



Annual Report

2022/23

Subtropical Dairy Programme Ltd



DELIVERING
for **DAIRY**





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Subtropical Dairy board

A Board Selection Committee recommends appointments to the Board, which are voted upon at each Annual General Meeting. Recommendations are based on skills, experience and ability to commit to the role. The Constitution allows for between six and nine Board members, with the majority needing to be dairy farmers operating in the Subtropical Dairy region of Queensland and northern New South Wales.

During 2022/23, the Board met 11 times (excluding the Annual General Meeting). The Board Directors are listed below with a record of attendance. The Board also has committees including: Finance, Audit and Risk; Projects, Strategy and Innovation; and Extension and Adoption.

The Subtropical Dairy Finance, Audit and Risk Committee met four times during 2022/23. Members of the committee during 2022/23 were Luke Stock, Ian Hollindale, Rob Cooper, Elke Watson and Cameron Whitson.

		Attended			Attended
	Farmer Director: Glenore Grove, Qld Chair Committees: Finance, Audit and Risk; Resource Management	11/11		Farmer Director: Gowrie Junction, Qld Committees: Projects; Strategy and Innovation	8/11
Luke Stock			Paul Judge		
	Independent Director Term ended 17/11/22 Vice Chair 1/7/22 to 17/11/22 Committees: Finance, Audit and Risk; Strategy and Innovation	4/4		Independent Director Committees: Extension and Adoption; Projects	10/11
Ian Hollindale			Howard Smith		
	Farmer Director: Carney's Creek, Qld Vice Chair 12/12/22 to 30/6/23 Committees: Extension and Adoption; Projects; Strategy and Innovation	11/11		Farmer Director: Conondale Qld Appointed 17/11/22 Committees: Finance, Audit and Risk; Extension and Adoption; Resource Management	7/7
Ruth Chalk			Elke Watson		
	Independent Director Appointed 17/11/22 Committees: Extension and Adoption; Strategy and Innovation	7/7		Farmer Director: Kyogle NSW Term ended 17/11/22 Extension and Adoption Committee	2/4
Mark Bauer			Paul Weir		
	Independent Director Committees: Finance, Audit and Risk; Projects; Strategy and Innovation	8/11		Independent Director Committees: Finance, Audit and Risk; Extension and Adoption; Strategy and Innovation	10/11
Rob Cooper			Cameron Whitson		
				Company Secretary	
			Brad Granzin		

Subtropical Dairy staff

Subtropical Dairy had eight staff during 2022/23. These were a mix of full-time and part-time Dairy Australia employees and Subtropical Dairy contractors.



Subtropical Dairy Executive Officer

Brad Granzin



Dairy Australia
Regional Project Lead – Workforce Attraction
Commenced 1/3/23

Roger Desailly



Subtropical Dairy
Lead Regional Extension Officer and Project
Manager Dairy Grains Mentor project

Belinda Haddow



Subtropical Dairy
IT Manager

Di Gresham



Subtropical Dairy
Project Manager Precision Fertiliser project
Far North Coast NSW

Ruth Chalk



Subtropical Dairy
Regional Extension Officer: Far North Qld
Commenced 29/8/22

Fiona Neville



Subtropical Dairy
Regional Extension Officer: Northern NSW
Resigned 19/8/22

Alana Connolly



Subtropical Dairy
Regional Extension Officer: Northern NSW
Commenced 23/1/23

Heidi Court

Report from the Chair

2022/23 was a year of recovery for many of our farms, their families and staff.

The unprecedented flooding and wet conditions across much of Subtropical Dairy during 2021 and 2022 has left its mark on our industry. We have seen milk supply in our region continue to contract and farm numbers reduce, despite improved operating conditions over the last 12 months.

In response to this operating environment, Subtropical Dairy undertook two major strategic initiatives during the 2022/23 financial year.

The first was the development and deployment of our new five-year strategic plan, which took effect from 1 July 2023. This plan was developed following a process involving surveys, workshops and facilitated discussions with farmer groups across Queensland and northern New South Wales. Service providers and collaborators were also key contributors. Its key strategic objectives are: better outcomes for dairy farm businesses through improving the enabling environment; delivering more customised and responsive farm services; and supporting more competitive, contemporary and resilient farm businesses and systems. To enable these strategies to be realised, we have seen an operational change in Subtropical Dairy over the last 12 months, with less group events and a greater focus on 1:1 services.

The second strategic initiative was the development of a framework for a collaborative regional industry plan known as the Northern Dairy Industry Plan. This initiative has emerged from a strong collective sense amongst stakeholders that there is a need to grow the dairy industry and that collaborative effort is needed to deliver change. Subtropical Dairy has played a key role in developing the methodology for the Northern Dairy Industry Plan and will continue to be a leading stakeholder moving forward.

During 2022/23, Subtropical Dairy delivered 75 workshops and events to 927 participants. This compares with our 2021/22 workshop delivery of 90 workshops and events to 1,221 participants. Contributing factors to fewer events during 2022/23 were vacancies in our team of Regional Extension Officers and a reducing number of regional farm businesses. Extension programmes delivered by Subtropical Dairy during 2022/23 included Biosecurity; Parasite Management; Healthy Hooves; Farm Safety; Employment Basics and Genomics in Practice. Subtropical Dairy also recruited for a number of Dairy Australia national online workshops during the year including Our Farm Our Plan and Farm Business Fundamentals.

2022/23 also saw the regional deployment of a national Workforce Attraction project, with Roger Desailly commencing in the Queensland role in March 2023 on a part-time basis. This project was implemented to connect jobseekers with dairy farm businesses and provide national support to build the recruitment skills of farmers.

On 30 June 2022, Subtropical Dairy completed its delivery of the Dairy Grains Mentor project, which was supported through funding from the Australian Government's Future Drought Fund. Participating dairy farmers were involved in a number of online and face-to-face learning and networking activities. Participants also established farm action plans and a number of key benchmarks across summer and winter crops through working with agronomists. Information regarding crop productivity and soil health was extended across the broader dairy network through e-communications, webinars, farm tours and print media to assist dairy farmers to refine their expertise within these disciplines.

Subtropical Dairy would also like to acknowledge the continuation of funding received during 2022/23 from the Farm Business Resilience Program, which is co-funded through the Australian Government's Future Drought Fund and the Queensland Government's Drought and Climate Adaptation Program. This funding was used to support a number of projects in Subtropical Dairy such as our Commodity Report, additional on-farm technical consultancies and group events.

June 2022/23 saw the publishing of our 37th edition of our regional newsletter, Northern Horizons. Since its inception in May 2017, Subtropical Dairy and its partners have published over 400 articles, with over 16,000 copies posted to farm businesses in Queensland and northern NSW. As with previous financial years, six editions of Northern Horizons were published during 2022/23. We are very grateful to our sponsors of Northern Horizons: Department of Agriculture and Fisheries Queensland; Allflex Australia; Alltech Lienert; Dairy Express; Feed Central; Lallemand Animal Nutrition; Queensland Machinery Agency; Neogen and Solar Energy and Battery Solutions.

I would like to thank our consultants and collaborators for their efforts during the year, particularly the Department of Agriculture and Fisheries Queensland. I would also like to acknowledge the ongoing support of regional processors and agribusiness.

I would like to thank my Board members for their diligence and governance over the 2022/23 year. Today sees Rob Cooper stand down as a Subtropical Dairy director after serving three years. Rob's dairy farming experience and passion for genomics will be missed. Today also sees Paul Judge stand down as a Subtropical Dairy director after serving a second three year term. We wish Paul all the best with his family's new farm in northern NSW.

I would also like to acknowledge our Regional Groups, their chairs and secretaries who are the foundation and members of Subtropical Dairy. Finally, I would like to thank our Executive Officer Dr Brad Granzin, our Lead Regional Extension Officer, Belinda Haddow, and our staff and project managers Ruth Chalk, Alana Connolly, Heidi Court, Roger Desailly, Di Gresham and Fiona Neville for their great contributions during the year.

I hereby submit my Chair's report to the 2023 Annual General Meeting of Subtropical Dairy Programme Limited.



A handwritten signature in black ink, appearing to read 'Luke Stock'.

Luke Stock Chair
Subtropical Dairy Programme Ltd



Report from the Executive Officer

During 2022/23, Subtropical Dairy's revenue was \$726,601.

Our key revenue sources were Dairy Australia (\$499,000) and the Queensland Government's Farm Business Resilience Project (\$100,000). We also appreciate the financial support from regional agribusiness and processors during the year for projects such as regional dinners and Northern Horizons. During 2022/23, this sponsorship totalled approximately \$33,900. We also highly value the significant ongoing in-kind investment from the Queensland Government and milk processors. Including in-kind expenditure from collaborating organisations, Subtropical Dairy delivered projects valued at \$1.1 million.

Our expenditure during 2022/23 was invested in a variety of projects, all of which were aligned to our priorities outlined in our Strategic Plan 2017-2022 and also the national priorities of Dairy Australia.

Key projects delivered this year included:

- The employment of Regional Extension Officers to deliver a range of technical events, facilitate groups, and manage our communication channels.
- Our networks such as our Regional Groups.
- Workshop and webinar delivery including the disciplines of business strategic planning, financial management, herd nutrition, parasite management, and genomics.
- Our communication and engagement platforms such as our bimonthly newsletter, Northern Horizons, www.northernaustraliandairyhub.com.au, the weekly eNews, the Commodity report and our Facebook page.
- Regionally targeted applied R&D, which is instigated by Regional Groups.

2022/23 also saw the final year of implementation of Subtropical Dairy's Strategic Plan 2017-2022. Of the 23 outcomes tabled in the plan, 11 were achieved, 11 required further action and one was removed from the plan.

Key strategies implemented over the plan's duration were:

- Adapting world class RD&E that is regionally relevant, contextualised and adapted to the business needs of north-eastern Australian dairy farms.
- Increased long-term profitability and business resilience through enterprise strategic planning.
- Improved income over feed costs through supporting C4Milk outcomes and delivering herd nutrition initiatives.

- Extension activities focused on reducing herd heat loads (e.g. delivery of Cool Cows and publishing information regarding compost sheds).
- Improved mastitis management and focusing on herd health such as lameness.

Unfulfilled strategies from the 2017-2022 plan included co-investment in contemporary RD&E for tropical and subtropical dairy businesses through global relationships; dairy businesses increasing profitability by improved decision making based on appropriate analysis and interpretation; informing farmers and aspiring farm owners about business and ownership models that can enable transition in or out of the industry; addressing market failure in tropical grass breeding programmes; and improving herd reproduction.

Our new strategic plan spanning 2023-2028 has captured many of these unfinished strategies.

Subtropical Dairy invested in seven Regional Group projects during 2022/23 with some of these projects continuing from previous years. These were:

- Driving enterprise profitability through the use of financial, biophysical and human resource key performance indicators (Far North Queensland).
- Funding agronomy consultancies in Central Queensland.
- Surveys of feedmilling infrastructure and labour (Sunshine Coast).
- The effect of Bovaer® on the productivity and methane emissions of lactating dairy herds fed tropical grass-based diets (Sunshine Coast).
- The effect of ensiling time on starch availability in grain and forage sorghum silages (South-east Qld).
- Precision nutrient mapping and tactical fertiliser application on northern NSW dairy farms (Far North Coast NSW).
- Electroconductivity scanning and satellite NDVI images to precision manage pastures (Mid North Coast NSW).

A tropical grass evaluation project instigated by our Sunshine Coast Regional Group was also included as a project in C4Milk.

In April 2022, 73 per cent of Australian dairy farm businesses voted to keep the national dairy services levy at its current 2012 rate. As Executive Officer of Subtropical Dairy, this result has caused much self-reflection regarding how we can improve value for the levy going forward. Our new strategic plan and evolving to a more client centric delivery model will hopefully provide a more valued service going forward.

I am very fortunate to work with a team of great colleagues: Belinda, Di, Heidi, Fiona, Roger and Ruth. Their hard work, commitment and patience is greatly appreciated by the Subtropical Dairy Board, their Executive Officer, Dairy Australia, their service provider colleagues and the farmers who work with them. I would also like to acknowledge the good work by Alana Connolly, who resigned in August 2022.

Finally, I would like to thank our Chair Luke Stock, Vice Chair Ruth Chalk and the Board for the confidence shown in myself to carry out this role.

I hereby submit my Executive Officer's report to the 2023 Annual General Meeting of Sub-tropical Dairy Programme Limited.

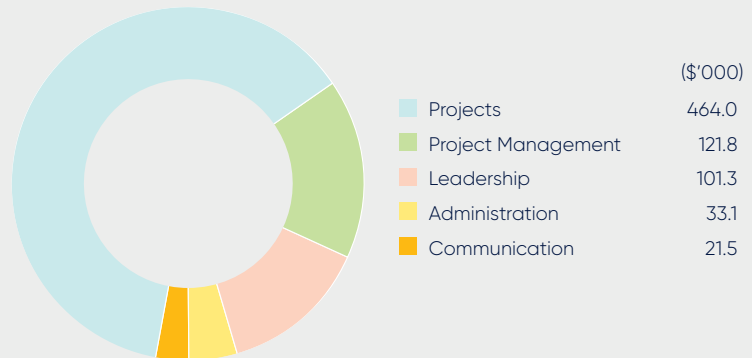


Dr Brad Granzin

Dr Brad Granzin Executive Officer
Subtropical Dairy Programme Ltd

Expenditure 2022/23

Subtropical Dairy endeavours to provide the most effective and efficient spend of funds. The graph of expenditure under a range of headings, is shown to the right.



Farm business planning and analysis

Subtropical Dairy supports farm business management practices that:

- Increase profitability by improved decision making based on appropriate analysis and interpretation.
- Increase long-term profitability and business resilience through enterprise strategic planning.
- Inform farmers and aspiring farm owners about business and ownership models that can enable transition in or out of the industry.

Dairy farm businesses in north-eastern Australia continue to operate in volatile bioclimatic and economic environments. Monitoring costs and operational efficiencies are vital business management strategies to deliver sustainable profits. Programmes such as Our Farm Our Plan allow businesses to understand their strengths and weaknesses and implement long term business strategies such as asset investment to maintain sustainable business profits. The investment in infrastructure linked to fodder conservation and cow performance such as compost sheds are two examples.

Project and outputs	Description	Co-funder	Total funding inc. in kind
Our Farm, Our Plan (two national online courses)	A risk and strategic business planning program that aims to support dairy farmers to consistently make decisions over time that increases profit and wealth, while confidently responding to challenges and opportunities, manage risk and achieve their own business and personal goals.	Dairy Australia, Gardiner Foundation, Dairy NZ, Qld Govt Farm Business Resilience Programme	\$31,956
Dairy Farm Business Fundamentals (two national online courses)	Farm Business Fundamentals provides participants with the skills and knowledge to setup and use good record keeping systems for farm financial and physical information, prepare an annual farm budget and create a balance sheet for their business.	Dairy Australia	\$13,696
Dairy Farm Business Analysis (two national online courses)	This course assists farmers and their advisers to better understand and analyse farm business performance.	Dairy Australia	\$32,796
Taking Stocks (four)	Taking Stocks aim to address any critical financial or technical issues a business may be experiencing which are seriously threatening their viability. They are private, confidential and personalised to address an individual situation.	Qld Govt Farm Business Resilience Programme	\$14,056



Agronomy and herd nutrition

Subtropical Dairy supports projects that:

- Increase forage production and utilisation.
- Improve the nutritional management of herds.
- Investigate management and breeding techniques of tropical grasses to significantly increase intake and/or digestibility.
- Address the market failure in the improvement of perennial tropical grasses.

Subtropical Dairy continued its long-term collaboration with the Department of Agriculture and Fisheries (DAF) Queensland at Gatton to support regional feedbase RD&E. C4 Milk (Developing low risk high forage feeding systems) continued as a key project for the northern Australian dairy industry, with a new three year project approved in late June 2023.

Subtropical Dairy continued to publish the Weekly Hay and Grain report customised for our region during 2022/23. This is generated from the national Dairy Australia report and is emailed to over 940 recipients every week as a component of Subtropical Dairy's Weekly eNews.

Subtropical Dairy also continued the delivery every fortnight of the Commodity Report during 2022/23. This was supported by funding from the Farm Business Resilience Program which is co-funded through the Australian Government's Future Drought Fund and the Queensland Government's Drought and Climate Adaptation Program. The Commodity Report was also financially supported by Dairy NSW and Murray Dairy.

Project and outputs	Description	Co-funder	Total funding inc. in kind
Advanced Nutrition in Action	A course for those with a solid grasp of dairy nutrition and feeding management and looking to extend their capabilities to a higher level.	Dairy Australia	\$13,260
Herd Nutrition (two workshops)	A course which reviews fundamental nutritional science and its application in subtropical and tropical dairy farming systems.	Agribusiness	\$11,050
Transition Cow Management (Online)	Transition Cow Management is a course delivered over five weeks. Its content includes measuring and monitoring cow health issues, the effects of milk fever, the benefits of transition feeding, developing a sound transition diet and implementing it on farm.	Dairy Australia	\$13,260
Agronomy and Herd Nutrition on-farm consultancies (CQ and FNQ)	These consultancies were delivered by Glenn Perkins from KISS and Dr Dave Barber from DairyNext. Key topics covered during these consultancies were soil health, crop agronomy, feed budgeting, diet formulation and heifer management.	Bega, Qld Govt Farm Business Resilience Programme	\$16,575



Animal health

Subtropical Dairy supports animal management projects that:

- Improve herd reproduction, especially during hot conditions.
- Mitigate high heat loads on milking herds.
- Improve levels of mastitis management.
- Result in farmers operating at best practice in animal husbandry.



Project and outputs	Description	Co-funder	Total funding inc. in kind
Biosecurity (four workshops)	These workshops reviewed contemporary risk management strategies against current diseases and pests that pose a biosecurity risk and potential threats like foot and mouth disease (FMD) and lumpy skin disease (LSD).	Dairy Australia, Department of Agriculture and Fisheries Qld	\$22,100
Cool Cows (one webinar)	Promotion of strategies to reduce heat stress including forage management, infrastructure options and feed additives.	Dairy Australia	\$3,575
Dealing with internal parasites (four workshops)	An on-farm discussion with Dr Carl Hockey from RuralVet focussing on managing our most common parasites and their resistance to chemical treatments.	Rural Vet, Zoetis, Qld Govt Farm Business Resilience Programme	\$22,100
Low stress calving (one workshop)	Low Stress Calving is an on-farm, group discussion focusing on how transition cow feed management can adapt fresh cows rumsens to high energy feeds, avoid milk fever and other health problems around calving related to hypocalcaemia and body condition loss in early lactation.	Dairy Australia	\$5,252
Dry Cow Management (one webinar)	This session covered identifying and responding to high cell counts in herds.	Dairy Australia	\$3,525
Management of external parasites (one webinar)	This discussion focussed on the most economically important external parasites of the dairy industry including ticks and associated diseases.	Dawbuts	\$3,525
Genomics at a Glance (two webinars)	These webinars introduced the science of genomics including how to take a sample, interpret results and potential benefits and practicalities.	Dairy Australia	\$7,050
Genomics in Practice (seven workshops)	A practical on-farm session with demonstrations of tissue sampling units and interpreting results using DataGene's DataVat web portal.	Dairy Australia, Datagene	\$33,150
Healthy Hooves (six workshops)	Covers key aspects for prevention of lameness, how to recognize lame cows early and treat simple cases.	Dairy Australia, Qld Govt Farm Business Resilience Programme	\$27,625
In Charge herd fertility (two webinars)	Benchmarking and improving herd reproductive performance.	Dairy Australia	\$7,050
Calf and Heifer Management (two workshops)	An interactive workshop focusing on new approaches to calf management and the Dairy Australia 'Heifers on Target' recommendations.	Ridley Lallemand	\$4,420



Project and outputs	Description	Co-funder	Total funding inc. in kind
Milking and Mastitis workshop (one online)	This workshop was designed to help farm owners, managers and employees to deliver best practice management regarding milk harvesting and milk quality, with the emphasis on the detection, treatment and prevention of clinical mastitis.	Dairy Australia	\$6,025
Milking Mastitis Management - online self-facilitated programme	Five module online and on-farm program for new and inexperienced milking staff. Topics covered include herd movement, WHS, milking techniques, post-milking teat disinfection, detection of clinical mastitis and water use around cows in the dairy.	Dairy Australia	\$3,952

People

Subtropical Dairy supports projects that:

- Support young people in the dairy industry.
- Embed a culture of safe work practices in all dairy farm businesses.
- Result in farmers being preferred employers and skilled managers.
- Develop new leaders.
- Improve the capacity of staff.

Project and outputs	Description	Co-funder	Total funding inc. in kind
Regional Groups (six groups funded with five meetings)	Undertake local R&D and advocate for Subtropical Dairy services. Seven projects funded during 2022/23.	Department of Agriculture and Fisheries Queensland, Processors and Agribusiness	\$79,057
Discussion groups (three groups supported across six events)	Subtropical Dairy funds support for discussion groups to enable dairy farmers to share ideas and learn from each other's experiences. This financial support can be facilitation, technical delivery or operating costs. Subtropical Dairy supports ongoing discussion groups based on regions, groups focussed on a particular topic or short-term discussion groups as follow up from a workshop or course.	Dairy Australia, Qld Govt Farm Business Resilience Programme, Agribusiness	\$27,319
Young Dairy Network (one event)	The Young Dairy Network aims to develop the personal, technical, business, communication and leadership skills of young dairy farmers, create a network of young farmers that shares challenges and successes and boosts morale through challenging periods, and inspire young farmers to grow and develop together.	Processors and agribusiness	\$2,315
Cows Create Careers	Cows Create Careers is a Dairy Australia program designed to promote dairy industry careers and industry education to students in years 7-11.	Jaydee Events, Lismore and Toowoomba secondary schools	\$22,575
Farming with My Team (national online programme)	This program was delivered over seven weeks. Topics covered included leadership strategies, communication and dealing with challenges.	Dairy Australia	\$21,350
Employment Basics (eight webinars)	An introduction to employing people correctly in the dairy industry.	Dairy Australia	\$32,200
Farm Safety (four on-farm events and one online)	The Safety on Farm project goal is to make a sustainable improvement to the safety of farm owners, employees, families, contractors, service providers and visitors through provision of materials and workshops.	Dairy Australia	\$22,100
Employing Overseas Workers	An online information session covering the fundamentals of hiring internationally including visas and migration requirements.	Global Skilled Employment Services	\$3,050
Stepping Back (one webinar)	Business transition strategies for owners looking to reduce their involvement.	Dairy Australia	\$3,050
Workforce Attraction	The Dairy Australia Workforce Attraction Project focuses on engaging with dairy farmers and various organisations, communities and agencies to successfully facilitate employment opportunities for jobseekers into roles in dairy farming communities.	Dairy Australia	\$33,000



Resource management

Subtropical Dairy invests in Resource Management projects that build industry capability to manage land, water and energy resources to minimize environmental impact whilst enhancing profit and mitigating climate risk.

The Dairy Grains Mentor project is a concept developed by Subtropical Dairy director Ruth Chalk. Funded by the Australian Government's Future Drought Fund, this project engaged with dairy businesses to reduce their risk and exposure to drought and soil degradation by adapting key agronomic and soil conservation strategies from regional grain farmers.

A Community of Practice between these industries was developed focussed on contemporary agronomic practices in conjunction with the adoption of sustainable soil health practices. Further coaching support was provided by consulting agronomists who service the northern Australian grain's industry.

This project has allowed Queensland and northern NSW dairy farms to improve the resilience of their business against drought, improve groundcover, nutrient utilisation and soil health, thereby reducing the risk of sediment and nutrient loss.

The Dairy Grains Mentor project concluded on 30 June 2023.

Project and outputs	Description	Co-funder	Total funding inc. in kind
Dairy Grains Mentor project	The Dairy Grains Mentoring project aimed to reduce dairy business risk and exposure to drought and soil degradation by adapting key agronomic and soil conservation strategies learnt from regional grain farmers.	Department of Agriculture, Water and the Environment	\$203,265

Communication and engagement

Subtropical Dairy supports projects that:

- Improve the delivery model to drive participation and adoption (practice change).
- Improve participation and adoption through better marketing and communication.
- Overcome barriers to practice change post-participation.

- Co-invest in contemporary RD&E for tropical and subtropical dairy businesses through global relationships.

Key to the delivery of this portfolio is Subtropical Dairy's communication platform. Relevant projects delivered during 2022/23 are shown below.

Project and outputs	Description	Co-funder	Total funding inc. in kind
Northern Horizons (six editions)	A 24-page publication focussing on contemporary RD&E for the northern Australian dairy industry.	Department of Agriculture and Fisheries Queensland, Corporate Sponsors	\$121,403
Website www.northernaustraliadairyhub.com.au	Local website co-delivered with Department of Agriculture and Fisheries Queensland.	Department of Agriculture and Fisheries Queensland	\$24,712
Commodity pricing and availability report (25 editions)	These reports provide fortnightly market intelligence regarding by-product availability and pricing.	Qld Govt Farm Business Resilience Programme, Dairy NSW, Murray Dairy	\$48,478
Weekly eNews (51 editions)	A newsletter including upcoming events for all the Subtropical Dairy regions, Seasonal Reminders, the weekly Hay and Grain report and any other current links, information or news.	Dairy Australia	\$33,087
Facebook	2022/23 saw Subtropical Dairy consolidate its eight pages into one Facebook page.	Regional farmers and agribusiness	\$6,050
Regional dinners (eight)	A series of regional dinners where farm businesses and service providers were consulted regarding Subtropical Dairy's new strategic direction.	Processors and agribusiness	\$48,478
Developing Subtropical Dairy's 2023-2028 Strategic Plan (workshop)	This two day workshop set the foundation for Subtropical Dairy's future strategic direction and purpose.	Regional farmers and service providers	\$49,053



NORTHERN AUSTRALIAN Dairy Hub

Home Subtropical Dairy - DAF Gotton - Resources - Young Dairy Network

WELCOME TO THE

NORTHERN AUSTRALIAN DAIRY HUB

Dairy Grains Mentoring Project
Improving skills and knowledge through the development of professional networks across the dairy and grain industries.

[LEARN MORE](#)

An extension service for dairy farmers and those who work within the Northern dairy industry. Subtropical Dairy partners with the Department of Agriculture and Fisheries Queensland to provide the latest R&D outcomes and contemporary technical resources.

[ABOUT US](#)

Financial report

Statement of comprehensive income for the year ended 30 June 2023

	Note	2023	2022
		\$	\$
Revenue	2a	726,601	991,656
Depreciation expenses		(38)	(45)
Operating expenses	2b	(765,112)	(923,939)
Surplus (Deficit) before income tax expense		(38,549)	67,672
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the members of Sub Tropical Dairy Programme Ltd		(38,549)	67,672
Other comprehensive income for the year net of tax		-	-
Total comprehensive income/(loss) for the year, attributed to members		(38,549)	67,672

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2023

	Note	2023	2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	3	622,335	645,008
Trade and other receivables	4	31,079	31,450
Other financial assets	5	406,988	401,161
Other current assets	6	3,514	3,354
Total current assets		1,063,916	1,080,973
Non-current assets			
Plant and equipment	7	217	255
Total non-current assets		217	255
Total assets		1,064,133	1,081,228
Current liabilities			
Trade and other payables	8	35,442	13,987
Total current liabilities		35,442	13,987
Total liabilities		35,442	13,987
Net assets		1,028,691	1,067,241
Equity			
Retained surplus		1,028,691	1,067,241
Total equity		1,028,691	1,067,241

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2023

	Retained surplus	Total
	\$	\$
Balance at 1 July 2021	999,569	999,569
Surplus for the year	67,672	67,672
Balance at 30 June 2022	1,067,241	1,067,241
Surplus for the year	(38,550)	(15,156)
Balance at 30 June 2023	(1,028,691)	1,052,085

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2023

	Note	2023	2022
		\$	\$
Cash flows from operating activities			
Receipt from grants		716,382	982,445
Payments to suppliers and employees		(743,818)	(934,638)
Interest received		10,590	2,012
Net cash (used in)/generated from operating activities	9	(16,846)	49,819
Cash flows from investing activities			
Payments for debentures and deposits		(5,827)	(1,925)
Increase (decrease) in cash held		(23,673)	47,894
Cash and cash equivalents at the beginning of the financial year		645,008	597,114
Cash and cash equivalents at the end of the financial year	3	622,335	645,008

The accompanying notes form part of these financial statements.

Notes to the financial statement for the year ended 30 June 2023

Note 1 Summary of significant accounting policies

The financial statements cover Sub-Tropical Dairy Programme Limited as an individual entity. Sub-Tropical Dairy Programme Limited is a not for profit company limited by guarantee, incorporated and domiciled in Australia.

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial reports. These financial statements are therefore special purpose financial statements that have been prepared to meet information requirements of the members.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The financial statements are presented in Australian Dollars, which is Sub Tropical Dairy Programme Limited's functional and presentation currency. The accounting policies that have been adopted in the preparation of this report are as follows:

Accounting policies

(a) Revenue

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer.

For each contract with a customer, the company identifies the contract with a customer, identifies the performance obligations in the contract, determines the transaction price which takes into account estimates of variable consideration and the time value of money, allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered, and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Where the performance obligations within an enforceable contract are not sufficiently specific revenue will be recognised as it is received. All revenue is stated net of the amount of goods and services tax (GST).

(b) Trade receivables

Trade and other receivables are measured at amortised cost, less any provision for impairment.

(c) Impairment of assets

At each reporting date, the entity reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon on the assets ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less.

(e) Other financial assets

Term deposits with original maturities of more than 3 months are classified as other financial assets – held to maturity. These term deposits are measured at amortised cost using the effective interest rate method.

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the Statement of Cashflows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(g) Income tax

No provision for income tax has been raised, as the entity is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(h) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(i) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group. There were no significant adjustments as a result of estimates or judgments during the period.

(j) Economic dependence

Sub-Tropical Dairy Programme Limited is dependent on Dairy Australia for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe Dairy Australia will not continue to support Subtropical Dairy Programme Limited.

(k) Adoption of new, revised accounting standards and interpretations

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Note 2 Surplus/(Deficit) for the year

	2023	2022
	\$	\$
a Revenue		
Funding received	712,181	989,672
Interest received	14,420	1,984
	726,601	991,656
b Operating Expenses		
Project expenses	464,030	708,775
Industry meetings	101,322	22,612
Communication	21,409	22,887
Project management	145,208	140,148
Administration	27,586	25,467
Audit fees	4,557	4,050
Bad debts	1,000	
	765,112	923,939

Note 3 Cash and cash equivalents

	Note	2023	2022
		\$	\$
Cash at bank		622,335	645,008
		622,335	645,008

Note 4 Trade and other receivables

	Note	2023	2022
		\$	\$
Current			
Trade receivables		26,804	19,931
Credit card		-	-
GST refundable		-	11,075
Interest accrued		4,275	444
		31,079	31,450

Note 5 Other financial assets

	Note	2023	2022
		\$	\$
Term deposits (Held – to – maturity investments)		406,989	401,161
		406,989	401,161

Note 6 Other current assets

	Note	2023	2022
		\$	\$
Prepaid insurance		3,514	3,354
		3,514	3,354

Note 7 Plant and equipment

	Note	2023	2022
		\$	\$
Plant and equipment – at cost		13,320	13,320
Less accumulated depreciation		(13,103)	(13,065)
		217	255

Note 8 Trade and other payables

	Note	2023	2022
		\$	\$
Current			
Other amounts payable		33,386	13,987
GST payable		2,056	-
		35,442	13,987

Note 9 Cash flow information

	Note	2023	2022
		\$	\$
Reconciliation of cash flows from operations with			
Surplus/(Deficit) for the year		(38,549)	67,672
Non cash flows			
Depreciation		38	45
Changes in assets and liabilities			
Decrease/(increase) in receivables and other assets		211	(5,264)
(Decrease)/increase in trade and other payables		21,454	(12,634)
Net Cash flows (used in)/provided by operating activities		(16,846)	49,819

Note 10 Entity details

The registered office of the company is:
455 Tregeagle Road, Tregeagle NSW 2480
The principal place of business is:
455 Tregeagle Road, Tregeagle NSW 2480

Note 11 Member guarantee

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee.

If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 (2017 - \$10) each towards meeting any outstanding obligations of the company.

At 30 June 2023 the number of members was 7;
at 30 June 2022 the number of members was 7.

Directors' declaration

The directors of the company declare that:

- a The financial statements and notes, as set out on pages 8 to 15, are in accordance with the *Corporations Act 2001* and:
 - i comply with Australian Accounting Standards to the extent of Note 1;
 - ii give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date in accordance with the accounting policies described in Note 1 of the financial statements.
- b In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Cameron Whitson
Director



Luke Stock
Director

6 October 2023

Auditor's independent declaration

As auditor of Sub-Tropical Dairy Programme Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- i no contraventions of the auditor independence requirements as set out in the Corporation Act 2001 in relation to the audit; and
- ii no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Sub-Tropical Dairy Programme Limited during the year.



Bruce Preston, Partner

10 October 2023

Crowe Audit Australia, ABN 13 969 921 386

146 Mort Street, Toowoomba Qld 4350

+61 (07) 4614 2200



Independent auditor's review report

To the Directors of Sub-Tropical Dairy Programme Limited

Conclusion

We have reviewed the financial report of Sub-Tropical Dairy Programme Limited (the Company), which comprises the statement of financial position as at 30 June 2023 the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Sub-Tropical Dairy Programme Limited does not comply with the Corporations Act 2001 including:

- a giving a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the year ended on that date.

Basis of Conclusion

We conducted our review in accordance with ASRE 2410 Review of Financial Report Performed by the *Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the company's financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Economic Dependence

We draw attention to Note 1(j) to the financial report, which describes the company's economic dependence

on Dairy Australia for the majority of its revenue used to operate the company. Our opinion is not modified in respect of this matter.

Responsibility of the Directors for The Financial Report

The directors of the Sub-Tropical Dairy Programme Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 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.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Company's financial position as at 30 June 2023 and its performance for the year ended on that date and complying with the Corporations Regulations 2001.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Bruce Preston, Partner

10 October 2023

Crowe Audit Australia, ABN 13 969 921 386
146 Mort Street, Toowoomba Qld 4350
+61 (07) 4614 2200

Acknowledgements

The Subtropical Dairy Board of Directors sincerely appreciates the financial assistance and support of many people and organisations. In particular we would extend our appreciation to the following:

- All Dairy Farmers in the Subtropical Dairy region
- All project and program supporters and sponsors
- AE Consultancy
- Advanced Rural
- Agrimentum
- Allflex
- Alltech Lienert Australia
- Australasian Dairy Consultants
- Barb Bishop and Associates
- Barenbrug Australia
- Bega
- Border Ranges Richmond Valley Landcare Network (BRRVLN)
- Chairs and Secretaries of SDP regional groups
- Conrad Carlile Accountants
- CRG Ag
- Crowe Australia
- Dairy Australia
- Dairy Express
- Dairy Farmers Milk Co-operative
- DairyNext
- Dairy NSW
- Datagene
- Dawbuts
- Department of Agriculture, Water and the Environment
- Department of Agriculture and Fisheries (Qld)
- DHA Rural Sales
- DSJ Hogg Consultants
- Far North Coast Dairy Industry Group
- Feed Central
- Four Winds Agri
- Global Skilled Employment Services
- Graham Chambers
- Gympie Veterinary Services
- Jaydee Events
- Lactalis
- KISS Systems
- Lallemand Animal Nutrition
- Lockyer Bookkeeping Service
- Lockyer Printing
- Maleny Cheese
- Maleny Dairies
- Murray Dairy
- Neogen
- NSW Department of Primary Industries
- Norco Co-operative
- North Coast Local Land Services
- Queensland Government
- Queensland Machinery Agency
- Ridley Agriproducts
- RuralVet
- Strategic Bovine Services
- Solar Energy and Battery Storage Solutions
- Tableland Veterinary Services
- The Drawing Room
- The Milk Processors that source Subtropical Dairy milk: Barambah Organics, Cooloola Milk, Dairy Farmers Milk Co-operative, Kenilworth Dairies, Lactalis, Bega, Maleny Cheese; Maleny Dairy, Mungalli Dairy, Norco, Richmond Dairies and Scenic Rim 4 Real Milk
- University of Queensland
- Zoetis





Subtropical Dairy
+61 431 197 479
brad@subtropicaldairy.com.au
subtropicaldairy.com.au

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