the dairy industry. This includes providing for production volatility, short term restrictions on Dairy Australia's operations, responses to industry emergencies in relation to animal disease, natural disasters, food safety and regulation. The primary investment objective for the 'available reserves' is to ensure the preservation of capital in real terms, while managing liquidity requirements to ensure financial obligations are met.

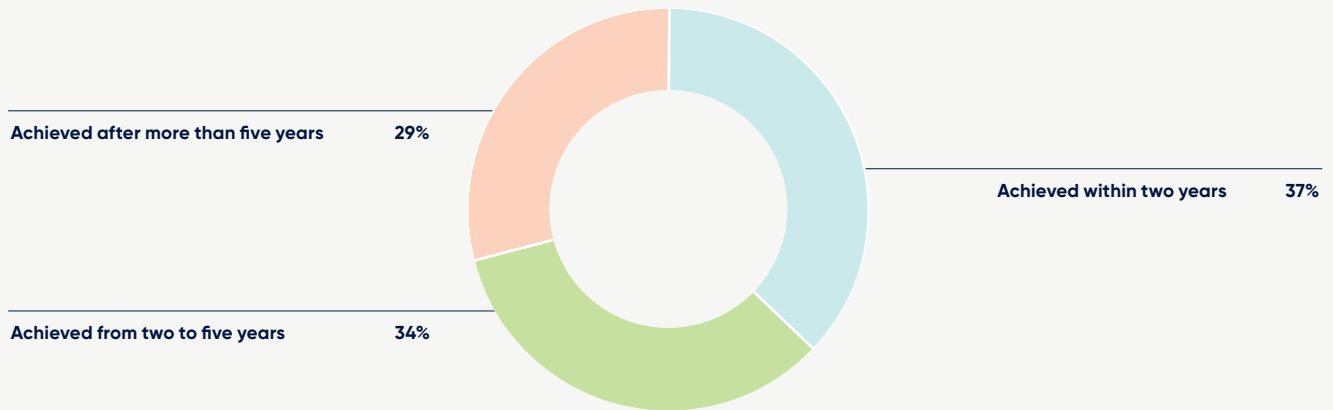
There has been an active program of reducing available reserves over the past 10 years through planned annual losses. This is a deliberate approach of using assets that have been provided by farmers paying levies and other sources of income, to expand investments and deliver more for farmers.

Future years will require careful management of available reserves with smaller planned deficits or nil deficits.

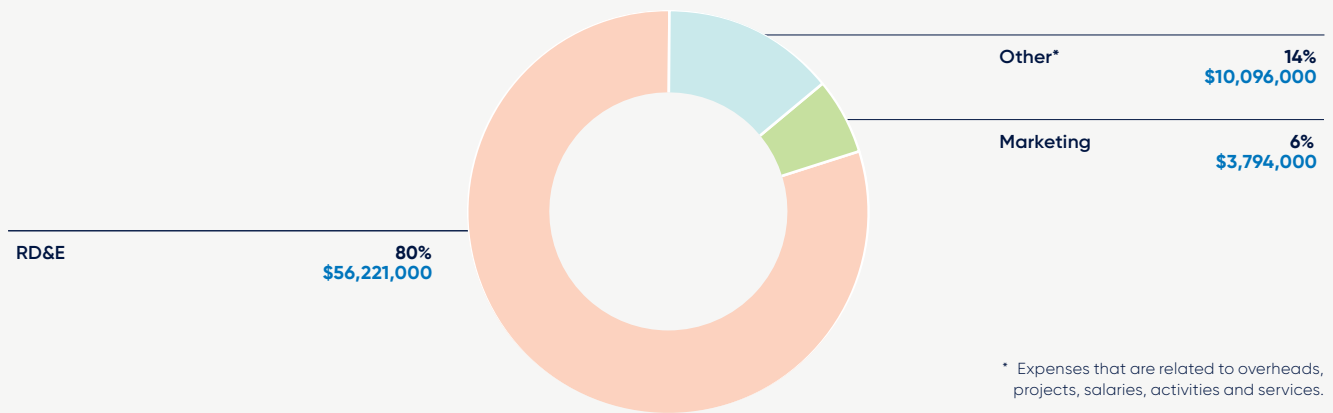
An investment review and a forced change in investment strategy through the closure of a fund, has repositioned the investment of available reserves in a more conservative fund, which will be completed in FY24.

## Time horizon to achieve project benefits

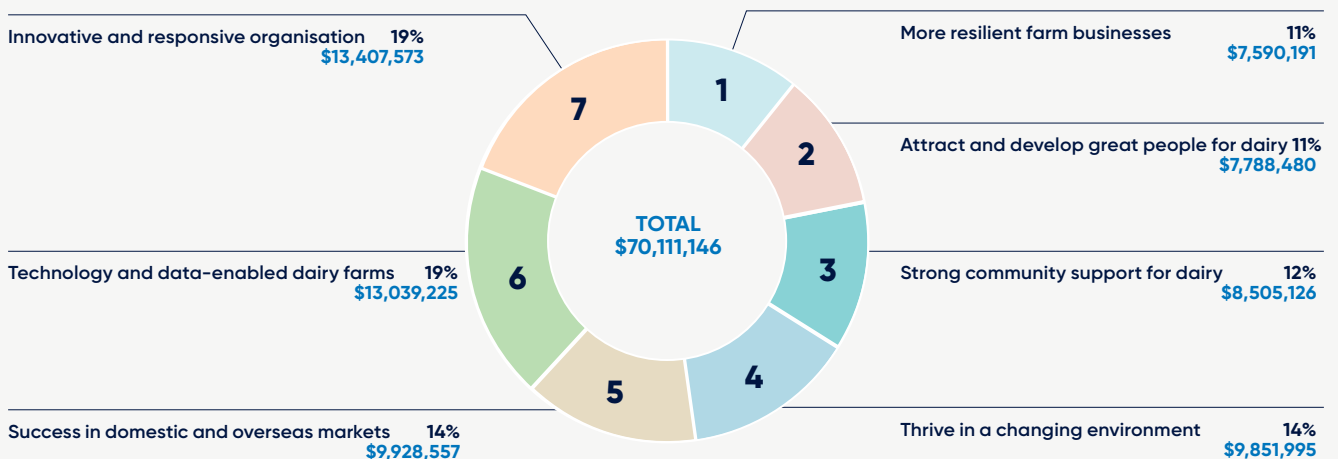
Each investment has a projected time frame in which to realise benefits, shown in the graph below.



## Expenditure



## Funding allocations across strategic priorities



# Collaborative investment

Dairy Australia collaborates with a range of Australian and international partners to deliver innovation and value to Australian dairy farmers.

We work with partners including universities, the Commonwealth and state governments, RD&E organisations, agricultural industry agencies, commercial agricultural companies, non-government organisations and cooperative research centres on projects and activities to inform policy decisions in all regions. A more comprehensive overview of our projects and partnerships is available in our performance report 2022/23.

DairyBio and DairyFeedbase are long-term, joint initiatives of the Gardiner Foundation, Dairy Australia and Agriculture Victoria through the Victorian Dairy Innovation Agreement. These initiatives use science, research and technology to advance herd and feed genetics and improve farm management practices.

Dairy Australia's partnership with the Gardiner Foundation also includes other programs designed to enhance farm business management, including Our Farm, Our Plan which helps farmers identify long-term goals, improve business performance and manage volatility.

Now in its third year, DairyUP has a focus on harnessing the potential of dairy farms by developing new markets, reducing risk, and increasing productivity and profitability. While this research and development program is based in New South Wales, the outcomes have national relevance. To deliver DairyUP, we partner with the New South Wales Department of Primary Industries, the University of Sydney and Scibus.

We collaborate with the Tasmanian Institute of Agriculture, the Queensland Department of Agriculture and Fisheries, Grains Research and Development Corporation, Meat & Livestock Australia, Australian Wool Innovation and AgriFutures Australia on a range of feedbase and animal nutrition projects including the National Pasture Genebank.

growAG is an innovation gateway to Australia's agrifood innovation system. It is a collaboration between the Department of Agriculture, Fisheries and Forestry and the 15 Rural Research and Development Corporations, and showcases world-leading agricultural research, unique technologies, and commercialisation opportunities in one location.

The global Dairy Sustainability Framework (DSF) provides a global framework for sustainability and collects data on progress against 11 identified elements. The Australian Dairy Sustainability Framework aligns with the global framework. Dairy Australia is a member of the DSF and reports on progress on behalf of the dairy industry. Dairy Australia's Managing Director is also a governor of the DSF.

The Global Dairy Platform's (GDP) members include dairy companies, associations, scientific bodies, and other partners who collaborate pre-competitively to lead and build evidence on dairy's role in the diet and show the sector's commitment to responsible food production. As a member of the GDP we collaborate on human nutrition work and promote the value of dairy foods.

For a full list of our collaboration partners, see page 66 of this report.





# Our people

Dairy Australia is committed to delivering against our values: farmer first, one team, innovative thinking and decisive action.

We strive for a working environment where people are empowered, challenged, and supported to deliver their best work.

Our presence across eight dairy regions, enables us to provide services to farmers across the country. Many of our team members live and work in regional areas and are part of local farming communities.

We have increased our regional footprint with the addition of regional roles dedicated to farm engagement, workforce attraction and climate adaptation.

## Working environment

We know our teams value a work-life balance achieved by a flexible, hybrid working model.

We also recognise that our collective organisation benefits when staff come together, to build and maintain a deeper connection to our purpose and culture.

Enabling employees to adjust their work schedules and locations leads to increased job satisfaction and higher levels of productivity and engagement. Our flexible working arrangements promote a more diverse and inclusive workforce by accommodating different needs and preferences, enhancing employee retention rates and contributing to reduced operational costs by optimising office space.

## Employee feedback

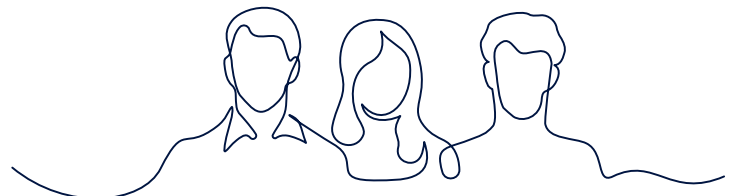
Employee engagement is central to our ongoing success. In our most recent employee feedback survey held this year, the level of engagement of employees has held relatively steady. The survey also found that more than 90 per cent of employees know and understand our values and believe our values are right for our organisation.

## Key initiatives

This year, we continued working on and implementing a range of initiatives designed to develop and retain staff. These included a revamped performance and feedback cycle, a capability framework, leadership development program (with 37 staff participating), and a new workplace health and safety framework.

We continued to support employee health and wellbeing through initiatives such as skin checks, flu shots, STEPtember, R U OK? day, Movember, and Healthy Bones Action week.

We also created a new learning and development policy and procedure to support a productive learning culture, and implemented a new human resources information system designed to improve the employee experience.



**204**

people

**185.6**

full-time equivalent



Dairy Australia

Murray DAIRY Dairy Australia

# Leadership team

Dairy Australia's skilled and experienced leadership team, led by Managing Director, David Nation, provide strategic direction and manage our investments, priorities and goals in our strategic and operational plans.

The leadership team also manages our day-to-day operations. The organisation works collaboratively, is focused on our measures of success and delivers the outcomes linked to our strategy.



## **Dr David Nation** Managing Director

David has over 25 years' experience in the dairy industry and has led large scale innovation projects, brought new technology to the dairy industry, and forged significant international partnerships in research projects. He has a background in agricultural science and broad experience in senior management, including further studies in New Zealand and the United States. David has extensive national and global networks in commercial, research and sustainability sectors. David has also had technical and commercial roles in the animal breeding and herd fertility service industries.

**Appointed 2018**  
BSciAg (Hons) PhD, Grad. Cert Bus Mgmt, GAICD



## **Kendra Campbell** General Manager – Marketing and Communications

Kendra is responsible for industry marketing, corporate and farmer communications, digital experience and design. She has over 20 years' experience in marketing, corporate communications and public relations. Her previous roles include Marketing Manager of Coles Express, and General Manager Marketing and Group Corporate Communications Manager with Bakers Delight Holdings. Kendra's extensive experience covers marketing, brand management, digital communication, public relations, media relations, stakeholder engagement and issues management.

**Appointed 2017**  
BBus (Marketing)



## **Helen Dornom** General Manager – Sustainability

Helen is responsible for sustainability, food safety and integrity. She has worked with the CSIRO, the Australian Dairy Industry Council and the Australian Dairy Products Federation. Helen is experienced in research, development and extension strategies, issues management, supply chains, regulatory standards and policy frameworks. She has worked on the International Dairy Federation/Food and Agriculture Organisation guides, the Global Dairy Sustainability Framework and the Sustainable Agriculture Initiative.

**Appointed 2002**  
BAgrSc (Hons), GAICD



## **Verity Ingham** General Manager – Regional Services

Verity leads our regional teams across eight dairying regions. She has worked in government, industry and the corporate sector with experience in leadership, consultancy, extension, project management, boards and rural business management. Verity has served on private company and industry boards as a director and executive, and combines strategy and action to deliver results. With a farming background, Verity understands farm businesses and rural communities.

**Appointed 2019**  
BAppSci (Ag) GradDip (Ed), GAICD



### **Greg Jarman** General Manager – Farm Profit and Capability

Greg leads the team that invests in research, development, extension activities and education to support the profitability, sustainability and competitiveness of Australian dairy farmers. He has over 20 years' experience in agriculture, covering operations, innovation, growth, finance, people and capability development. Greg has held management roles with Costa Group, Nutrano Produce Group and Hancock Natural Resource Group. As a past chair of Raspberries and Blackberries Australia, he oversaw the creation of a combined berry peak industry body.

**Appointed 2021**  
BAppSci (Hort) MBA, GAICD



### **Imogen McBain** General Manager – Human Resources

Imogen is a human resources professional with over 12 years' experience. She has worked in diverse industries including engineering, consulting, media/technology and property development. Imogen brings specialist experience in employee relations, human resources technology and analytics and has a keen interest in talent management. Her previous roles include managing the human resources function at Caydon Property Group.

**Appointed 2018**  
MCom (HR) BAppSc (Psychology), GAICD



### **Charlie McElhone** General Manager – Trade and Industry Strategy

Charlie leads the Trade and Industry Strategy team which is responsible for facilitating profitable international trade for Australian dairy products. His team provides information, analysis and market intelligence to the Australian dairy industry. Charlie has extensive experience in the agriculture and food sectors in policy, advocacy and analysis of market dynamics. Before joining Dairy Australia, Charlie was the General Manager of Policy with the National Farmers Federation.

**Appointed 2012**  
BAgrEc, GDip (International Business), MBA, GAICD



### **Elizabeth Parkin** General Manager – Business and Organisational Performance

Elizabeth led the team delivering strategy, corporate planning, the portfolio management office, change management, finance, information technology, legal and knowledge. With more than 30 years' experience, Elizabeth held senior management and corporate advisory roles including at KPMG and Lander & Rogers. She has been a corporate finance director and chief operating officer, served as a director on multiple boards, and chaired audit and risk committees.

**Appointed 2017**  
**Retired 2023**  
BBus, FFin, CAANZ, FINSIA



### **Firoz Divecha** Chief Financial Officer

Firoz leads the Corporate Services team with overall responsibility for finance, strategy, project management office, risk and compliance, information technology and legal. He has over 25 years of local and international (India and United Arab Emirates) experience as a senior executive across multiple industries including not-for-profit, food manufacturing, printing and coding, automotive and auditing.

**Appointed 2023**  
Qualified CPA (Australia) and Qualified Chartered Accountant (India)

# Corporate governance

Dairy Australia is an unlisted public company limited by guarantee. The company has two classes of members:

- Group A members: dairy farmers who pay the dairy services levy and elect to become members. Group A members have voting rights on resolutions and director appointments at general meetings. There are 2,460 Dairy Australia members. This member base has decreased approximately 8 per cent year on year as the number of farms have declined.
- Group B members: bodies that represent the Australian dairy industry, consisting of Australian Dairy Farmers and the Australian Dairy Products Federation.

As the industry services body, we operate within a legislative framework comprising:

- Dairy Produce Act 1986 (Cth)
- Corporations Act 2001 (Cth)
- Australian Charities and Not-For-Profits Commission Act 2012 (Cth).

Dairy Australia is party to a Statutory Funding Contract (SFC) with the Commonwealth, with a 10-year term expiring in June 2031. Under the SFC, the Commonwealth agrees to pay dairy service levy funds collected from dairy farmers to Dairy Australia, together with government matching payments in relation to eligible RD&E activities undertaken by Dairy Australia.

The SFC also determines the performance principles that Dairy Australia must meet. The SFC and the company constitution are available at [dairyaustralia.com.au](http://dairyaustralia.com.au).

## Commitment to good governance

The Dairy Australia Board is committed to high standards of governance that are fit for purpose for a company of Dairy Australia's size, scale and complexity.

The board has established a governance framework for managing the company including adopting relevant internal controls, risk management processes and corporate governance policies and practices that are appropriate for our business and designed to promote the responsible management and conduct of Dairy Australia.

## Governance benchmark

We have adopted the Australian Institute of Company Directors Not-for-Profit Governance Principles (the AICD Principles) as an appropriate guide to governance practices suitable for our organisation. The AICD Principles are annexed to our corporate governance statement, which is available at [dairyaustralia.com.au](http://dairyaustralia.com.au).

## Accountability and transparency

The board is committed to accountability and transparency by providing information about the company, its financial position and its performance to members, levy payers and other stakeholders enabling them to hold the board to account for its decisions.



# Board and management

## Roles and responsibilities

The board comprises eight non-executive directors and the managing director.

The board has adopted a formal board charter that details the board's role, authority, responsibilities, membership and operations, and is available on our website. The charter sets out the matters specifically reserved to the board and the powers delegated to board committees.

Key functions of the board are to monitor the operational and financial performance of the company, oversee its business strategy and ensure appropriate use of the company's resources.

The board delegates responsibility for the day-to-day management of Dairy Australia to the managing director and the leadership team under a formal delegations of authority policy, but retains responsibility for the overall strategy, governance and performance of the company.

## Board committees

The board has two standing committees to assist the effective and efficient operation of the board.

Each committee has adopted a board-approved charter that details its role, responsibilities, membership and operations. Committee charters are reviewed annually and are available on our website.

## People and Culture Committee (Formerly the Board Human Resources Committee)

This provides oversight and direction to the board on people and remuneration policies and practices that support the delivery of Dairy Australia's strategic direction and culture by:

- Enabling Dairy Australia to attract and retain directors, executives and employees who will create sustainable value for farmers.
- Fairly and responsibly rewarding executives having regard to the performance of Dairy Australia.
- Complying with all relevant legislation and policies and reporting requirements.
- Committing to the achievement of a diverse and inclusive workforce.
- Facilitating identification and development of successors to executives and other business critical roles resulting in robust succession plan.
- Maximising the effectiveness of Dairy Australia's people management activities including delivery on agreed organisational culture outcomes.

## Audit and Risk Management Committee

This committee assists the board in fulfilling its oversight responsibilities in relation to:

- Ensuring the integrity of statutory financial reports, the financial reporting process and internal control structure.
- The external audit and internal audit processes including the appointment of auditors and other advisers.
- Ensuring the effectiveness of risk management systems.
- Ensuring the effectiveness of compliance management systems including compliance with applicable legal, regulatory and other material obligations.
- Investment strategy, composition of the investment portfolio and the appointment and removal of investment advisers.

## Board skills

To effectively discharge its oversight and governance responsibilities, the board requires an appropriate mix of skills, experience and personal attributes.

In 2023, the board reviewed and revised the mix of skills, knowledge and experience the board considers are collectively necessary to direct Dairy Australia having regard to the business and strategy of the company. These skills and the number of current directors who have 'strong' or 'intermediate' skills/experience in each area are set out in our corporate governance statement, available on [dairyaustralia.com.au](http://dairyaustralia.com.au).

In addition to the collective skills set out in the matrix, under our constitution the board must have at least four directors with milk producer skills.

## Board diversity

The board recognises the benefits of having a diverse board and sees increasing diversity at board level as an essential element in maintaining a competitive advantage.

The board has formally approved a board diversity policy to actively promote a truly diverse board that includes and make good use of differences in experience and backgrounds, including:

- Regional and geographic background
- Industry experience
- Research and development experience



- Farming systems
- Farm size
- Race, gender and other distinctions between directors.

These differences are considered in determining the optimum composition of the board.

### Independence of the board

The board charter provides that a majority of directors (including the chair) will be independent directors.

The board considers that in FY23 all non-executive directors were independent and free from any business or other relationship that could materially interfere with the independent exercise of their judgment, and were able to fulfil the role of an independent director for the purposes of the charter.

### Organisational culture

The company has in place a people and culture strategy that aims to align organisational culture with achievement of objectives.

Dairy Australia's desired culture is values-based and highly collaborative with a strong focus on teamwork and decisive action. The board recognises that organisational culture is critical to our success and aims to instil and model our desired culture through individual and collective director behaviour.

The board monitored and evaluated organisational culture through the year through management reporting to the board and the People and Culture Committee and a staff engagement survey which provided valuable data on how our employees are feeling about their work and helped identify areas of strengths to leverage and areas for improvement.

### Risk management

Under our approach to risk management, the prudent assumption of risk in the achievement of organisational objectives is encouraged.

The risk management policy, framework and risk appetite statement are reviewed by the board on an annual basis to ensure alignment to the company's purpose and strategy.

Under the risk management framework enterprise-wide risks are reviewed annually and outcomes reported to the Audit and Risk Management Committee and board.

These risks are managed and treated under the company's risk management policy and risk management procedure under which:

- The leadership team and senior managers are responsible as risk owners for identifying, assessing, evaluating, documenting, managing and treating risks in accordance with the risk management framework.
- Strategic risks are reported to the Audit and Risk Management Committee and board quarterly.

### Stakeholder engagement

Dairy Australia is committed to open, accountable and responsive decision-making, informed by effective communication and consultation between the company, dairy farmers, the Commonwealth Government and industry stakeholders. Effective engagement with stakeholders is critical to ensuring that our decisions around investments and services are sound and align with stakeholder expectations.

To ensure effective engagement, the company has in place a stakeholder consultation plan which was developed having regard to the Department of Agriculture, Fisheries and Forestry's Best Practice Guide to Stakeholder Consultation. The plan provides for:

- Regional level consultation and engagement through our Regional Development Program Boards across Australia's eight dairy regions.
- Direct dairy farmer consultation and engagement providing dairy farmers with the opportunity to have a strong voice in decision making, engage with our staff and be exposed to levy-funded programs.
- Group B member consultations and engagement in relation to strategy planning and annual planning processes.
- Industry policy groups consultation and engagement.
- Engagement with the Department of Agriculture, Fisheries and Forestry in relation to operations and investments.

During the year, Dairy Australia undertook an extensive and active engagement program with dairy farmers, members and other key stakeholders in accordance with the plan.

# Intellectual property

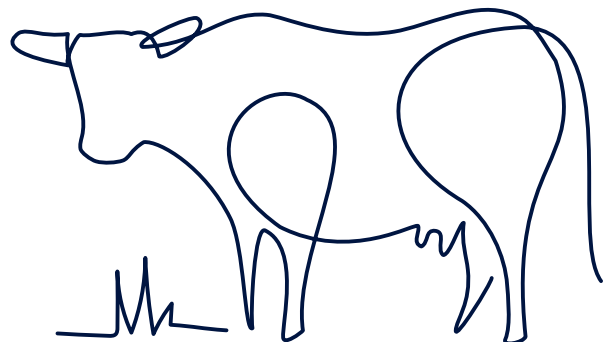
Dairy Australia has a portfolio of intellectual property (IP). This is predominantly copyright in reports derived from research and development projects, other materials, or works prepared by subject matter experts engaged by Dairy Australia.

To a lesser extent, it can include patents, trademarks, domain names and interests in plant breeders' rights. The core objectives of Dairy Australia's IP management are:

- Ensure wherever possible that IP provisions in contracts with third party educational institutions, research organisations and consultants commissioned to perform R&D or provide services requiring specialist knowledge and technical expertise, allow Dairy Australia to own or use all outputs to enable free dissemination to levy-paying farmers, and generally use the IP to achieve Dairy Australia's objectives and mission.
- Maximise the benefit of R&D expenditure by wherever appropriate, disseminating relevant IP to industry without charge or other encumbrances, in a manner that is timely, easily adopted and user-friendly.
- Evaluate IP from R&D expenditure to ensure Dairy Australia avails itself of opportunities to secure statutory protection or to commercialise the IP. Where appropriate, Dairy Australia protects IP from R&D initiatives by way of registration.

- Ensure IP from R&D expenditure is competently examined and assessed so likely benefits in pursuing further R&D are identified and pursued where commercially viable.
- Maintain procedures to manage ongoing costs of protection of registered IP.
- Our investment goal is to return a real and direct benefit to industry, generating relevant and valuable outputs, and delivering these to levy-paying farmers (and, where relevant, other industry stakeholders) efficiently and free-of-charge.

The primary purpose of commissioning or funding of R&D initiatives by Dairy Australia, is not driven by the prospect of generating a portfolio of intellectual property capable of returning a revenue stream through commercialisation.





# Financial Report

## Directors' report

For the year ended 30 June 2023

The directors of Dairy Australia Limited submit their report for the year ended 30 June 2023.

### Directors

The names and details of the company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.



#### **Mr James Mann** Chair

James and his family are the owners of Donovan's Dairying Pty Ltd at Wye, South Australia, which is one of the nation's leading dairy businesses and milks 2,000 cows. James has been involved in the Australian dairy industry for over 30 years, with experience in farm systems used in dairy farming and agriculture more broadly, across different regions in Australia as well as New Zealand and the United Kingdom. James was the Chair of the DairySA Regional Development Program from 2002 to 2015 and has also performed other dairy industry leadership roles.

**Appointed November 2015**

**Appointed Chair July 2020**

Ex-officio member – Audit and Risk Management Committee and Board Human Resources Committee



#### **Ms Tania Luckin** Deputy Chair

Tania operates a dairy farming business in South West Victoria. She has more than 25 years' experience in the successful operation of small, medium and large-scale dairy farms. She has been involved in various industry organisations at regional and national levels and has held a range of governance roles including Director of the WestVic Dairy Board, Director of the Bonlac Supply Company and Chair of the Warrnambool CBD Committee. Tania also has a vast network across the industry and is currently a director on the Board of Dairy Food Safety Victoria. Tania holds an Advanced Diploma of Agriculture and is a graduate of the Australian Institute of Company Directors.

**Appointed November 2017, appointed Deputy Chair May 2023**

Member – Board Human Resources Committee

Chair – Board Selection Committee



#### **Dr David Nation** Managing Director

David has over 25 years' experience in the dairy industry and has led large scale innovation projects, brought new technology to the dairy industry, and forged significant international partnerships in research projects. He has a background in agricultural science and broad experience in senior management, including further studies in NZ and the US. David has extensive national and global networks in commercial, research and sustainability sectors. David has also had technical and commercial roles in the animal breeding and herd fertility service industries.

**Appointed July 2018**



### **Professor Alan Bell**

Alan grew up on a dairy farm in South Gippsland, Victoria. He was educated at the University of New England (B Rur Sc, Hons, 1969) and the University of Glasgow (PhD, 1976) and has held research and teaching positions in Australia, Scotland and the United States. He was Chairman and Extension Leader of the Department of Animal Science at Cornell University from 1997 to 2007, with responsibilities for teaching, research and extension in livestock biology and management. From 2007 until his retirement in 2012 he was Chief of CSIRO Livestock Industries, Australia, with responsibility for research operations in Queensland, NSW, Victoria, and Western Australia. During this period, he also was seconded to be interim CEO of Food Science Australia and interim Chief of CSIRO Food and Nutritional Sciences. He continues to be professionally engaged through writing, reviewing, chairing several national scientific committees, and taking the occasional consultancy.

**Appointed November 2022**

Chair – Board Human Resources Committee



### **Ms Roseanne Healy**

Roseanne Healy started in strategic advisory and investment banking at JBWere in Australia later becoming a corporate advisor to several ASX listed companies as well as being an experienced board chair and director on both private, listed and government boards. Roseanne currently leads Enterprise Corporation an Australian corporate advisory and boutique private equity firm with considerable experience across the innovation ecosystem. Roseanne Chairs Dairysafe, Cashflow Manager, is Deputy Chair of Grains Research and Development Corporation and non-executive director of the Murray Darling Basin Commission, Rice Breeding Australia, Pristine Foods and Swarmer. Roseanne was formerly a Director of the Rural Industries Research and Development Corporation (now AgriFutures). Roseanne's early qualifications included a Bachelor of Arts (Economics); a Master of Business Research (Commerce), and MBA, later returning to study a Bachelor of Laws at the University of Adelaide. Roseanne is also a graduate of the AICD (International).

**Appointed November 2018**

Member – Audit and Risk Management Committee



### **Mr Paul van Heerwaarden**

Paul's family farming background led him to a career path in agribusiness. He joined Cargill in 1991 and spent 10 years across Australia, the United States and Asia working in the meat, oilseeds and grains industries. Following finance and general management roles with several small to medium agribusinesses, Paul joined Bega Cheese Ltd in 2009 where he gained commercial, operational and supply chain experience in the Australian dairy industry and international dairy markets. He stepped down as CEO of Bega Cheese Ltd in February 2023 after six years in the role. He has served on a number of company and joint venture boards including for several years as a member director of Dairy Innovation Australia Ltd.

**Appointed January 2023**

Member – Board Human Resources Committee



### **Ms Simone Jolliffe**

Simone with her husband Neil have been farming on the Murrumbidgee River near Wagga Wagga in NSW since July 2000, starting out as sharefarmers and later purchasing the property in 2008. Simone has nearly 20 years industry involvement outside their farm business in local, state, and national roles. She has held various leadership roles in industry research, development and extension as well as advocacy and representation through her roles including Dairy NSW, Australian Dairy Farmers, DataGene and the Australian Dairy Sustainability Framework. Simone has a Bachelor of Rural Science and is a graduate of the Australian Rural Leadership Program as well as the Australian Institute of Company Directors.

**Appointed November 2021**

Member – Audit and Risk Management Committee



### **Mr Andrew Maughan**

Andrew grew up on a family farm in the Goulburn Valley which influenced much of his professional life. Currently Andrew is Managing Director of corporate advisory and investment firm Somerset Capital, Chair of AgLink Australia, AGnVET Services and Langdon Group. He has previously been Chair of The Pastoral Pork Company and a Director of Gardiner Dairy Foundation, Pork CRC, Beischer Medical Research Foundation and Mt Hotham Alpine Resort. Before founding Somerset Capital, Andrew worked in the US, Canada and Australia with Cargill and as a lawyer with Herbert Smith Freehills. Andrew has a Bachelor of Law, Bachelor of Science and MBA. He is a fellow of the Australian Institute of Company Directors.

**Appointed November 2022**

Chair – Audit and Risk Management Committee



### **Mr Paul Roderick**

Paul Roderick has operated his family dairy farm at Harrisville, south-east Queensland for the last 30 years. Paul has been involved in all facets of dairy off-farm with roles in advocacy, research, development and extension. He was previously Chair of Subtropical Dairy, Dairy Australia's Regional Development Program, and had a role in setting up the Young Dairy Network (YDN) Queensland as the young farmer delegate on the Inaugural Strategic Steering Committee. He was a Director on Premium Milk Ltd (negotiating group with Lactalis) for 11 years and is a member of the Australian Dairy Conference Board. He is an active member of both the local and dairy communities which include roles in the Fassifern Rugby League Football Club for over 28 years (current President), Hayes Oval Inc, the local ANZAC Committee, and is a current EastAUSmilk District Councillor. Paul is also a graduate of the Australian Institute of Company Directors.

**Appointed November 2020**

Member – Board Human Resources Committee



### **Mr Russell Abotomey**

Russell is an experienced executive and director with more than thirty years in the agricultural sector in Australia and internationally having worked for dairy companies such as Kraft, Fonterra and Murray Goulburn for over 20 years and over 10 years in the sugar industry with Sugar Australia / CSR. He holds a Bachelor of Business Degree from Swinburne University and completed the Executive Leadership Program at the Kellogg business school and the Agribusiness Program at Harvard business school.

**Appointed November 2015**

**Appointed Chair July 2020**

Ex-officio member – Audit and Risk Management Committee and Board Human Resources Committee



### **Ms Josephine Rozman**

Josephine is an experienced non-executive director with strong finance, risk management and accounting skills, in addition to extensive marketing, sales, business development and CEO experience across a diverse range of industries globally including working in the USA and Asia. She has a thorough understanding of trade, compliance and regulatory issues in global markets and a robust appreciation of supply chain management issues, in particular pertaining to food, beverage and agricultural products. Josephine has served on the Boards of Elders Limited and Wine Australia Corporation. She is Chair of the Audit & Risk Committee for the NSW government agency, Service NSW. Josephine holds a Bachelor of Economics (Advanced Economics, Accounting and Law), is a Chartered Accountant and a Fellow of the Australian Institute of Company Directors.

**Appointed November 2019, resigned November 2022**

Chair – Audit and Risk Management Committee (until November 2022)



### **Professor Paul Wood AO**

Paul has over thirty years' experience in agricultural R&D. Paul has been successful as both a research scientist and as an R&D leader. He is internationally recognised for his research in veterinary immunology, tuberculosis and vaccine development and in 2019 received the International Distinguished Veterinary Immunologist award. He has led R&D teams from CSIRO, CSL and Pfizer Animal Health (now Zoetis). He has been responsible for bringing a number of innovative products to the market, receiving recognition for his work including the CSIRO Medal, the Clunies Ross award and was made an Officer in the Order of Australia in 2018. He has served on several boards with both R&D and commercial entities and currently is an Adjunct Professor at Monash University. Paul is also the Chair of the Global Alliance for Livestock Veterinary Medicines and a Fellow of the Australian Academy of Technological Sciences and Engineering.

**Appointed November 2016, resigned November 2022**

Member – Board Human Resources Committee (until November 2022)

## **Company Secretary**



### **Elizabeth Parkin**

Elizabeth has over 30 years' experience in senior management and corporate advisory roles in multiple organisations such as KPMG and Lander & Rogers. Elizabeth holds a Bachelor of Business and a Graduate Diploma of Finance and is a member of Chartered Accountants Australia and New Zealand and a member of Financial Services Institute of Australasia.

**Resigned as Company Secretary August 2022**



### **Mr Martin Bede**

Martin is a lawyer with experience in both private practice and in-house legal roles. He has been a Company Secretary for a range of organisations including ASX listed companies and a government agency. He holds a Bachelor of Laws and Bachelor of Commerce from the University of Melbourne and a Graduate Diploma in Applied Corporate Governance. He is a fellow of the Governance Institute of Australia.

**Appointed August 2022**

## Meeting of Directors

| Directors            | Directors' meetings |                   | Committee meetings                  |                   |                                 |                   |
|----------------------|---------------------|-------------------|-------------------------------------|-------------------|---------------------------------|-------------------|
|                      | A                   | B                 | Audit and Risk Management Committee |                   | Board Human Resources Committee |                   |
|                      |                     |                   | A                                   | B                 | A                               | B                 |
| Mr J Mann            | 13                  | 13 <sup>(i)</sup> | 5                                   | 5 <sup>(ii)</sup> | 4                               | 4 <sup>(ii)</sup> |
| Ms T Luckin          | 13                  | 12                | -                                   | -                 | 4                               | 4 <sup>(i)</sup>  |
| Dr D Nation          | 13                  | 13                | -                                   | -                 | -                               | -                 |
| Professor A Bell     | 7                   | 7                 | -                                   | -                 | 2                               | 2 <sup>(i)</sup>  |
| Ms R Healy           | 13                  | 13                | 5                                   | 5                 | -                               | -                 |
| Mr P van Heerwaarden | 5                   | 5                 | -                                   | -                 | 2                               | 2                 |
| Ms S Jolliffe        | 13                  | 13                | 5                                   | 5                 | -                               | -                 |
| Mr A Maughan         | 7                   | 7                 | 2                                   | 2 <sup>(i)</sup>  | -                               | -                 |
| Mr P Roderick        | 13                  | 13                | 2                                   | 2                 | 2                               | 2                 |
| Mr R Abotomey        | 8                   | 8                 | -                                   | -                 | 2                               | 2                 |
| Ms J Rozman          | 6                   | 6                 | 3                                   | 3 <sup>(i)</sup>  | -                               | -                 |
| Professor P Wood     | 6                   | 6                 | -                                   | -                 | 2                               | 1                 |

A Number of meetings held during the time the Director held office  
 B Number of meetings attended

i Indicates Chair  
 ii Indicates attendance as an *ex-officio* member

## Principal activities

Dairy Australia is the industry services body for the dairy sector. Its principal activity is to provide services that benefit and advance dairy farm businesses and the industry. These services deliver value by enhancing farm business management, supporting employment and people development, driving herd and feed innovation, managing climate and environment, promoting Australian dairy and the commitment to sustainability, supporting international dairy markets, contributing to policy development, and responding to critical issues and events. There was no significant change in the nature of Dairy Australia's activities during the year.

## Strategy

Dairy Australia's strategy is set out in our Strategic Plan 2020-2025. The strategic plan describes the priorities and the outcomes to be delivered over five years and is aligned with the industry-wide Australian Dairy Plan. Goals set for the coming year are set out in our annual operating plan. There are six priorities that contribute to delivering improved profitability for farmers and a more sustainable dairy industry, and a seventh priority that focuses on organisational performance. Each priority is underpinned by a goal and key outcomes, with the priorities and goals set out below. How the company's activities assisted in achieving these outcomes and how we measure our performance including key performance indicators are reported in the Dairy Australia Performance Report 2022/23.

| Strategic priority |  | Goals  |
|--------------------|--|--|
| Priority 1         | More resilient farm businesses             | Farm businesses that are more profitable, resilient and innovative in managing price and cost volatility.                          |
| Priority 2         | Attract and develop great people for dairy | Attract great people to the dairy industry, build their capability and careers and foster a safe work culture.                     |
| Priority 3         | Strong community support for dairy         | Enhanced trust and value in the Australian dairy industry, farmers and products.   |
| Priority 4         | Thrive in a changing environment           | Profitable farm businesses that adapt to the changing natural environment and provide good stewardship of resources.               |
| Priority 5         | Success in domestic and overseas markets   | Improved access to high-value dairy markets, backed by trusted market insights and a favourable regulatory and policy environment. |
| Priority 6         | Technology and data-enabled dairy farms    | Inspire more agile and responsive dairy businesses through greater integration of technology and data.                             |
| Priority 7         | Innovative and responsive organisation     | An organisation that is farmer-focused, with talented people who embrace innovative thinking and decisive action.                  |



## Limited liability of members (guarantee)

The constitution states that, if the company is wound up, the liability of members is limited as follows:

- Each member at the time the winding up starts.
- Each person who, at any time in the 12 months before the winding up started, was a member undertakes to contribute to the assets of the company up to an amount not exceeding \$2 for payment of the debts and liabilities of the company, including the costs of the winding up. The total amount that members of the company are liable to contribute if the company is wound up for 2023 is \$8,654 (2022: \$9,290).

Any surplus members' funds on winding up must not be paid to members but must be paid or transferred to another corporation with similar objects to the company and with a constitution which prohibits the distribution of its income and property amongst its members.

## Statement of corporate governance

A statement of corporate governance is set out on pages 20.

## Registered office

Level 3, HWT Tower  
40 City Road  
Southbank Victoria 3006

## Rounding

The amounts in the financial report have been rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the company under *ASIC Corporations Instrument 2016/191* (instrument). The company is an entity to which the instrument applies.

## Auditor independence

The Auditor's Independence Declaration in relation to the audit for the year ended 30 June 2023 has been received by the company. A copy follows the financial statements.

Signed in accordance with a resolution of the directors.



James Mann  
Director

4 October 2023



David Nation  
Director

4 October 2023

# Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

|   | Note | 2023           | 2022           |
|---|------|----------------|----------------|
|   |      | \$'000         | \$'000         |
| <b>Revenue</b>  | 2    |                |                |
| Dairy service levy  |      | 28,759         | 30,836         |
| Government matching payments  |      | 25,704         | 22,639         |
| External contributions  |      | 8,670          | 9,002          |
| Interest revenue  |      | 245            | 6              |
| Distributions from investments  |      | 205            | 239            |
| Royalties   |      | 1              | 9              |
| Other income  |      | 1,438          | 776            |
| <b>Total revenue</b>  |      | <b>65,022</b>  | <b>63,507</b>  |
| <b>Expenses</b>   | 3    |                |                |
| Projects  |      | 43,391         | 39,341         |
| Activities and services   |      | 16,500         | 16,202         |
| Overheads   |      | 10,220         | 8,466          |
| <b>Total expenses</b>   |      | <b>70,111</b>  | <b>64,009</b>  |
| <b>(Deficit)/surplus</b>  |      | <b>(5,089)</b> | <b>(502)</b>   |
| <b>Other comprehensive (loss)/income</b>                                  |      |                |                |
| Items that may be reclassified subsequently to profit or loss:            |      |                |                |
| Net fair value gains/(losses) on available-for-sale financial investments | 6.3  | 890            | (1,409)        |
| <b>Other comprehensive (loss)/income for the period</b>                   |      | <b>890</b>     | <b>(1,409)</b> |
| <b>Total comprehensive (loss)/income</b>                                  |      | <b>(4,199)</b> | <b>(1,911)</b> |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# Statement of financial position

For the year ended 30 June 2023

|  | Note  | 2023          | 2022          |
|--|-------|---------------|---------------|
|  |       | \$'000        | \$'000        |
| <b>Assets</b>                            |       |               |               |
| <b>Current assets</b>                    |       |               |               |
| Cash and cash equivalents                | 5.1   | 25,004        | 7,629         |
| Trade and other receivables              | 6.1   | 11,551        | 13,374        |
| Other financial assets                   | 6.2   | 359           | 560           |
| <b>Total current assets</b>              |       | <b>36,914</b> | <b>21,563</b> |
| <b>Non-current assets</b>                |       |               |               |
| Available-for-sale financial investments | 6.3   | -             | 15,618        |
| Plant and equipment                      | 4.1   | 924           | 1,126         |
| Right-of-use assets                      | 6.4   | 3,670         | 365           |
| Intangible assets                        | 4.2   | 7             | 240           |
| <b>Total non-current assets</b>          |       | <b>4,601</b>  | <b>17,349</b> |
| <b>Total assets</b>                      |       | <b>41,515</b> | <b>38,912</b> |
| <b>Liabilities</b>                       |       |               |               |
| <b>Current liabilities</b>               |       |               |               |
| Trade and other payables                 | 6.5   | 11,073        | 8,258         |
| Provisions                               | 3.2.2 | 3,684         | 3,208         |
| Lease liabilities                        | 6.4   | 928           | 293           |
| <b>Total current liabilities</b>         |       | <b>15,685</b> | <b>11,759</b> |
| <b>Non-current liabilities</b>           |       |               |               |
| Lease liabilities                        | 6.4   | 3,007         | 359           |
| Provisions                               | 3.2.2 | 883           | 655           |
| <b>Total non-current liabilities</b>     |       | <b>3,890</b>  | <b>1,014</b>  |
| <b>Total liabilities</b>                 |       | <b>19,575</b> | <b>12,773</b> |
| <b>Net assets</b>                        |       | <b>21,940</b> | <b>26,139</b> |
| <b>Retained surplus</b>                  |       |               |               |
| Retained surplus                         |       | 21,940        | 27,029        |
| Available-for-sale investments           | 6.3   | -             | (890)         |
| <b>Total retained surplus</b>            |       | <b>21,940</b> | <b>26,139</b> |

The above statement of financial position should be read in conjunction with the accompanying notes.

# Statement of changes in equity

For the year ended 30 June 2023

|  | Retained surplus | Available-for-sale reserve | Total          |
|--|------------------|----------------------------|----------------|
|  | \$'000           | \$'000                     | \$'000         |
| <b>At 1 July 2021</b>                            | <b>27,531</b>    | <b>519</b>                 | <b>28,050</b>  |
| (Deficit)/Surplus for the year                   | (502)            | -                          | (502)          |
| Other comprehensive income                       | -                | (1,409)                    | (1,409)        |
| <b>Total comprehensive income for the period</b> | <b>(502)</b>     | <b>(1,409)</b>             | <b>(1,911)</b> |
| <b>At 30 June 2022</b>                           | <b>27,029</b>    | <b>(890)</b>               | <b>26,139</b>  |
| (Deficit) for the year                           | (5,089)          | -                          | (5,089)        |
| Other comprehensive loss                         | -                | 890                        | 890            |
| <b>Total comprehensive loss for the period</b>   | <b>(5,089)</b>   | <b>890</b>                 | <b>(4,199)</b> |
| <b>At 30 June 2023</b>                           | <b>21,940</b>    | <b>-</b>                   | <b>21,940</b>  |

The above statement of changes in equity should be read in conjunction with the accompanying notes.

# Statement of cash flows

For the year ended 30 June 2023

|  | Note       | 2023<br>\$'000 | 2022<br>\$'000 |
|--|------------|----------------|----------------|
| <b>Cash flows from operating activities</b>                      |            |                |                |
| Levy and government matching payment receipts                    |            | 58,763         | 53,905         |
| Receipts from customers and other contributors                   |            | 8,225          | 10,450         |
| Interest received  |            | 102            | 6              |
| Distributions received   | 2.6        | 205            | 239            |
| Payments to suppliers and employees                              |            | (65,857)       | (67,777)       |
| <b>Net cash flows used in operating activities</b>               | <b>5.2</b> | <b>1,438</b>   | <b>(3,177)</b> |
| <b>Cash flows from investing activities</b>                      |            |                |                |
| Proceeds from sale of available-for-sale financial investments * |            | 16,508         | (251)          |
| Proceeds from disposal of plant and equipment                    |            | 540            | 1,742          |
| Purchase of plant and equipment                                  |            | (535)          | (1,673)        |
| <b>Net cash flows used in investing activities</b>               |            | <b>16,513</b>  | <b>(182)</b>   |
| <b>Cash flows from financing activities</b>                      |            |                |                |
| Repayment of the Principal portion of the lease liability        |            | (505)          | (381)          |
| Interest charged on the lease liability                          |            | (70)           | (4)            |
| <b>Net cash flows used in financing activities</b>               |            | <b>(575)</b>   | <b>(385)</b>   |
| Net increase/(decrease) in cash and cash equivalents *           |            | 17,376         | (3,744)        |
| Add: Opening cash and cash equivalents at beginning of year      |            | 7,629          | 11,373         |
| <b>Cash and cash equivalents at end of year</b>                  | <b>5.1</b> | <b>25,005</b>  | <b>7,629</b>   |

The above statement of cash flows should be read in conjunction with the accompanying notes.

\* \$15.7m of the net increase in cash and cash equivalents relates to investment of Available Reserves that at 30 June 2023 were held in a short-term deposit. For more information, please refer to note 5.1.

# Notes to the financial statements

For the year ended 30 June 2023

## 1 About this report

### 1.1 Date authorised for issue

The financial report of Dairy Australia Limited for the year end 30 June 2023 was authorised for issue in accordance with a resolution of the directors on 4 October 2023.

### 1.2 Corporate information

Dairy Australia Limited is a company limited by guarantee incorporated in Australia.

### 1.3 Basis of preparation

The financial report is presented in Australian dollars and has been prepared in accordance with the historical cost convention, except for available-for-sale financial investments, which have been measured at fair value.

For the purposes of preparing the financial statements the company is a not-for-profit entity.

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards – Simplified Disclosures and other authoritative pronouncements of the Australian Accounting Standards Board.

### 1.4 Economic dependency

Dairy Australia Limited is dependent upon receipt of the dairy service levy and government matching payments.

## 2 Funding the delivery of services

The company's main revenue streams are the dairy service levy, government matching payments and external contributions.

The company has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2022.

### 2.1 Summary of revenue that funds the delivery of services

|                                | Note | 2023          | 2022          |
|--------------------------------|------|---------------|---------------|
|                                |      | \$'000        | \$'000        |
| <b>Revenue</b>                 |      |               |               |
| Dairy service levy             | 2.2  | 28,759        | 30,836        |
| Government matching payments   | 2.3  | 25,704        | 22,639        |
| External contributions         | 2.4  | 8,670         | 9,002         |
| Interest revenue               | 2.5  | 245           | 6             |
| Distributions from investments | 2.6  | 205           | 239           |
| Royalties                      | 2.7  | 1             | 9             |
| Other income                   | 2.8  | 1,438         | 776           |
| <b>Total revenue</b>           |      | <b>65,022</b> | <b>63,507</b> |

The Statutory Funding Contract has been signed on 22 June 2021 for a period of ten years.

## 2.2 Dairy service levy

The dairy service levy is paid by farmers based on milk production and is calculated per kilogram on milk fat or protein content. The rate of milk levies is 2.87c/kg milk fat and 6.99c/kg protein.

The levy is deducted from the payments milk processing companies make to farmers and paid to the Commonwealth Government. The proceeds are then paid to the company in accordance with the Statutory Funding Contract.

Dairy service levy revenue is brought to account at the time the milk is harvested, when it is probable that the levy will be received by the company and the value of the levy can be reliably measured.

## 2.3 Government matching payments

The Commonwealth Government supports the dairy industry by providing matching payments for eligible research and development activities. The maximum amount of government matching payments received each year is the lesser of 0.5 per cent of the amount determined by the Minister of the Department of Agriculture, Fisheries and Forestry (formerly known as the Department of Agriculture, Water and the Environment) to be the gross value of whole milk produced ('GVP') in Australia in the financial year, based on a three-year average, and 50 per cent of the amount that is spent by the company on qualifying research, development and extension activities.

The revenue from government matching payments is recognised when qualifying research and development expenditure is incurred. That portion of government matching payments which is owed but not invoiced by nor remitted to the company at reporting date is reported as government matching payments receivable.

## 2.4 External contributions

|   | 2023         | 2022         |
|---|--------------|--------------|
|   | \$'000       | \$'000       |
| Geoffrey Gardiner Dairy Foundation Ltd                | 2,763        | 2,986        |
| Department of Jobs, Skills, Industry and Regions      | 1,945        | 563          |
| Department of Agriculture, Fisheries and Forestry     | 1,024        | 2,219        |
| Department of Education and Training Victoria         | 976          | -            |
| Agriculture Victoria                                  | 944          | 500          |
| Department of Industry, Science, Energy and Resources | 329          | 284          |
| Dairy NSW   | 198          | -            |
| NSW Department of Primary Industries                  | 12           | 172          |
| Cotton Research & Development Corporation             | 9            | 638          |
| DairyNZ Incorporated                                  | -            | 525          |
| University of Sydney                                  | -            | 379          |
| Lemnos Foods Pty Ltd                                  | -            | 150          |
| Others  | 470          | 586          |
| <b>Total external contributions</b>                   | <b>8,670</b> | <b>9,002</b> |

External contributions are joint projects between Dairy Australia and other external parties to deliver services and support the dairy industry. The company receives external contributions from other dairy and agricultural bodies, such as the Geoffrey Gardiner Dairy Foundation and multiple government departments.

Revenue from external contributions is recognised in accordance with the terms specified in contracts with co-funding partners. Where revenue is received in advance of providing services, it is treated as deferred revenue and brought to account as the services are provided.

## 2.5 Interest revenue

Interest revenue includes interest received on bank deposits and from available-for-sale financial investments. Interest revenue is recognised on an accrual basis using the effective interest rate method which allocates interest over the relevant period.

# Notes to the financial statements *continued*

For the year ended 30 June 2023

## 2.6 Distributions from investments

The company receives distributions from the externally managed funds invested with First Sentier Investors. For more information, please refer to notes 5.1, 6.3 and 7.1.

## 2.7 Royalties

Royalties are received from the commercialisation of intellectual property. Revenue from royalties is recognised on an accrual basis in accordance with the terms specified in contracts involving payment of royalties.

## 2.8 Other income

|   | 2023         | 2022       |
|---|--------------|------------|
|   | \$'000       | \$'000     |
| Lease Incentive for Southbank Office Fitout | 1,107        | -          |
| Sundry income                               | 331          | 776        |
| <b>Total revenue</b>                        | <b>1,438</b> | <b>776</b> |

## 3 Costs of delivering services

The company's main activities are contributing to the promotion and development of the Australian dairy industry and Australian dairy produce by:

- Funding research, development and extension activities for the benefit of the Australian dairy industry and the Australian community generally.
- Carrying out activities to develop the Australian national market for and international trade in, Australian dairy produce.
- Providing information and other services, and
- Carrying out other activities for the benefit of the Australian dairy industry.

To better reflect business operations and be more meaningful to users of the financial statements, the company's expense reporting structure is aligned with the nature of the expense, rather than the business group incurring the cost. The categories are as follows:

- Project – expenditure that is directly attributable to a project.
- Activities and services – transactions that are focussed on delivery of services to farmers and managing external stakeholders.
- Overheads – core activities to run the business to satisfy regulatory and compliance requirements and provide infrastructure and tools to enable people to perform their job.

### 3.1 Lease expenses

Office rent and car park leases relate to the lease of the company's office at Southbank and office car park spaces. The lease for the company's office premises at Southbank commenced in March 2023 and runs for five years, with an option to renew for a further five years.

The company has presented both interest expense on the lease liability and the depreciation charge for the right-of-use asset within overheads on the statement of profit or loss. The interest expense on the lease liability is presented separately within the statement of cash flows.



## 3.2 Employee benefits

### 3.2.1 Employee benefits included in the statement of profit or loss and other comprehensive income

|   | 2023          | 2022          |
|---|---------------|---------------|
|   | \$'000        | \$'000        |
| Salaries and allowances                 | 19,047        | 16,793        |
| Superannuation                          | 1,941         | 1,608         |
| Long service leave - net movement       | 705           | (158)         |
| Termination benefits                    | 221           | 40            |
| Workers compensation costs              | 66            | 58            |
| <b>Total employee benefits expenses</b> | <b>21,980</b> | <b>18,341</b> |

Employee benefits refers to all payments made to employees during the year. Payments include ordinary time, overtime, allowances, on-costs, fringe benefit tax, redundancy costs and workers compensation costs. Any employee benefits outstanding at year end are accrued.

Superannuation includes superannuation contributions made by the company at 10.5 per cent (2022: 10 per cent) of employees' wages and salaries, as legally enforceable in Australia.

Termination benefits are payable when an employee accepts an offer of benefits in exchange for the termination of employment. These benefits can include payment of accrued long service leave entitlement.

### 3.2.2 Employee benefits in the statement of financial position

|  | 2023         | 2022         |
|--|--------------|--------------|
|  | \$'000       | \$'000       |
| <b>Current</b>   |              |              |
| <b>Employee benefits in respect of:</b>                    |              |              |
| Long service leave   | 2,012        | 1,467        |
| Performance-based remuneration                             | 56           | 67           |
| Annual leave (expected to be settled within 12 months)     | 1,265        | 1,246        |
| Annual leave (expected to be settled after 12 months)      | 351          | 428          |
| <b>Total provision for employee benefits – current</b>     | <b>3,684</b> | <b>3,208</b> |
| <b>Non-current</b>   |              |              |
| <b>Employee benefits in respect of:</b>                    |              |              |
| Long service leave   | 762          | 655          |
| <b>Total provision for employee benefits – non-current</b> | <b>762</b>   | <b>655</b>   |

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service and performance-based remuneration when it is probable that settlement will be required, and the benefits are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the company, in respect of services provided by employees up to reporting date.

# Notes to the financial statements *continued*

For the year ended 30 June 2023

The managing director's performance-based remuneration is based on a percentage of his remuneration package provided under the contract of employment. A provision is recognised and is measured as the aggregate of the amounts accrued under the terms of the contract to reporting date.

## 3.3 Commitments for expenses

### 3.3.1 Research and development expenditure commitments

|   | 2023          | 2022          |
|---|---------------|---------------|
|   | \$'000        | \$'000        |
| <b>Commitments contracted at reporting date but not recognised as liabilities are as follows:</b> |               |               |
| Not later than one year   | 13,948        | 27,559        |
| Later than one year but not later than five years   | 13,581        | 17,442        |
| <b>Total research and development expenditure commitments</b>                                     | <b>27,529</b> | <b>45,000</b> |

The company enters into contracts with research organisations in respect of research, development and extension for the benefit of the Australian dairy industry. The company performs a small proportion of research and development activities internally. Contracts are generally for periods up to a maximum of three years and include clauses which enable the company to withhold or cease further funding in the event of factors arising which are outside the company's control.

Research and development costs are expensed as incurred. Commitments for future expenditure are disclosed above at their nominal value exclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the statement of financial position.

## 4 Assets available to support the provision of services

The company controls plant and equipment and other assets that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that are owned by the company for use in the delivery of services.

### 4.1 Plant and equipment

|                                      | 2023       | 2022         |
|--------------------------------------|------------|--------------|
|                                      | \$'000     | \$'000       |
| Furniture and equipment at cost      | 1,923      | 1,510        |
| Accumulated depreciation             | (1,328)    | (1,092)      |
| <b>Total furniture and equipment</b> | <b>595</b> | <b>418</b>   |
| Leasehold improvements at cost       | 1,130      | 1,365        |
| Accumulated depreciation             | (801)      | (657)        |
| <b>Total leasehold improvements</b>  | <b>329</b> | <b>708</b>   |
| Motor vehicles at cost               | –          | –            |
| Accumulated depreciation             | –          | –            |
| <b>Total motor vehicles</b>          | <b>–</b>   | <b>–</b>     |
| <b>Total plant and equipment</b>     | <b>924</b> | <b>1,126</b> |

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current and previous financial years are set out below.

|  | Furniture and<br>equipment | Leasehold<br>improvements | Motor<br>vehicles | Total        |
|--|----------------------------|---------------------------|-------------------|--------------|
|  | \$'000                     | \$'000                    | \$'000            | \$'000       |
| <b>Year ended 30 June 2022</b>         |                            |                           |                   |              |
| Opening balance at 1 July 2021         | 628                        | 845                       | 451               | 1,924        |
| Additions                              | 83                         | -                         | 303               | 386          |
| Disposals                              | -                          | -                         | (424)             | (424)        |
| Depreciation charge for the year       | (293)                      | (137)                     | (330)             | (760)        |
| <b>Closing balance at 30 June 2022</b> | <b>418</b>                 | <b>708</b>                | <b>-</b>          | <b>1,126</b> |
| <b>Year ended 30 June 2023</b>         |                            |                           |                   |              |
| Opening balance at 1 July 2022         | 418                        | 708                       | -                 | 1,126        |
| Additions                              | 413                        | 122                       | -                 | 535          |
| Disposals                              | -                          | (357)                     | -                 | (357)        |
| Depreciation charge for the year       | (236)                      | (144)                     | -                 | (380)        |
| <b>Closing balance at 30 June 2023</b> | <b>595</b>                 | <b>329</b>                | <b>-</b>          | <b>924</b>   |

### Initial recognition

The cost method of accounting has been used for all acquisitions of assets during the year. Cost is determined as the fair value of the assets given up at the date of acquisition plus any costs directly attributable to the acquisition. Fair value at acquisition is equal to cost.

The company recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the company's estimated incremental borrowing rate.

### Subsequent measurement

Plant and equipment is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. Repairs and maintenance costs are recognised as expenses. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

- Furniture and equipment: 1.5 to 10 years
- Leasehold improvements: 10 years

The assets' residual values, useful lives, and amortisation methods, are reviewed and adjusted if appropriate, at each financial year end.

### Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amounts being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

Many assets of the company are not held primarily for their ability to generate net cash inflows and are typically held for continuing use of their service capacity. Given that these assets are rarely sold, their cost of disposal is typically negligible. The recoverable amount of such assets is expected to be materially the same as fair value.

# Notes to the financial statements *continued*

For the year ended 30 June 2023

The recoverable amount of plant and equipment that generates cash inflows is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value. Impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the surplus or deficit and allocated across functions.

## Derecognition and disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit in the year the asset is derecognised.

## 4.2 Intangible assets

|                                | 2023     | 2022       |
|--------------------------------|----------|------------|
|                                | \$'000   | \$'000     |
| Computer software at cost      | 659      | 842        |
| Accumulated amortisation       | (652)    | (602)      |
| <b>Total computer software</b> | <b>7</b> | <b>240</b> |

Reconciliations of the carrying amounts of intangible assets at the beginning and end of the current and previous financial years are set out below.

|                                   | 2023     | 2022       |
|-----------------------------------|----------|------------|
|                                   | \$'000   | \$'000     |
| Opening balance at 1 July         | 240      | 189        |
| Additions                         | -        | 171        |
| Disposal                          | (183)    | -          |
| Amortisation charge for the year  | (50)     | (120)      |
| <b>Closing balance at 30 June</b> | <b>7</b> | <b>240</b> |

## Initial recognition

The company's intangible assets consist of purchased computer software and are initially measured at cost.

## Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing. The following useful lives are applied:

- Computer software, where applicable: 3 years

## Derecognition and disposal

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit.

### 4.3 Depreciation and amortisation

|  | 2023       | 2022       |
|--|------------|------------|
|  | \$'000     | \$'000     |
| Motor vehicles   | -          | 330        |
| Furniture and equipment  | 236        | 293        |
| Intangible assets  | 50         | 120        |
| Leasehold improvements   | 144        | 137        |
| <b>Total depreciation and amortisation of non-current assets</b> | <b>430</b> | <b>880</b> |

All plant and equipment and intangible assets that have limited useful lives are depreciated and amortised on a straight-line basis over the estimated useful life of the assets.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

## 5 Cash flow information and balances

This section provides information on the company's cash flow and balances.

### 5.1 Cash and cash equivalents

|  | 2023          | 2022         |
|--|---------------|--------------|
|  | \$'000        | \$'000       |
| Investment for available reserves      | 15,721        | -            |
| Cash at bank and in hand               | 9,283         | 7,629        |
| <b>Total Cash and cash equivalents</b> | <b>25,004</b> | <b>7,629</b> |

Dairy Australia holds available reserves to provide secure long-term funding to protect the continuity of its work, and to meet its commitments and any cyclical and structural changes in the dairy industry. This includes providing for production volatility, short term restrictions on Dairy Australia's operations, responses to industry emergencies in relation to animal disease, natural disasters, food safety and regulation. The primary investment objective for the available reserves is to ensure the preservation of capital in real terms, while managing liquidity requirements to ensure financial obligations are met.

During the year available reserves were invested with First Sentier Investors. Following a review of the Reserves Policy and Investment Policy conducted by an independent asset consultant, the funds were withdrawn from First Sentier Investors in April 2023 and as at 30 June 2023, the proceeds of \$15.7m were held in a short-term deposit, earning interest of 4.35 per cent per annum and maturing on 18 July 2023. The term deposit is classified as cash and cash equivalents. After making allowance for the working capital requirements of Dairy Australia, the remaining available reserves will be invested in line with the recommendation of the company's new independent asset consultant, Frontier Advisors, and the revised Reserves Policy and Investment Policy. The company's Reserves Policy requires a minimum level of \$12m available reserves and so complies with this policy.

Cash at bank earns interest at floating rates based on daily bank deposit rates.

# Notes to the financial statements *continued*

For the year ended 30 June 2023

## 5.2 Reconciliation of operating surplus/deficit to net cash flows from operating activities

|  | 2023           | 2022           |
|--|----------------|----------------|
|  | \$'000         | \$'000         |
| <b>Operating surplus/(deficit)</b>                     | <b>(5,089)</b> | <b>(502)</b>   |
| <b>Non-cash flows in operating surplus/(deficit)</b>   |                |                |
| Depreciation   | 380            | 760            |
| Amortisation   | 50             | 120            |
| Gain on disposal – fixed assets                        | -              | (201)          |
| Depreciation – Right of use                            | 556            | -              |
| <b>Changes in assets and liabilities</b>               |                |                |
| Trade and other receivables (increase)/decrease        | 2,023          | 1,294          |
| Trade and other payables increase/(decrease)           | 2,813          | (4,338)        |
| Provisions increase                                    | 705            | (308)          |
| <b>Net cash flows provided by operating activities</b> | <b>1,438</b>   | <b>(3,177)</b> |

## 6 Other assets and liabilities

This section sets out the other assets and liabilities that arose from the company's operations.

### 6.1 Trade and other receivables

|  | 2023          | 2022          |
|--|---------------|---------------|
|  | \$'000        | \$'000        |
| Levy receivables                         | 6,148         | 6,557         |
| Trade receivables                        | 1,566         | 498           |
| Sundry receivables and prepayments       | 3,837         | 6,319         |
| <b>Total trade and other receivables</b> | <b>11,551</b> | <b>13,374</b> |

Levies receivables are determined by a formula which includes the actual and estimated volume of milk production. The company receives dairy service levy income based on the fat and protein content of milk produced. Due to a delay of approximately four months before milk production figures are known, levies receivable is estimated based on expected production for the last four months of the financial year and the estimated levy rate based on historical fat and protein content.

Trade and other receivables disclosed above include amounts that are past due at the end of June 2023 for which the company has not recognised a loss allowance because there has not been a significant change in credit quality and the amounts are still considered recoverable. The company always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. Trade and other receivables are non-interest bearing and are generally 30-day terms. Due to their short-term nature, the carrying value is assumed to approximate their fair value. It is expected that these balances will be received when due. Bad debts are written off when identified.

### 6.1.1 Ageing analysis of receivables

On 30 June, the ageing analysis of receivables is as follows:

|              | 2023          | 2022          |
|--------------|---------------|---------------|
|              | \$'000        | \$'000        |
| 0–30 days    | 7,047         | 9,145         |
| 31–60 days   | 2,310         | 2,194         |
| 61+ days     | 2,194         | 2,035         |
| <b>Total</b> | <b>11,551</b> | <b>13,374</b> |

The lifetime expected credit loss is \$nil (2022: \$nil) because there has not been a significant change in credit quality and the amounts are still considered recoverable.

As of 30 June 2023, the nature of the receivables are such that they are considered recoverable. The majority of balances greater than 30 days relate to dairy service levy not yet received from the Department of Agriculture, Fisheries and Forestry due to the timing of production data provided by milk processors to the department.

### 6.2 Other financial assets

|                     | 2023   | 2022   |
|---------------------|--------|--------|
|                     | \$'000 | \$'000 |
| Short-term deposits | 359    | 560    |

Short-term deposits are for periods of three months or more and earn interest at the respective short-term deposit rates. Due to their short-term nature, their carrying value is assumed to approximate their fair value.

### 6.3 Available for sale financial investments

|   | 2023   | 2022   |
|---|--------|--------|
|   | \$'000 | \$'000 |
| Externally managed funds, at fair value | -      | 15,618 |

Investment funds were invested with First Sentier Investors as a means to prudently manage the return on available reserves. These funds were withdrawn in April 2023 and as of 30 June 2023, the proceeds are held in a short-term deposit, outlined in Note 5.1. The majority of these funds will be reinvested from September 2023 in line with the professional advice provided by Frontier Advisors and our revised Reserves Policy and Investment Policy.

#### Impairment

The company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

Refer to Note 7.4 Financial Instruments – Impairment, for further detail.

# Notes to the financial statements *continued*

For the year ended 30 June 2023

## 6.4 Right-of-use assets and lease liabilities

|  | 2023         | 2022       |
|--|--------------|------------|
|  | \$'000       | \$'000     |
| Buildings  | 2,745        | -          |
| Equipment  | 12           | 41         |
| Motor vehicles                                   | 913          | 324        |
| <b>Net carrying amount of right-of-use asset</b> | <b>3,670</b> | <b>365</b> |

Reconciliations of the carrying amounts of each class of right-of-use asset at the beginning and end of the current and previous financial years are set out below.

|  | Buildings    | Equipment | Motor vehicles | Total        |
|--|--------------|-----------|----------------|--------------|
|  | \$'000       | \$'000    | \$'000         | \$'000       |
| Opening balance at 1 July 2022         | -            | 41        | 324            | 365          |
| Additions                              | 2,941        | -         | 920            | 3,861        |
| Disposals                              | (196)        | (29)      | (331)          | (556)        |
| <b>Closing balance at 30 June 2023</b> | <b>2,745</b> | <b>12</b> | <b>913</b>     | <b>3,670</b> |

Depreciation is calculated on a straight-line basis over the estimated useful life of the right-of-use assets as follows:

- Buildings: 5 years
- Equipment: 5 years
- Motor vehicles: 3 years

Reconciliations of lease liabilities by classification for the current and previous financial years are set out below.

|  | 2023         | 2022       |
|--|--------------|------------|
|  | \$'000       | \$'000     |
| Lease Liabilities in respect of:           |              |            |
| HWT Tower – Level 3                        | 498          | -          |
| Konica photocopiers                        | 14           | 28         |
| Motor vehicles                             | 416          | 265        |
| <b>Total current lease liabilities</b>     | <b>928</b>   | <b>293</b> |
| HWT Tower – Level 3                        | 2,285        | -          |
| Konica photocopiers                        | -            | 14         |
| Motor vehicles                             | 722          | 345        |
| <b>Total non-current lease liabilities</b> | <b>3,007</b> | <b>43</b>  |
| <b>Total lease liabilities</b>             | <b>3,935</b> | <b>336</b> |



## 6.5 Trade and other payables

|  | 2023          | 2022         |
|--|---------------|--------------|
|  | \$'000        | \$'000       |
| Deferred revenue                             | 2,113         | 3,922        |
| Trade payables                               | 1,459         | 2,262        |
| Accrued research and development expenditure | 2,173         | 1,279        |
| Other payables                               | 4,936         | 922          |
| GST payables                                 | 392           | (127)        |
| <b>Total trade and other payables</b>        | <b>11,073</b> | <b>8,258</b> |

Deferred revenue is the unutilised amounts of external contributions received on the condition that specified services are delivered or conditions are fulfilled.

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the company prior to the end of the financial year, that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services. They are normally settled on 30-day terms and are unsecured.

Accrued research and development expenditure relates to work completed at 30 June 2023 where invoices have not been received.

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

## 6.6 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and if quantifiable are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively where applicable.

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. These are classified as either quantifiable where the potential economic benefit is known or non-quantifiable.

Contingent liabilities are:

- Possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or
- Present obligations that arise from past events but are not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations, or the amount of the obligations cannot be measured with sufficient reliability.

### 6.6.1 Contingent assets

The company has no material contingent assets.

### 6.6.2 Contingent liabilities

The company has no material contingent liabilities.

# Notes to the financial statements *continued*

For the year ended 30 June 2023

## 7 Financial instruments

Classes and categories of financial instruments and their fair values.

The following section combines information about:

- Classes of financial instruments based on their nature and characteristics
- The carrying amounts of financial instruments
- Fair values of financial instruments (except financial instruments when carrying amount approximates their fair value) and
- Fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

### 7.1 Categories of financial instruments

|   | 2023          | 2022          |
|---|---------------|---------------|
|   | \$'000        | \$'000        |
| <b>Financial assets</b>                     |               |               |
| <b>Available-for-sale financial assets:</b> |               |               |
| Available-for-sale financial investments    | -             | 15,618        |
| Cash and cash equivalents                   | 25,004        | 7,629         |
| <b>Loan and receivables:</b>                |               |               |
| Trade and other receivables                 | 11,551        | 13,374        |
| <b>Held-to-maturity investments:</b>        |               |               |
| Short-term deposits                         | 359           | 560           |
| <b>Total financial assets</b>               | <b>36,915</b> | <b>37,181</b> |
| <b>Financial liabilities</b>                |               |               |
| Trade and other payables                    | 11,073        | 8,258         |
| <b>Total financial liabilities</b>          | <b>11,073</b> | <b>8,258</b>  |

The carrying value of financial assets and liabilities approximates their fair value.

### 7.2 Financial instruments specific disclosures

Investments and financial assets in the scope of AASB 9 Financial Instruments are classified as either financial assets at amortised cost or investments in equity instruments designated at Fair Value Through the Statement of Other Comprehensive Income ('FVTOCI'), as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through other comprehensive income.

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired.

#### (i) Amortised cost and effective interest method

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the financial asset, or where appropriate a shorter period, to the gross carrying amount of the financial asset on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses to the amortised cost of the financial asset on initial recognition.

For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

#### (ii) Equity instruments designated at FVTOCI

Available-for-sale financial investments are non-derivative financial assets that are designated at fair value through other comprehensive income.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments' revaluation reserve. The cumulative gain or loss is not reclassified to the profit or loss statement on disposal of the equity investments, instead it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in the profit or loss statement in accordance with AASB 9 unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'distributions from investments' line item in profit or loss.

The company has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of AASB 9.

### 7.3 Fair value determination

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 inventories or value in use in AASB 136 impairment of assets.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the available-for-sale financial investments is determined by reference to unit price of the investment funds, which are available each day based on closing values of the previous day. This is considered level 1 in the fair value hierarchy. There are currently no financial instruments with fair value estimated based at level 2 or level 3 in the hierarchy.

### 7.4 Impairment

#### Impairment of financial assets

The company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

For the purposes of impairment assessment, the available-for-sale assets are considered to have low credit risk. Lifetime expected credit loss has been considered for these assets upon initial application of AASB 9 until these financial assets are derecognised as it was determined on initial application of AASB 9 that it would require undue cost and effort to determine whether their credit risk has increased significantly since initial recognition to the date of initial application of AASB 9.

# Notes to the financial statements *continued*

For the year ended 30 June 2023

For the purposes of impairment assessment, trade and other receivables are considered low risk on the basis of historical trends, and the company has not written off any debts as bad in the current year. Lifetime expected credit loss has been applied for trade and other receivables.

In determining the expected credit losses for these assets, the directors of the company have taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers operate obtained from economic expert reports, financial analyst reports, and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

## 8 Director and executive disclosures

### 8.1 Details of key management personnel

| Directors            |                          |                         |
|----------------------|--------------------------|-------------------------|
| Mr J Mann            | Chair (non-executive)    |                         |
| Ms T Luckin          | Director (non-executive) |                         |
| Dr D Nation          | Managing Director        |                         |
| Prof A Bell          | Director (non-executive) | Appointed November 2022 |
| Ms R Healy           | Director (non-executive) |                         |
| Mr P van Heerwaarden | Director (non-executive) | Appointed January 2023  |
| Ms S Jolliffe        | Director (non-executive) |                         |
| Mr A Maughan         | Director (non-executive) | Appointed November 2022 |
| Mr P Roderick        | Director (non-executive) |                         |
| Mr R Abotomey        | Director (non-executive) | Resigned December 2022  |
| Ms J Rozman          | Director (non-executive) | Resigned November 2022  |
| Prof P Wood AO       | Director (non-executive) | Resigned November 2022  |

| Executives     |  |
|----------------|--|
| Mrs K Campbell | GM Marketing and Communications                                  |
| Mrs H Dornom   | GM Sustainability  |
| Mr G Jarman    | GM Farm Profit and Capability                                    |
| Ms I McBain    | GM Human Resources   |
| Ms V Ingham    | GM Regional Services   |
| Mr C McElhone  | GM Trade and Industry Strategy                                   |
| Ms E Parkin    | GM Business and Organisational Performance (Resigned April 2023) |
| Mr F Divecha   | Chief Financial Officer (Appointed July 2023)                    |

## 8.2 Compensation of key management personnel

Total consideration paid or payable to the key management personnel of Dairy Australia Limited was:

|  | 2023             | 2022             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>Directors</b>                                   |                  |                  |
| Short-term employee benefits                       | 879,180          | 857,366          |
| Post-employment benefits                           | 63,002           | 62,621           |
| Other long-term benefits                           | 32,043           | 16,243           |
| <b>Total</b>                                       | <b>974,225</b>   | <b>936,230</b>   |
| <b>Executives</b>                                  |                  |                  |
| Short-term employee benefits                       | 1,821,538        | 1,843,945        |
| Post-employment benefits                           | 161,626          | 155,351          |
| Other long-term benefits                           | 78,489           | 29,514           |
| <b>Total</b>                                       | <b>2,061,653</b> | <b>2,028,810</b> |
| <b>Total key management personnel compensation</b> | <b>3,035,878</b> | <b>2,965,040</b> |

Short-term employee benefits include salary and fees, bonus, and other short-term benefits. Post-employment benefit refers to superannuation. Other long-term benefits include long service leave.

Fees to directors of the board comprise fixed remuneration only (fees plus superannuation). Fees increased by 3.5 per cent in 2023. Remuneration for all directors is in line with the market and is based on advice received from independent external remuneration consultants.

- Directors other than the managing director, chair and deputy chair are remunerated at \$44,925 per annum (2022: \$43,419).
- Members of the board sub-committees receive a supplement of \$3,260 per annum (2022: \$3,137).
- Chairs of the board sub-committees receive a supplement of \$6,521 per annum (2022: \$6,302).
- The chair of the board receives \$100,594 per annum (2022: \$97,222).
- On 25 May 2023, the board appointed a deputy chair remunerated at 1.25 per cent of the base director fee.
- The managing director's remuneration package comprises a short-term performance-based component plus superannuation. The award of the performance-based component and the amount of the award is subject to the managing director satisfying performance measures set by the board.

The board undertakes an annual review of its performance and the performance of the board subcommittees and the managing director.

Board directors' fees are recommended by the People and Culture Committee and approved by the board.

In respect to the prior year, the managing director's short-term incentive was included in the provision for employee entitlements and was subsequently paid in August 2022.

### Executives

Executives are eligible to receive fixed remuneration only.

# Notes to the financial statements *continued*

For the year ended 30 June 2023

## 8.3 Other transactions and balances with key management personnel

Transactions with key management personnel related entities are detailed below. Individual key management personnel did not receive any personal benefit as a result of the transactions.

Payments made to key management personnel-related entities

During 2023, \$73,843 (2022: \$2,559,161) was paid or payable to the following key management personnel-related entities under normal commercial terms and conditions.

Payments made to Somerset Capital are in relation to Dairy Australia Director and board sub-committee fees for Andrew Maughan. The related party transactions to Australian Dairy Conference Ltd and DataGene Limited are payments to these entities for services received. For these two entities, two of Dairy Australia's directors are either currently appointed as a director or have previously held a directorship. Neither received personal benefit from these transactions.

|                                 | Dairy Australia key management personnel | 2023          | 2022             |
|---------------------------------|--|---------------|------------------|
| Entity                          |  | \$            | \$               |
| Australian Dairy Conference Ltd | Paul Roderick                            | 56,691        | -                |
| Somerset Capital Pty Ltd        | Andrew Maughan                           | 17,152        | -                |
| DataGene Limited                | Simone Jolliffe                          | -             | 2,559,161        |
| <b>Total</b>                    |  | <b>73,843</b> | <b>2,559,161</b> |

Income earned from key management personnel-related entities

During 2023, \$nil (2022: \$nil) was received or receivable from key management personnel related entities under normal commercial terms and conditions.

|   | Dairy Australia key management personnel | 2023     | 2022     |
|---|--|----------|----------|
| Entity                                      |  | \$       | \$       |
| Grains Research and Development Corporation | Ms R Healy                               | -        | -        |
| <b>Total</b>                                |  | <b>-</b> | <b>-</b> |

## 9 Other disclosures

This section includes additional material disclosures required by accounting standards or otherwise for the understanding of this financial report.

### 9.1 Events after balance sheet date

There have been no other significant events occurring after reporting date which may affect either the company's operations or results of those operations or the company's state of affairs.

### 9.2 Income tax

The company is exempt from income tax pursuant to section 50-1 of the ITAA 1997.

### 9.3 Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to, the taxation authority.

#### 9.4 Auditor's remuneration

The auditor of Dairy Australia Limited is Deloitte Touche Tohmatsu. Amounts received or due and receivable by Deloitte Touche Tohmatsu are as below:

|  | 2023           | 2022           |
|--|----------------|----------------|
|  | \$             | \$             |
| Audit of the financial report of the company including Statutory Funding Contract compliance | 123,600        | 115,000        |
| <b>Total auditor's remuneration</b>  | <b>123,600</b> | <b>115,000</b> |

In the event that other services are provided by Deloitte Touche Tohmatsu, they are approved by the Audit and Risk Management Committee and do not compromise the independence of the auditor.

#### 9.5 Members' funds

The company is limited by guarantee. The constitution states that, if the company is wound up, each nominated member at the time the winding up starts and each person who was a nominated member at any time in the 12 months before the winding up started, is required to contribute a maximum of \$2 each towards payment of the debts and liabilities of the company including the costs of winding up.

Any surplus members' funds on wind up must not be paid to members but must be paid or transferred to another corporation with similar objects to the company and a constitution which prohibits the distribution of its income and property among its members.

|  | 2023         | 2022         |
|--|--------------|--------------|
|  | number       | number       |
| <b>Group A members</b>                   |              |              |
| Nominated                                | 2,489        | 2,651        |
| Joint                                    | 1,838        | 1,992        |
| <b>Total</b>                             | <b>4,327</b> | <b>4,643</b> |
| <b>Group B members</b>                   |              |              |
| <b>Total</b>                             | <b>2</b>     | <b>2</b>     |
| <b>Total Group A and Group B members</b> | <b>4,329</b> | <b>4,645</b> |

#### 9.6 Significant accounting judgements, estimates and assumptions

The company is required to make judgements, estimates and assumptions, which affect the reported amounts in the financial statements.

##### Significant accounting judgements

Management has not made any other significant judgements which have a significant effect on the amounts recognised in the financial statements in the process of applying the company's accounting policies, other than determining when an available-for-sale financial investment is impaired.

# Notes to the financial statements *continued*

For the year ended 30 June 2023

## Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. At reporting date, other than dairy service levy receivable, there are no other significant estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period.

## Classification of and valuation of investments

The company has decided to classify the externally managed funds as available-for-sale investments and movements in fair value are recognised directly in equity. The fair value of funds has been determined by reference to the unit price of the investment funds which are available each day based on closing values of the previous day.

## 9.7 New accounting standards and interpretations

### Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following new and amended Australian Accounting Standards and AASB Interpretations that are relevant to its operations as of 1 July 2022:

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.
- AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2.
- AASB 2020-9 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2 and Other Amendments.

The adoption has not had any material impact on the company.

### New and revised Australian Accounting Standards on issue but not yet effective

At the date of authorisation of the financial statements, the company has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

- AASB 17 Insurance Contracts.
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current.
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates.

The company is currently assessing the expected impact on its financial statements arising from the new and revised Australian Accounting Standards.





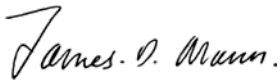
# Directors' declaration

The directors declare that in the directors' opinion:

- (a) There are reasonable grounds to believe that the company is able to pay its debts, as and when they become due and payable, and
- (b) The financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012, including compliance with the Australian Accounting Standards – Simplified Disclosures and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a resolution of the directors made pursuant to subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulations 2022*

On behalf of the board



James Mann  
Director

4 October 2023



David Nation  
Director

4 October 2023

# Independent auditor's report



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## Independent Auditor's Report to the members of Dairy Australia Limited

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of Dairy Australia Limited (the "Entity") which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the declaration by directors.

In our opinion, the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

- (i) giving a true and fair view of the Entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional & Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Liability limited by a scheme approved under Professional Standards Legislation.  
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

# Independent auditor's report *continued*

## **Deloitte.**

### *Responsibilities of the directors for the Financial Report*

The directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

## **Deloitte.**

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

*Sun*

Andrew Lian Sun  
Partner  
Chartered Accountants  
Melbourne, 4 October 2023

# Auditor's independence declaration

**Deloitte.**

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4 October 2023

The Board of Directors  
Dairy Australia Limited  
Level 3, HWT Tower  
40 City Road  
Southbank VIC 3006

Dear Board Members

## **Auditor's Independence Declaration to Dairy Australia Limited**

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Dairy Australia Limited.

As lead audit partner for the audit of the financial statements of Dairy Australia Limited for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Andrew Lian Sun  
Partner  
Chartered Accountants

Limited liability by a scheme approved under Professional Standards Legislation  
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**JAMES**  
**BLACKFEED**  
*what you can see*

# Appendix

## Statutory Funding Contract Performance Principles

The assessment framework (in the following table) sets out the performance principles and associated key performance indicators in the statutory funding contract and the guideline for statutory funding agreement. The table demonstrates adherence against each key performance indicator.

| Performance principle and outcome   | Key performance indicators   | Actions taken  |
|---|--|--|
| <p><b>Principle 1</b><br/> <b>Stakeholder engagement</b><br/> Engage stakeholders to identify RD&amp;E priorities and activities that provide benefits to industry.</p> | <p><b>1.1</b> Strategy prioritisation and development processes include appropriate consultation plans, based on the Best practice guide to stakeholder consultation.</p> <p><b>1.2</b> Demonstrated industry stakeholder engagement in the identification of RD&amp;E priorities and activities consistent with the consultation plan in 1.1.</p> <p><b>1.3</b> Demonstrated incorporation of industry stakeholder feedback on RD&amp;E priorities and activities. Where incorporation is not possible, demonstration of feedback to a stakeholder/s on why incorporation was not possible.</p> | <p>The Strategic Plan 2020–2025 was developed via broad stakeholder consultation and aligned with the Australian Dairy Plan. The strategic plan is published on the Dairy Australia website.</p> <p>The Dairy Australia Annual Operating Plan FY23 (AOP) was developed following consultation and feedback from dairy farmers, Regional Development Programs (RDPs), ADF, ADPF, and Dairy Moving Forward. Consultation also took place with industry policy groups, industry reference groups, the Department of Agriculture, Fisheries and Forestry (DAFF), and consumers. Information is gathered during the course of the year, leading up to the AOP and during the planning phase. Feedback is shared with stakeholders and the AOP published on the Dairy Australia website.</p> <p>The consultation process for FY23 was reviewed and revised. This included the engagement of a consultant to support and uplift the consultation process, and onsite visits to dairy farmers by Dairy Australia personnel as well as hosting farm events during the year and leading up to the AOP process.</p> <p>Outside of the AOP, Dairy Australia works closely with farmers and industry through the course of the year and through our regional teams. The Dairy Moving Forward Framework has been reinvigorated and redesigned to ensure a more robust process of RD&amp;E priority identification, reduced duplication, and improved opportunities for leverage.</p> <p>Dairy Australia engages with industry reference groups to ensure they are supported with appropriate information and data so that participants remain well informed and able to provide input into the AOP priority setting.</p> <p>A copy of Dairy Australia’s Stakeholder Consultation Plan is published on the Dairy Australia website.</p> |



| Performance principle and outcome  | Key performance indicators  | Actions taken  |
|--|---|--|
| <p><b>Principle 2</b><br/> <b>Research, Development and Extension activities</b><br/>           Ensure RD&amp;E (and marketing) priorities and activities are strategic, collaborative and targeted to improve profitability, productivity, competitiveness and preparedness for future opportunities and challenges through a balanced portfolio.</p> | <p><b>2.1</b> RDC investments align with strategic plans and have demonstrated outcomes to levy payers and taxpayers, including through growth in the industry, increased profitability of producers, commercialisation, access to new markets.</p> <p><b>2.2</b> Levy payers who participate in RDC supported extension and adoption programs:</p> <ul style="list-style-type: none"> <li>• Gain new knowledge or new information to improve their long-term profitability, productivity, competitiveness and preparedness.</li> <li>• Intend to make or have made changes to existing practices by adopting the outcomes of R&amp;D.</li> </ul> | <p>An Investment Review Panel (IRP) has been established and operates under the Investment Review Panel Charter.</p> <p>All projects are submitted to the IRP for approval, including an outline of the strategic priority alignment and outcome, problem or opportunity the investment addresses, impact or lost opportunity with not proceeding, budget and estimated delivery date, and benefits to farmers and the industry. This is captured in the project initiation request and recorded in the project master data managed by the project management office.</p> <p>The project initiation templates capture all key requirements. Additionally, relevant stakeholders are consulted during the initiation stage and the outcome of the IRP decision is communicated back to the stakeholders, both internal and external.</p> <p>Investments in RD&amp;E are done through decisions under delegations of authority or as projects with third parties, extension through RDPs, and third-party service providers to ensure optimal outcomes for the industry and delivery of the strategic priorities in the most cost-effective manner. Projects above IRP approval limits are referred to the board for investment approval.</p> <p>For example, investment approval from the Dairy Australia Board was sought for a further five-year investment in DairyBio and DairyFeedbase. Prior to seeking board approval significant industry consultation was undertaken, including consultation over a five-month period using field days, workshops, tours, webinars, and an online survey. Service providers and 174 farmers were engaged.</p> <p>Our regional services team provides a diverse and capable local team in each dairy region to lead and facilitate extension services. The introduction of the farm engagement lead roles brings a direct connection with individual farm businesses to build and facilitate a tailored plan.</p> <p>The introduction of the development regional adaptation lead role provides the opportunity to ensure a consistent, aligned and impactful pathway from research to extension, implementing the adoption pathway. This includes delivering extension, capability development, industry development, and services to dairy farm businesses and regional industry networks. This facilitates the adoption and practice change on-farm, increases the skills and knowledge of those that work in/with dairy farm businesses, and contributes to sustainable dairy communities across Australia.</p> <p>We have developed a process to gain and provide a comprehensive understanding of regional dairy issues, needs and opportunities for planning, development, projects and delivery. We capture regional insights and share them across relevant parts of the business to support optimising development, services, and delivery.</p> <p>Our regional services are a 'shop-front' for the suite of Dairy Australia services and a direct connection between dairy communities and the Dairy Australia network, engaging and working with local dairy farmers, including delivery of tailored solutions.</p> <p>We collaborate with relevant stakeholders to coordinate regional responses for critical issues, and collective industry responses (e.g. government inquiries, funding calls). We attract and/or influence external funding in line with shared strategic direction and priorities.</p> |

| Performance principle and outcome  | Key performance indicators  | Actions taken  |
|--|---|--|
| <p><b>Principle 3</b><br/> <b>Collaboration</b><br/>           Undertake strategic and sustained cross-industry and cross-sectoral collaboration that addresses shared challenges and draws on experience from other sectors.</p>                            | <p><b>3.1</b> Completed, current and future R&amp;D including commercialisation opportunities are accessible through the growAG platform.</p> <p><b>3.2</b> Number and quantum of cross-industry and cross-sector RD&amp;E investments available.</p>   | <p>Dairy Australia has 108 projects listed on the growAg website. Our board and management participated in evokeAG. Emerging National Rural Issues (ENRI) supported through participation, planning, and engagement. Cross-RDC communications consultation currently takes place via the Council of RDCs on a range of common topics. The focus of these discussions is on sharing communications approaches and aligning where possible. National Pastures Genebank project (\$163k Dairy Australia levy contribution, SARDI principal project provider). National Animal Welfare RD&amp;E Strategy (\$2k Dairy Australia levy contribution). Australian Food and Wine trade collaboration program (\$80k Dairy Australia levy contribution over two years).</p>  |
| <p><b>Principle 4</b><br/> <b>Governance</b><br/>           Governance arrangements and practices to fulfil legislative requirements and align with contemporary Australian best practice for open, transparent, and proper use and management of funds.</p> | <p><b>4.1</b> Ongoing oversight, planning and reporting of investment activities is done in accordance with legislative and Australian Government requirements and timeframes.</p> <p><b>4.2</b> Demonstrated management of financial and non-financial risk.</p> <p><b>4.3</b> Relevant policies and procedures adopted and implemented (e.g. privacy).</p> <p><b>4.4</b> Non-financial resources implemented effectively (e.g. human resources, information technology, intellectual property).</p> | <p>We updated the Dairy Australia Evaluation Framework in line with the 2020-2025 Strategic Plan. We continue to improve the way we evaluate our investments in line with the guidelines from the Council of Rural Research and Development Corporations (CRRDC). In addition, we continue to perform pre and post investment assessments. The updated the Dairy Australia Evaluation Framework is published on the Dairy Australia website and is publicly available. A quarterly portfolio review is also undertaken to monitor progress and action taken toward the achievement of the Annual Operating Plan (AOP). The executive summary is shared with DAFF, ADF and ADPF. In line with the requirements set out under the Australian Charities and Not-for-Profits Commission Act 2012 (Cth) Part 3-2, Div 60, 60-5 (1), 60-10 (1) and 60-25, Dairy Australia prepares annual financial statements and reports which are audited prior to submission to the Australian Charities and Not-for-Profits Commission. Under the Dairy Produce Act 1986 Div 4 Sec 13 these are also provided to the Minister along with a Certification Report. The Dairy Australia Annual Performance Report outlines our key achievements. A copy of the report is sent to the Minister along with the 'Performance Review at a Glance'. The performance report is available on the Dairy Australia website. Dairy Australia maintains a Risk Management Framework in alignment with ISO 31000:2018 and a Compliance Management Framework in alignment with 19600:2015. Both frameworks capture both financial and nonfinancial risk. A significant risk and compliance uplift was undertaken in FY23 which focused on enhancing the design and effectiveness of the frameworks. Dairy Australia carries out an annual review of its financial and nonfinancial risk which was presented to the Audit and Risk Management Committee and board in June 2023. Under the compliance management framework, Dairy Australia maintains several policies and procedures to support compliance obligations under both Commonwealth and state legislation and regulatory requirements. The policies and procedures are reviewed every two years at minimum or as required. During FY23, 28 policies and procedures were reviewed, updated, and approved, while one new procedure was introduced. Critical business support services such as human resources, information technology, intellectual property, marketing and communications, strategy, project, innovation, farm, regional services, and finance are well established with skilled knowledge, processes and systems to ensure ongoing management of financial and non-financial risk and compliance.</p> |

| Performance principle and outcome  | Key performance indicators   | Actions taken  |
|--|--|--|
| <p><b>Principle 5</b><br/>Monitoring and evaluation</p> <p>Demonstrate positive outcomes and delivery of RD&amp;E [and marketing] benefits to Levy Payers and the Australian community in general – and show continuous improvement in governance and administrative efficiency.</p> | <p><b>5.1</b> Impact (cost-benefit) assessment of a broad cross-section of RD&amp;E (and marketing) investments undertaken annually.</p> <p><b>5.2</b> Demonstrated consideration of and response to outcomes of monitoring and evaluation processes.</p> <p><b>5.3</b> Transparent communication to stakeholders (including government) on the impacts and benefits of the RD&amp;E [and marketing] activities.</p> | <p>Dairy Australia updated its evaluation framework in line with the 2020–2025 strategic plan which has broad, cross-section investments that will benefit farmers and industry.</p> <p>Dairy Australia’s strategic priorities focus on seven pillars. Dairy Australia ensures the right proportion of investment is made in each of the pillars. For more detail on the strategic priorities see page 10.</p> <p>We regularly monitor our performance against the pillars. Our annual performance report is shared with stakeholders and published on our website.</p> <p>The updated evaluation framework is published on the Dairy Australia website and is publicly available.</p> <p>In the investment decision process, Dairy Australia undertakes impact assessment on projects across the total investment portfolio, wherever possible quantifying the net benefits of these investments to levy payers and the Commonwealth. Impact assessment comprises pre-investment (ex-ante) assessments of projects prior to approval by the Dairy Australia Investment Review Panel (IRP) and post-investment (ex-post) assessments after projects have concluded. The methodology typically employed is Benefit-Cost Analysis (BCA), consistent with the latest CRRDC guidelines (April 2018).</p> <p>In the case of some projects where the benefits of the Dairy Australia intervention are harder to quantify (industry marketing, trade relations, policy development), other methods of economic analysis have been used such as threshold analysis or the change in economic surplus.</p> <p>Pre-investment assessment (ex-ante) – established to support and encourage Dairy Australia wide investment analysis of levy payer and Commonwealth funds and to make the pre-investment assessment process more efficient. Dairy Australia has developed a pre-investment assessment business cost analysis template and quick reference guide to support the process.</p> <p>Post-investment assessment (ex-post) – aims to complete four post-investment assessments per year on completed projects across the total portfolio. External consultants (economists) undertake two assessments and Dairy Australia undertakes two assessments internally with independent (external) peer review. Project selection is based on Guiding Principles adopted by the Dairy Australia Leadership Team.</p> <p>Coinciding with the review of the AOP and the beginning of each financial year, the strategy and planning team with portfolio sponsors and project leads review annual targets and alignment with strategic outcomes and set or reset targets where necessary. Internal and external stakeholders are consulted throughout the process.</p> <p>Quarterly performance is captured in a bottom-up process by reporting project performance through quarterly dashboards capturing outcome focussed key highlights and achievements, performance against KPIs and risk encountered during the quarter.</p> <p>Quarterly performance measurement is raised to a strategic level at quarterly portfolio review and cross-portfolio review meetings, where quarterly performance is discussed with respect to how the portfolio is tracking against targets set for the five-year strategic plan. The process concludes with the quarterly performance reporting – executive summary presented to the Dairy Australia Board. The process enables a constant alignment with strategy and feedback from the board to project leads.</p> <p>The process of impact assessment with respect to post-investment assessment includes management response to the findings and recommendations of the assessment. Quarterly portfolio review is also undertaken to monitor progress and action taken toward the achievement of the AOP and RD&amp;E activities.</p> <p>The findings, key recommendations, and the management response from post-investment assessments are included in the Dairy Australia Annual Performance Report.</p> |

More detail on the performance principles is available at [dairyaustralia.com.au](http://dairyaustralia.com.au).

# Our collaboration partners

## Group B members

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Australian Dairy Farmers Ltd  
Australian Dairy Products Federation Inc.

## Rural Development Corporations

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AgriFutures  
Australian Eggs Limited  
Australian Livestock Export Corporation Limited  
Australian Meat Processor Corporation  
Australian Pork Limited (APL)  
Australian Wool Innovation Limited (AWI)  
Cotton Research and Development Corporation (CRDC)  
Fisheries Research and Development Corporation  
Forest and Wood Products Australia Limited  
Grains Research and Development Corporation (GRDC)  
Horticulture Innovation Australia Limited (HIAL)  
Meat and Livestock Australia (MLA)  
Sugar Research Australia Limited (SRA)  
Wine Australia

## Regulatory groups

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Australian Packaging Covenant Organisation  
Australian Pesticides and Veterinary Medicines Authority  
CODEX Australia  
Dairy Export Industry Consultative Committee  
Environment Protection Authorities  
Food Standards Australia New Zealand  
State Food Regulatory Authorities

## Industry groups

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Australian Dairy Farmers Policy Advisory Groups  
Australian Food and Grocery Council  
Australian Meat Advisory Council  
Dairy Company Quality Assurance Managers and Field Service Officers  
Dairy Manufacturers Sustainability Council  
Dairy Moving Forward Steering Committee  
Dietitians Association of Australia  
Global Dairy Platform  
Global Dairy Sustainability Framework  
Infant Formula Nutrition Council  
International Dairy Federation  
Seafood Industry Australia  
State Dairy Farming Organisations  
Sustainability Consultative Forum  
Sustainable Agriculture Initiative  
Sustainable Packaging Working Group

## Cross-agricultural committees

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Animal Health Australia – Industry Forum  
Animal Health Australia – Members Forum  
Australian Food and Wine International Trade Collaboration Group  
Australian Pastures Genebank Steering Committee  
Climate Change Research Strategy for Primary Council of Rural R&D Corporations  
Industries Managing Climate Variability Program  
National Animal Biosecurity RD&E Strategy  
National Animal Welfare RD&E Strategy  
Plant Biosecurity Cross-Sector Strategy  
Research and Innovation Committee  
SAFEMEAT  
Soils Cross-Sector Strategy  
Water Use in Agriculture Cross-Sector Strategy

## Key investment partners

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Ag Innovation Australia  
Agriculture Victoria  
Austrade  
Australian Fresh Milk Holdings  
CSIRO  
DairyNZ  
Department of Agriculture and Water Resources  
eastAUSmilk  
Gardiner Foundation  
Global Victoria  
GO TAFE  
La Trobe University  
Leppington Pastoral Co  
Local Land Services (Hunter)  
National Herd Improvement Association  
Norco  
NSW Department of Primary Industries  
Pasture Trials Network  
Queensland Department of Agriculture and Fisheries  
Scibus  
SE Local Land Services  
South Australian Research and Development Institute  
South-West TAFE  
Stop Food Waste Australia  
Sustainability Victoria  
TAFE Gippsland  
Tasmanian Institute of Agriculture  
University of Melbourne  
University of New England  
University of Sydney, Dairy Research Foundation  
WA Department of Primary Industries and Regional Development



# Financial contribution to cross-sectional collaboration

The following table shows the financial contribution to cross-sectional collaboration with other research and development corporations.

| Project name   | Collaborating RDCs                                      | Dairy Australia contribution \$ |
|--|---|---------------------------------|
| Dairy Farm Manager - Sponsorship of one Horizon Scholar in 2022-2023 | AgriFutures   | 42,500                          |
| Australian food and Wine - Collaboration Group                       | MLA, HIAL, Wine Australia, Seafood Industry Australia   | 40,000                          |
| Rural Health & Safety Alliance 2                                     | AgriFutures   | 20,000                          |
| DAWE Antimicrobial Resistance  | AgriFutures, APL, MLA, Australian Eggs                  | 14,000                          |
| Animal Industries Antimicrobial Stewardship                          | MLA   | 13,432                          |
| Enhancing the profitability and productivity of livestock farming    | AgriFutures, CRDC, GRDC, SRA                            | -                               |
| Growing Beef from Dairy  | MLA   | -                               |
| Forewarned is forearmed  | AgriFutures, APL, CRDC, GRDC, MLA, SRA, Wine Australia  | -                               |
| Cross Sectoral Marketing   | AgriFutures, APL, CRDC, GRDC, MLA, Australian Eggs, AWI | -                               |
| Black Soldier Fly  | APL   | -                               |
| National Animal Welfare RD&E Strategy (NAWRDES)                      | APL   | -                               |
| <b>Total revenue</b>   |   | <b>129,932</b>                  |

**Disclaimer**

The content of this publication including any statements regarding future matters (such as the performance of the dairy industry or initiatives of Dairy Australia) is based on information available to Dairy Australia at the time of preparation. Dairy Australia does not guarantee that the content is free from errors or omissions and accepts no liability for your use of or reliance on this document. Furthermore, the information has not been prepared with your specific circumstances in mind and may not be current after the date of publication. Accordingly, you should always make your own enquiry and obtain professional advice before using or relying on the information provided in this publication.

**Acknowledgement**

Dairy Australia acknowledges the contribution made to this publication by the Commonwealth through its provision of matching payments under Dairy Australia's Statutory Funding Agreement.

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ISSN 1839-5708 online | ISSN 1449-860X print



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