



Annual Report

2023/24

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 2023/24, the Board met ten 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 2023/24. Members of the committee during 2023/24 were: Luke Stock; Rob Cooper; Elke Watson and Cameron Whitson.

		Attended			Attended
	Farmer Director: Glenore Grove, Qld Chair Committees: Finance, Audit and Risk; Resource Management; Strategy and Innovation	9/10		Term ended 16 November 2023 Farmer Director: Gowrie Junction, Qld Committees: Projects; Strategy and Innovation	2/4
Luke Stock			Paul Judge		
	Farmer Director: Carney's Creek, Qld Vice Chair Committees: Projects; Strategy and Innovation	8/10		Independent Director Committees: Extension and Adoption; Projects	10/10
Ruth Chalk			Howard Smith		
	Independent Director Committees: Extension and Adoption; Strategy and Innovation	10/10		Farmer Director: Conondale Qld Committees: Extension and Adoption; Finance, Audit and Risk; Resource Management	9/10
Mark Bauer			Elke Watson		
	Appointed 16 November 2023 Farmer Director: Dorrigo NSW Committees: Extension and Adoption; Projects	5/6		Independent Director Committees: Extension and Adoption; Finance, Audit and Risk; Strategy and Innovation	10/10
Heath Cook			Cameron Whitson		
	Term ended 16 November 2023 Independent Director Committees: Finance, Audit and Risk; Projects; Strategy and Innovation	4/4			
Rob Cooper					

Subtropical Dairy staff

Subtropical Dairy had six staff during 2023/24. These were a mix of full-time and part-time Dairy Australia employees and Subtropical Dairy contractors.



Executive Officer and Company Secretary -
Subtropical Dairy
Regional Manager - Dairy Australia

Brad Granzin



Subtropical Dairy Lead Regional
Extension Advisor

Belinda Haddow



Subtropical Dairy Regional Extension Advisor:
Northern New South Wales

Heidi Court



Dairy Australia Regional Project Lead -
Workforce Attraction
Resigned: 31 January 2024

Roger Desailly



Subtropical Dairy Regional Extension Advisor:
Far North Queensland

Fiona Neville



Subtropical Dairy
IT Manager

Di Gresham

Report from the Chair

Overall, 2023/24 was a good year for the Northern Australian dairy industry, apart from a very wet autumn in several regions which had severe impacts for some farms.

Queensland Dairy Accounting Scheme (QDAS) 2022/23 results showed a continuation of the recent trend of year-on-year improved annual profitability, with Earnings Before Interest and Tax (EBIT) per cow of \$983. This follows EBIT per cow results of \$861 in 2021/22 and \$787 in 2020/21. The QDAS 2022/23 EBIT per cow result was the highest seen in the last 10 years.

Despite good operating conditions in the Subtropical Dairy region, we have only seen limited growth in our industry, with regional milk supply increasing by around 2% during 2023/24 in comparison to 2022/23. During 2023/24, Subtropical Dairy continued to support the development of the Northern Dairy Industry Plan and its sub-strategy, the Queensland Dairy Plan, which is being managed by EastAUSMilk with funding support from the Queensland Government. Designing and implementing effective interventions regarding productivity improvements within our value chains and instilling confidence in investors, whether they be pre- or post-farmgate, are paramount to the future of our dairy industry.

As you would be aware, Subtropical Dairy is one of Dairy Australia's (DA) eight Regional Development Programmes (RDPs). The RDPs were first commissioned in the late 1990s with the key goal of adding value to Dairy Australia's national investment through accessing additional funding and leveraging local collaboration.

The original architecture also acknowledged that while the Australian dairy industry has much in common, there are probably more differences: biophysical, farming systems, value chains, service providers, culture and communities. Of all the dairy regions in Australia, our northern industry is probably the most unique.

The RDP DA model has stood the test of time however, as with all things, the model needs to adapt to change. Generations of RDP and DA boards have been working constructively over the last 27 years to create, refine and evolve how they work together. There has always been a strong interest and intent for continuous improvement. Our internal operating structures and strategies are continually adapting in response to our changing external operating environment. We have several key principles, business strategies, innovations and policies that define outcomes, roles, responsibilities and resourcing of RDPs and DA. First agreed in 2014, the Accord is the foundation document that describes our collaboration.

Between October 2023 and August 2024 Subtropical Dairy participated in a review of the RDP DA partnership. The objective of this project will be to develop an agreed future governance, strategic and operational model which articulates roles, responsibilities and resourcing of RDPs and DA to deliver high impact services while optimising operational efficiencies.

During 2023/24, our staff in Subtropical Dairy delivered 67 events to 1,167 participants. This compares with our 2022/23 delivery of 75 events to 927 participants.



Average participation at each event was up from 14 to 17 attendees over the previous year. Extension programmes delivered by Subtropical Dairy during 2023/24 included Milking and Mastitis Management, Heifers on Target, Heat Detective, First Aid Courses and Rearing Healthy Calves. We also continued to facilitate our Regional and Discussion groups. Our main communication channels during 2023/24 were the Northern Australian Dairy Hub, Northern Horizons, our Commodity Report and eNews. I would like to thank all our funders and sponsors over 2023/24, with special thanks to Dairy Australia and the Queensland Government.

Subtropical Dairy would also like to acknowledge the continuation of funding received during 2023/24 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.

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 2023/24 year. Today sees Cameron Whitson stand down as a Subtropical Dairy director after serving five years. Cameron's experience of the milk processing sector as well as his extensive technical knowledge will be missed. 2023/24 also saw Roger Desailly, our regional Workforce Attraction Lead, resign to commence a new project manager biosecurity role with Agforce.

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 Advisor, Belinda Haddow, and our staff and project managers 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 2024 Annual General Meeting of Subtropical Dairy Programme Limited.



Luke Stock

(Digital signature)

Luke Stock Chair
Subtropical Dairy Programme Ltd

Report from the Executive Officer

During 2023/24, Subtropical Dairy's revenue was \$830,348.

Our key revenue sources were Dairy Australia (\$435,000) and the Queensland Government's Farm Business Resilience Project (\$100,000). Dairy Australia and other Regional Development Programmes also co-funded (\$175,000) the review of the partnership model between Regional Development Programs and Dairy Australia. We also appreciate the financial support from regional agribusiness and processors during the year for projects such as regional dinners and Northern Horizons. During 2023/24, this sponsorship totalled approximately \$43,950. 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 \$1.23 million.

Our expenditure during 2023/24 was invested in a variety of projects, all of which are aligned to the priorities outlined in our Strategic Plan 2023-2028.

Key projects delivered this year included:

- The employment of Regional Extension Advisors.
- The review of the partnership model between Regional Development Programmes and Dairy Australia.
- Our networks such as Discussion Groups, Regional Groups and joint agribusiness events.
- Workshop and webinar delivery including the disciplines of farm business analysis, reproduction, managing replacements, mastitis prevention and treatment, and workplace health.
- 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, with a particular focus on decision support systems, new technologies and herd health focus farms.

2023/24 also saw the second year of implementation of Subtropical Dairy's Strategic Plan 2023-2028. Of the 32 outcomes tabled in the plan, 18 are on target, seven are partially on track and seven require significant action. Key areas of focus moving forward are:

- Delivering an extension model based on 1:1 support and confidential analysis to identify opportunities for business improvement.
- Developing and delivering within year analysis tools focusing on profit, biophysical drivers and inherent farm characteristics.
- Improving soil management and utilisation of nutrients and water.
- Supporting the decision making of farms regarding investing in infrastructure and feeding systems and reducing staff requirements through automation and business review.

Subtropical Dairy invested in nine Regional Group projects during 2023/24 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 herd nutrition consultancies in Central Queensland.
- Estimating on-farm carbon footprints (Sunshine Coast).
- Publishing bimonthly case studies regarding on-farm safety (Near Miss; Sunshine Coast).
- The effect of ensiling time on starch availability in grain and forage sorghum silages (South-east Queensland).
- Evaluation of water trough agitators (South-east Queensland).
- Focus farms based on reproduction diseases (Darling Downs) and mastitis (Far North Coast New South Wales).
- An evaluation of contemporary perennial temperate pasture varieties suitable for the Dorrigo plateau (Mid North Coast New South Wales).

I have been truly fortunate to collaborate with a team of great colleagues during 2023/24: Belinda, Fiona, Heidi, Roger and Di. 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 collaborate with them.

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 2024 Annual General Meeting of Sub-tropical Dairy Programme Limited.

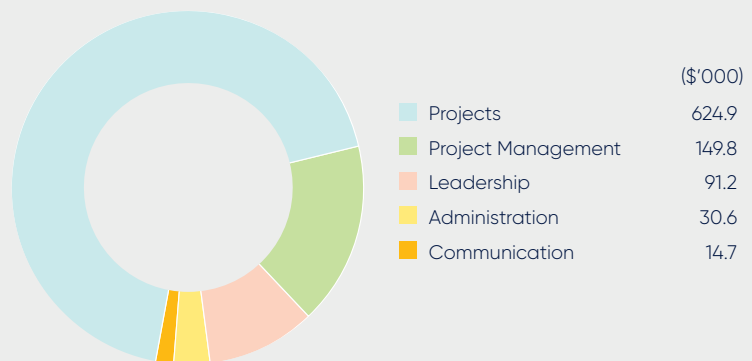


Dr Brad Granzin

Dr Brad Granzin Executive Officer
Subtropical Dairy Programme Ltd

Expenditure 2023/24

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.



Operations 2023/24

1 Better outcomes for dairy farm businesses through improving the enabling environment

Subtropical Dairy achieves this strategic outcome by:

- Working collaboratively with other stakeholders in North-Eastern Australia to improve the return on investment of levy.
- Informing farmers, aspiring farm owners, investors and financial institutions about various business and ownership models that can enable transition in or out of the industry.
- Developing new farmer leaders.
- The development of regional service providers.

Project and outputs	Description	Co-funder	Total funding inc. in kind
Regional Development Programme (RDP) & Dairy Australia (DA) Reform Project	The purpose of this review was to present a business case for change, underpinned by evidence on how modernising the partnership between RDPs and DA will lead to more effective and efficient farmer and associated enabling services at a national and regional level.	Dairy Australia Dairy NSW Dairy SA Dairy Tas Gipps Dairy Murray Dairy WestVic Dairy	\$337,500
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	\$97,500
Regional dinners (nine events)	One of WorkSafe Queensland's Safety Advocates, Mr Garry Nichols, shared his story regarding a rural tractor roll-over incident.	Processors and agribusiness	\$80,013

June 2024

NORTHERN HORIZONS

Dairy Australia

Subtropical Dairy

@subtropicaldairy

www.northernaustraliandairyhub.com.au

Inside this issue

- New trial – Manure to boost soil fertility 6
- Near Miss – Not so docile 8
- How to identify pasture dieback 14
- Farm financial analysis drives success + more 18

Commodity pricing and availability report (26 editions)	These reports provide fortnightly market intelligence regarding by-product availability and pricing.	Queensland Government's Farm Business Resilience Programme Dairy NSW Murray Dairy	\$66,250
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	\$39,375
Website northenaustrialdairyhub.com.au	Local website co-delivered with Department of Agriculture and Fisheries Queensland.	Department of Agriculture and Fisheries Queensland	\$32,125
Service Provider Network	The Service Provider Network provides improved co-ordination and uptake of extension, education, emergency response and other services in the Subtropical Dairy region through a network of service providers and farmers working closely with industry.	State governments, processors and agribusiness	\$11,125
Investment forum	This forum provided an up-to-date account of the Australian dairy industry market trends and dairy farm performance with a focus on the Queensland and Northern New South Wales dairy regions and other factors surrounding the dairy industry.	Department of Agriculture and Fisheries Queensland New South Wales Department of Primary Industries Regional agri-banking institutions	\$10,325
Facebook	Subtropical Dairy maintains one Facebook page across its network.	Regional farmers and agribusiness	\$10,125
Young Dairy Network (two events)	The Young Dairy Network aims to develop the personal, technical, business, communication and leadership skills of young dairy farmers. It creates a network of young farmers that shares challenges and successes and boosts morale through challenging periods, and inspires young farmers to grow and develop together.	Processors and agribusiness	\$8,000



2 Delivering more customised and responsive farm services

Subtropical Dairy achieves this strategic outcome by:

- Delivering farm services delivering new knowledge and technology.
- Adapting delivery models to drive practice change.
- Supporting businesses during extreme operating conditions, such as weather events.

Project and outputs	Description	Co-funder	Total funding inc. in kind
Regional Groups (six groups funded with eight meetings)	Undertake local R&D and advocate for Subtropical Dairy services. Nine projects were funded during 2023/24.	Department of Agriculture and Fisheries Queensland Processors and Agribusiness	\$82,798
Discussion groups (three groups supported across seven 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 Queensland Government Farm Business Resilience Programme Agribusiness	\$36,250



3 Supporting more competitive, contemporary and resilient farm businesses and systems

Farm business strategies and financial performance

Subtropical Dairy achieves this strategic outcome by:

- Dairy farmers increasing profitability by improved decision-making based on appropriate analysis and interpretation of key profit drivers.
- In terms of seasonal milk production, dairy farm businesses understand their biophysical, financial and people strengths and weaknesses of their systems and adapt their milk production strategies accordingly.
- Increasing long-term profitability and business resilience through enterprise strategic planning to manage volatility (inputs and weather events) and long-term transformations (evolving value chains and climate change).

Project and outputs	Description	Co-funder	Total funding inc. in kind
Developing and implementing farm performance KPIs	A pilot tool was developed initially for Far North Queensland to allow for dairy farmers to increase profitability by improved decision making based on appropriate analysis and interpretation of key profit drivers.	Queensland Government Farm Business Resilience Programme	\$53,750
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	\$15,500
Dairy Farm Business Analysis (two national online courses)	This course assists farmers and their advisors to better understand and analyse farm business performance.	Dairy Australia	\$15,500
Development of a seasonal decision support system	In terms of seasonal milk production, this prototype decision support system will assist dairy farm businesses understand their biophysical, financial and people strengths and weaknesses of their systems and adapt their seasonal milk production strategies accordingly.	Nutrien-Ag	\$15,000
Our Farm, Our Plan (one national online course. Follow-up on-farm consultations)	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 Queensland Government Farm Business Resilience Programme	\$7,750
Farm Transition workshops (one)	This workshop supports current owners and new entrants to exit and enter the Northern Australian dairy industry.	Dairy Australia	\$9,000



Key Performance Indicators

Period analysed		1/2/2024	1/3/2024	
Start		29/2/2024	31/3/2024	
End		Last result	Current result	% Change
Feed intake	% LW	2.9%	2.9%	0
Feed conversion efficiency	Litres ECM/kg DMI	1.4	1.4	2
Feed energy used for milk productions %	%	52%	54%	3
Homegrown nutrient inputs (HG)				
Metabolisable energy	\$ per 100 MJ ME	\$1.30	\$1.30	0
Protein	\$ per kg CP	\$0.79	\$0.79	0
Purchased nutrient inputs (HG)				
Metabolisable energy	\$ per 100 MJ ME	\$5.53	\$5.53	0
Protein	\$ per kg CP	\$5.80	\$5.80	0
Nutritional requirements				
Neutral detergent fibre above minimum	% DM	31	31	0
Neutral detergent fibre is not limiting intake	% DM	31	31	0
Crude protein	% DM	13	13	0
Non-structural carbohydrates (maximum)	% DM	46	46	0
Milk fat:milk protein	Ratio	1	1.3	0
Reproduction				
Stage of lactation	Days in milk	200	200	0
Proportion of milkers plus dries of total herd	Ratio	59%	59%	0
1st calf heifers - proportion of milking herd	% of herd	16%	15%	-2
2nd calf heifers - proportion of milking herd	% of herd	17%	17%	-2
Milking cows:dry cows	Ratio	3.9	4	12
Labour (LU = Full time labour unit)				
Staff turnover	% of staff p.a.	33%	33%	0
Efficiency	Litres per LU per day	1,276	1,322	4
Efficiency	(Milking and dry) cows per LU	94	94	0
Herd health				
SCC	Result	272	245	-10
Debt and leasing				
Debt and lease servicing = % of revenue		8%	8%	-6

3 Supporting more competitive, contemporary and resilient farm businesses and systems

Agronomy and herd nutrition

Subtropical Dairy achieves this strategic outcome by:

- Improved soil management and utilisation of nutrients and water.
- Milk income over feed costs is maximised.
- Providing extension support to local research and development outcomes.

Project and outputs	Description	Co-funder	Total funding inc. in kind
Herd Nutrition on-farm consultancies (Central Queensland)	These consultancies were delivered by Dr Dave Barber from DairyNext. Key topics covered during these consultancies were feed budgeting, diet formulation and heifer management.	Queensland Government Farm Business Resilience Programme	\$22,500
Nutritional fundamentals (one workshop)	A course which reviews fundamental nutritional science and its application in subtropical and tropical dairy farming systems.	Dairy Australia	\$5,250

The Queensland Department of Agriculture and Fisheries (DAFQ) is the lead agency for feedbase R&D in North-Eastern Australia under the C4Milk project, with Subtropical Dairy playing a supporting role, assisting in extension of outcomes from this project. Dairy feeding systems in North-Eastern Australia continue to change due to climate variability and increased feed related costs. These changes have resulted in a fundamental shift from traditional pasture-based dairy feeding systems towards intensive feeding systems.



3 Supporting more competitive, contemporary and resilient farm businesses and systems

Herd development, performance, health and welfare

Subtropical Dairy achieves this strategic outcome by:

- Supporting the investment and integration of infrastructure and feeding systems.
- Delivering training leading to management of mastitis and lameness.
- Helping farmers to operate at best practice in animal husbandry.

Project and outputs	Description	Co-funder	Total funding inc. in kind
Heat Detective Discussion Group (five workshops)	These are two hour, interactive, on-farm discussions which cover all aspects of heat detection, heat detection aids and AI timing.	Dairy Australia Queensland Government Farm Business Resilience Programme	\$30,000
Rearing Healthy Calves (three workshops)	Rearing Healthy Calves is a two-part learning program (fundamentals and advanced) delivered fully online or face-to-face, with sessions targeted at dairy farm employees with responsibility for calf rearing and decision makers.	Dairy Australia Queensland Government Farm Business Resilience Programme	\$18,000
Heifers on Target (three workshops)	This workshop reviews the fundamental areas of management to support future fertility and production in replacement dairy heifers. Participants learn benchmarks and tools to monitor heifer growth from weaning to first calving. This workshop is designed for people who are interested in understanding factors critical to heifer performance and more experienced farmers who would like to review their heifer management.	Dairy Australia Queensland Government Farm Business Resilience Programme	\$18,000
Milking and Mastitis workshop (three workshops)	This workshop was designed to help both 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 Queensland Government Farm Business Resilience Programme	\$18,000
On farm benchmarking focus farm linked to extension - reproduction	This project focussed on a dairy herd which was suspected of poor reproductive performance. The project benchmarked their relevant parameters using existing farm records. The methodology and findings of this project will be extended to the wider Northern Australian dairy industry through written communication and on-farm discussion groups.	Rural Vet	\$12,000
Dealing with internal parasites (one workshop)	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 Queensland Government Farm Business Resilience Programme	\$7,000
National Livestock Identification System (NLIS) webinar	This webinar reviewed NLIS, Livestock Production Assurance National Vendor Declarations (LPA NVDs), electronic NVDs and accreditation.	Integrity Systems	\$5,750
Milking Mastitis Management - online self-facilitated programme	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	\$4,053



3 Supporting more competitive, contemporary and resilient farm businesses and systems

Staff

Subtropical Dairy achieves this strategic outcome by:

- Supporting dairy farms to provide a safe work environment.
- Reducing staff requirements through automation and business review.
- Farms investing in the skill development of their staff to improve productivity.
- Ensuring farmers are preferred employers and skilled managers.

Project and outputs	Description	Co-funder	Total funding inc. in kind
First Aid Courses (seven)	This project delivered an accredited first aid course called 'Provide First Aid' which is the industry standard course for workplaces. The Provide First Aid course comprises an online, pre-study component followed by an in-class practical course.	Regional farm businesses	\$38,000
Employment Basics (one course)	An introduction to employing people correctly in the dairy industry.	Dairy Australia	\$33,875
Case studies Near Miss (six)	These case studies describe events on farm related to Workplace Health and Safety.	Di Gresham	\$24,500
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	\$22,250
Development of pilot labour audit	The development and implementation of farm labour audits to identify staff efficiency strategies and their relationship to business profit drivers.	Regional farm businesses	\$15,000
Leadership on farm (three)	Delivery of workshops with Dr Nollaig Heffernan, an independent Management Consultant from Ireland.	Dairy Australia	\$13,500
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	\$11,250
Farming with My Team (two national online programmes)	This program was delivered over seven weeks. Topics covered included leadership strategies, communication and dealing with challenges.	Dairy Australia	\$7,000



Quad Bikes

DI Gresham
Human Resource Consultant





Financial report

Statement of comprehensive income for the year ended 30 June 2024

	Note	2024	2023
		\$	\$
Revenue	2a	830,348	726,601
Depreciation expenses		(32)	(38)
Operating expenses	2b	(911,320)	(765,112)
Surplus (Deficit) before income tax expense		(81,004)	(38,549)
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the members of Sub Tropical Dairy Programme Ltd		(81,004)	(38,549)
Other comprehensive income for the year net of tax		-	-
Total comprehensive income/(loss) for the year, attributed to members		(81,004)	(38,549)

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2024

	Note	2024	2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	3	307,679	622,335
Trade and other receivables	4	21,789	31,079
Other financial assets	5	724,755	406,988
Other current assets	6	4,051	3,514
Total current assets		1,058,274	1,063,916
Non-current assets			
Plant and equipment	7	185	217
Total non-current assets		185	217
Total assets		1,058,459	1,064,133
Current liabilities			
Trade and other payables	8	110,772	35,442
Total current liabilities		110,772	35,442
Total liabilities		110,772	35,442
Net assets		947,687	1,028,691
Equity			
Retained surplus		947,687	1,028,691
Total equity		947,687	1,028,691

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2024

	Retained surplus	Total
	\$	\$
Balance at 1 July 2022	1,067,241	1,067,241
Surplus for the year	(38,550)	(38,550)
Balance at 30 June 2023	1,028,691	1,028,691
Surplus for the year	(81,004)	(81,004)
Balance at 30 June 2024	947,687	947,687

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2024

	Note	2024	2023
		\$	\$
Cash flows from operating activities			
Receipt from grants		811,084	716,382
Payments to suppliers and employees		(836,527)	(743,818)
Interest received		28,554	10,590
Net cash (used in)/generated from operating activities	9	(3,111)	(16,846)
Cash flows from investing activities			
Payments for debentures and deposits		(317,766)	(5,827)
Increase (decrease) in cash held		(314,655)	(23,673)
Cash and cash equivalents at the beginning of the financial year		622,335	645,008
Cash and cash equivalents at the end of the financial year	3	307,679	622,335

The accompanying notes form part of these financial statements.

Notes to the financial statement for the year ended 30 June 2024

Note 1 Summary of material accounting policy information

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 material accounting policy information 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 accounting standards for Special purpose are:

AASB 101, Presentation of Financial Statements

AASB 107, Statement of Cash Flows

AASB 108, Accounting Policies, Changes in Accounting Estimates and Errors

AASB 124, Related Party Disclosures

AASB 1048, Interpretation of Standards

AASB 1054, Australian Additional Disclosures.

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.

(l) Related party transactions

A person or a close member of that person's family is related to a reporting entity if that person has control, joint control, or significant influence over the entity or is a member of its key management personnel.

An entity is related to a reporting entity if, among other circumstances, it is a parent, subsidiary, fellow subsidiary, associate, or joint venture of the reporting entity, or it is controlled, jointly controlled, or significantly influenced or managed by a person who is a related party.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. There are no related party transactions during the year

Note 2 Surplus/(Deficit) for the year

	2024	2023
	\$	\$
a Revenue		
Funding received	796,013	712,181
Interest received	34,335	14,420
	830,348	726,601
b Operating Expenses		
Project expenses	624,979	464,030
Industry meetings	91,167	101,322
Communication	14,704	21,409
Project management	149,819	145,208
Administration	25,751	27,586
Audit fees	4,900	4,557
Bad debts	-	1,000
	911,320	765,112

Note 3 Cash and cash equivalents

	Note	2024	2023
		\$	\$
Cash at bank		307,679	622,335
		307,679	622,335

Note 4 Trade and other receivables

	Note	2024	2023
		\$	\$
Current			
Trade receivables		11,733	26,804
Credit card		-	-
GST refundable		-	-
Interest accrued		10,056	4,275
		21,789	31,079

Note 5 Other financial assets

	Note	2024	2023
		\$	\$
Term deposits (Held – to – maturity investments)		724,755	406,989
		724,755	406,989

Note 6 Other current assets

	Note	2024	2023
		\$	\$
Prepaid insurance		4,051	3,514
		4,051	3,514

Note 7 Plant and equipment

	Note	2024	2023
		\$	\$
Plant and equipment – at cost		13,320	13,320
Less accumulated depreciation		(13,135)	(13,103)
		185	217

Note 8 Trade and other payables

	Note	2024	2023
		\$	\$
Current			
Other amounts payable		107,237	33,386
GST payable		3,535	2,056
		110,772	35,442

Note 9 Cash flow information

	Note	2024	2023
		\$	\$
Reconciliation of cash flows from operations with			
Surplus/(Deficit) for the year		(81,004)	(38,549)
Non cash flows			
Depreciation		32	38
Changes in assets and liabilities			
Decrease/(increase) in receivables and other assets		8,752	211
(Decrease)/increase in trade and other payables		75,331	21,454
Net cash flows (used in)/provided by operating activities		3,111	(16,846)

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 2024 the number of members was 7;
at 30 June 2023 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 2024 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.

Ruth Chalk

(Digital signature)

Ruth Chalk

Director

Luke Stock

(Digital signature)

Luke Stock

Director

25 October 2024

Auditor's independence declaration

Under Section 307C of the Corporations Act 2001 to the Directors of Sub-Tropical Dairy Programme Limited

As lead engagement partner, 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.



Tafadzwa Mudarikwa

Associate Partner

Brisbane

25 October 2024

Crowe Audit Australia

ABN 13 969 921 386

Digital Audit Hub

1300 236 893

Independent auditor's review report

To the Members of Sub-Tropical Dairy Programme Limited

Report on the Financial Report

We have reviewed the accompanying financial report of Sub-Tropical Dairy Programme Ltd (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes comprising a summary of material accounting policy information and other explanatory information, and the statement by members of the committee.

Responsibilities of the Committee of Management for the Financial Report

The committee of management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as the committee of management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2415 Review of a Financial Report: Company Limited by Guarantee in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the financial reporting requirements of the applicable legislation: giving a true and fair view of the Company's financial position as at 30 June 2024 and its performance for the year ended on that date; and complying with the Australian Accounting Standards. ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the financial report of Sub-Tropical Dairy Programme Ltd is not in accordance with the Chapter 2M of the Corporations Act 2001 (Corporations Act), including:

- a giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- b complying with the accounting policies described in Note 1 to the financial statements

Basis of Accounting

Without further modifying our conclusion, 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 committee's responsibilities under the Chapter 2M of the Corporations Act 2001 (Corporations Act). As a result, the financial report may not be suitable for another purpose.



Tafadzwa Mudarikwa
Associate Partner
Brisbane

25 October 2024

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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
- Agrimentum
- Alltech Lienert Australia
- ANZ
- Arthy Rural Services
- Australasian Dairy Consultants
- BEC Feed Solutions
- Chairs and Secretaries of SDP regional groups
- Conrad Carlile Accountants
- Crowe Australia
- Dairy Australia
- Dairy Express
- Dairy Farmers Milk Co-operative
- DairyNext
- Dairy New South Wales
- DairySA
- DairyTas
- Datagene
- Department of Agriculture and Fisheries Qld
- DHA Rural Sales
- Elders
- Far North Coast Dairy Industry Group
- Feed Central
- Garden City Artificial Breeding
- GippsDairy
- Gympie Veterinary Services
- Jefe
- Kenilworth Veterinary Surgery
- Lallemand Animal Nutrition
- Lockyer Bookkeeping Service
- Lockyer Printing
- Malanda Rural Supplies
- McGregor Gourlay
- Murray Dairy
- New South Wales Department of Primary Industries
- Norco Co-operative
- North Coast Local Land Services
- Novus
- Nutrien Ag
- Queensland Machinery Agency
- Queensland Rural and Industry Development Authority
- Rabar
- Rabobank
- Richmond Dairies
- Ridley Agriproducts
- RuralVet
- Scenic Rim Regional Council
- Semex
- Solar Energy and Battery Storage Solutions
- The Drawing Room
- The Milk Processors that source Subtropical Dairy milk: Barambah Organics, Cooloola Milk, Kenilworth Dairies, Lactalis, Bega, Maleny Cheese; Maleny Dairy, Mungalli Dairy, Norco, Richmond Dairies and Scenic Rim 4 Real Milk
- WestVic Dairy
- Zoetis





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Acknowledgement

Dairy Australia acknowledges the funding from levy payers and contribution by Commonwealth Government.

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ISSN 2652-8029 (print), ISSN 2652-8134 (online)