



# ANNUAL REPORT 2019/20

SUBTROPICAL DAIRY PROGRAMME LTD







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# INTRODUCTION

Subtropical Dairy Programme is a not-for-profit Research, Development, Extension and Education company, limited by guarantee, led by a skills-based Board elected by Queensland and Northern New South Wales dairy farmers.

## VISION

A profitable, sustainable and market focused industry, practicing responsible resource management, and offering a fulfilling lifestyle to adaptable, professional people operating in a global environment.

## MISSION

To foster a collaborative and unified approach to farm viability, by facilitating research, development, extension and education, improving technology and empowering people in the industry.

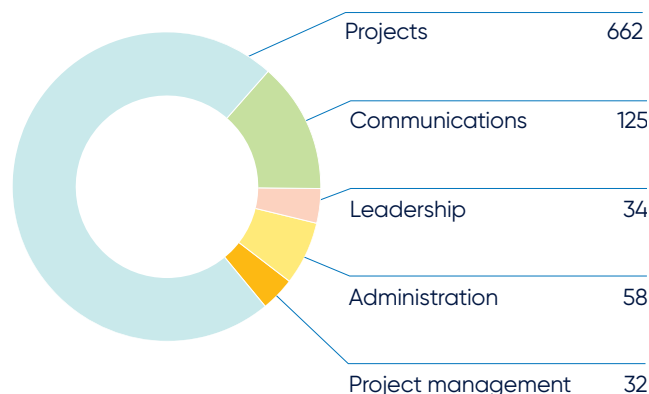
During 2019/20 Subtropical Dairy has delivered, in conjunction with industry partners, \$1.9 million of projects that focus on improved profitability and sustainability of dairy farms. Subtropical Dairy receives core funding from Dairy Australia and the Dairy Services Levy.

## Subtropical Dairy meets these outcomes through:

- Delivering extension services across Queensland and northern NSW through information provision, facilitating groups, networks, workshops and events, and supporting mentoring and one-on-one technical advice;
- Capacity building in terms of farm practices, management, compliance, leadership and career development;
- Identifying and facilitating projects and relationships providing benefit for the local dairy industry;
- Advocating best practice in animal health and welfare, environmental and natural resource management, and business management in the interests of the long-term sustainability of the northern Australia dairy industry;
- Working with dairy farmers to identify, evaluate and implement areas where RD&E may assist in the competitiveness and sustainability of our region;
- Developing partnerships with industry stakeholders to maximise the benefits gained from the investment of the Dairy Services Levy;
- Where possible using Dairy Services Levy funds to leverage funds from other sources that can add value to current and future projects;
- Participating in national priority setting and strategic planning of farm RD&E;
- Ensuring responsible and timely use is made of the Dairy Services Levy paid by the region's dairy farmers;
- Applying appropriate corporate governance policies and principles in the operation of the business; and
- Monitoring and evaluating the effectiveness and efficiency of all the above.

## EXPENDITURE 2019/20

Subtropical Dairy always endeavours to provide the most effective and efficient spend of available funds. The figure to the right shows expenditure (\$'000):



## STRATEGIC PRIORITIES

Subtropical Dairy Programme operates under its current Strategic Plan 2017–2022. This plan and its pillars are:

Key strategic response and disciplines	Desired outcome
<b>Service improvement</b>	
Service improvement	<ul style="list-style-type: none"> <li>• Develop and deliver world-class RD&amp;E that is regionally relevant, contextualised and adapted to business needs</li> <li>• Improve the delivery model to drive participation and adoption (practice change)</li> <li>• Improve participation and adoption through better marketing and communication</li> <li>• Overcome barriers to practice change post-participation</li> <li>• Co-invest in contemporary RD&amp;E for tropical and subtropical dairy businesses through global relationships</li> </ul>
<b>Profitable, resilient businesses resulting from the adoption of proven technology and practices</b>	
Farm Business Management	<ul style="list-style-type: none"> <li>• Dairy farmers increase profitability by improved decision-making based on appropriate analysis and interpretation</li> <li>• Increase long-term profitability and business resilience through enterprise strategic planning</li> <li>• Inform farmers and aspiring farm owners about business and ownership models that can enable transition in and out of the industry</li> </ul>
Agronomy and herd nutrition	<ul style="list-style-type: none"> <li>• Increase forage production and utilisation</li> <li>• Improve management of herd nutrition</li> <li>• Investigate management techniques of tropical grasses to significantly increase intake and/or digestibility</li> <li>• Less herd nutritional disorders</li> <li>• Address market failure in tropical grass breeding programmes</li> </ul>
Herd reproduction and cow comfort	<ul style="list-style-type: none"> <li>• Improve herd reproduction, especially during hot conditions</li> <li>• Mitigate heat loads on milking herds</li> </ul>
Mastitis and herd health	Improved levels of mastitis management
Markets	Farms selling milk to sustainable high value markets
Staff	<ul style="list-style-type: none"> <li>• A culture of safe work practices is embedded in all dairy farm businesses</li> <li>• Farmers are preferred employers and skilled managers</li> </ul>
<b>Investing in people for today's and tomorrow's industry</b>	
Leadership	Develop new leaders
Skills	Farm businesses invest in the skill development of their staff
<b>Farming to meet legal and social expectations</b>	
Farmers operating at best practice in animal husbandry	Adoption of best practice by dairy businesses. Advisers are advocates for these practices
Natural Resource Management	Build industry capability to manage land, water and energy resources to minimise environmental impact whilst enhancing profit, and improving industry capacity to mitigate climate risk

# 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 NSW.

During 2019/20, the Board met fifteen times, including the Annual General Meeting. The Board Directors are listed below with a record of attendances. The Board also has committees including Finance and Audit, Projects, Strategy and Innovation, and Extension and Adoption. The Board also participates in project steering and advisory committees, such as the Young Dairy Network Project Advisory Committee.

	Attended		Attended
 Dairy Farmer – Harrisville Qld Chair Projects Committee Strategy and Innovation Committee	15/15	 Consultant Finance and Audit Committee	13/15
<b>Paul Roderick</b>		<b>Ian Hollindale</b>	
 Dairy Farmer – Tuncester NSW Deputy Chair 7/11/19 to 30/6/20 Extension and Adoption Committee Finance and Audit Committee	13/14	 NSW DPI Term ended 7 November 2019 NRM Steering Committee Projects Committee	4/6
<b>Paul Weir</b>		<b>Katrina Sinclair</b>	
 Dairy Farmer – Glenore Grove Qld Term ended 7 November 2019 Deputy Chair 1/7/19 to 7/11/19 Finance and Audit Committee YDN Project Advisory Committee	5/5	 Dairy Farmer – Kenilworth, Qld Projects Committee Strategy and Innovation Committee	11/15
<b>Luke Stock</b>		<b>Matt Trace</b>	
 Dairy Farmer – Dayboro Qld Projects Committee	15/15	 Veterinarian Extension and Adoption Committee Projects Committee	13/15
<b>Joe Bradley</b>		<b>Bill Tranter</b>	
 Dairy Farmer – Carney's Creek Qld Appointed 7 November 2019 Extension and Adoption Committee Young Dairy Network Project Advisory Committee	8/9	 Senior Field Officer Milk Processor Appointed 7 November 2019 Finance and Audit Committee Strategy and Innovation Committee	9/9
<b>Ruth Chalk</b>		<b>Cameron Whitson</b>	
 Consultant Finance and Audit Committee Strategy and Innovation Committee	15/15	 Company Secretary	
<b>Jo Davey</b>		<b>Brad Granzin</b>	

# SUBTROPICAL DAIRY STAFF

Subtropical Dairy employs one full time and seven part time staff members. These staff are a mix of Dairy Australia employees and contractors.



Executive Officer Subtropical Dairy  
Regional Manager Dairy Australia

**Brad Granzin**



Subtropical Dairy Regional Extension Officer -  
Far North Queensland

**Jo Srhoj**



Subtropical Dairy Regional Extension Officer  
- Northern NSW  
Young Dairy Network Project Leader  
Young Dairy Network Co-ordinator -  
Mid North Coast NSW, Far North Coast NSW  
and South-east Queensland

**Alicia Richters**



Young Dairy Network Co-ordinator -  
Far North Queensland

**Anna Bevan**



Subtropical Dairy Regional Extension Officer -  
South-east Queensland and  
Darling Downs/Burnett  
Young Dairy Network Co-ordinator -  
Darling Downs  
Project Manager Discussion Groups

**Belinda Haddow**



Project Officer Resource Management

**Ruth Chalk**



Subtropical Dairy Regional Extension Officer -  
Sunshine Coast and Central Queensland  
Young Dairy Network Co-ordinator -  
Sunshine Coast  
Business Support Officer

**Kylie Dennis**



IT Manager

**Di Gresham**



# REPORT FROM THE CHAIR

2019/20 continued the pattern of challenging operating conditions in the Subtropical Dairy region, with dry conditions and high feed prices until early 2020.

Summer rainfall however saw an improvement in conditions on farm with an increase in home grown forage production and reduced purchased feed costs.

On 11 March 2020, we saw the World Health Organisation declare coronavirus-19 (Covid-19) a pandemic, which set off a chain of events globally. Relative to other businesses, the northern Australian dairy industry at the time of writing this report has not been significantly impacted. However, for Subtropical Dairy and Dairy Australia, there have been significant changes in how we interact with farmers, with many of our face to face events and services moving online.

The last financial year also saw the continuation of Australian DairyPlan, with the finalisation of key outcomes and commitments. It is pleasing to see progress made towards the key outcomes from this process: addressing organisational reform; attracting and supporting new entrants and investment; an increased effort in marketing and promotion to build greater levels of trust with consumers; a focus on farm business skills; and restoring trust and transparency between farmers, processors and retailers.

Following on from 2018/19, Dairy Australia again supported Taking Stock consultations, with an increase in funding. In addition to the support provided by our own staff, we facilitated 127 one-on-one consultations in Queensland and northern NSW during 2019/20. This was almost double the number delivered during the previous financial year. We are very grateful to our supporting consultants who have delivered these services: Graeme Chambers; Graham Busby; Jim Wade and Ruth Chalk. 2019/20 also saw us keep in close contact with farmers in drought impacted regions with 310 phone calls made to assess farm conditions and provide support. We also commissioned a weekly report providing information regarding commodity pricing and availability in the Subtropical Dairy region. This report was designed to complement the Dairy Australia Weekly Hay and Grain report.

Between 1 July 2019 and 30 June 2020, Subtropical Dairy delivered 107 workshops and events to industry. This was 14 less than the previous year and represents the impact of drought and Covid-19 on our engagement. Similarly, our attendance at these events (1603 participants) was down 22 per cent compared to the previous year. Disciplines covered during 2019/20 included workshops (both face to face and online) specifically focussed on managing feed shortages, transition cow nutrition, better heifer management, mastitis, nutrition and silage management. Our extension team had a particular focus on farm safety during 2019/20 delivering many of these events through our Discussion Groups. Subtropical Dairy also facilitated service provider working groups during the year to monitor the impact of Covid-19 and Seasonal Conditions and to recommend further support measures.

Subtropical Dairy also continued its National Landcare project to work closely with 30 farmers on the Darling Downs, Burnett and south-east Queensland to improve their skills and knowledge to develop and implement risk management strategies to reduce the impact of extreme weather events on their business. This new project aligns closely with a key Australian DairyPlan commitment focussed on managing business risk.

2019/20 saw the continued investment in our regional RD&E newsletter, Northern Horizons. Six editions were published and emailed to 1,060 recipients as well as being posted in hard copy to dairy businesses in our region. We are very grateful to our sponsors of Northern Horizons: Department of Agriculture & Fisheries Queensland (DAFQ); Dairy Express; Feed Central; Feedworks; Alltech; BioGreen Solutions Australia; Biomin; Queensland Machinery Agency and Sunsuper. Our Weekly eNews has grown to be an important communication channel for Subtropical Dairy. It provides a regular update on upcoming regional events as well as sign posting readers to a variety of online resources.

We also continued our co-investment with DAFQ in our regional website, [dairyinfo.biz](http://dairyinfo.biz). Dairyinfo.biz was reviewed during 2019/20. It was agreed that it will be rebranded during 2020/21 with much of its content to be renovated.



Our Regional Groups continue to be an integral component of Subtropical Dairy with their oversight of local farmer-led R&D providing key engagement and outcomes. During 2019/20, Subtropical Dairy invested in nine Regional Group projects. These were: the effect of leaf stage on the nutritive value of setaria forage for silage production (Far North Qld); the incidence of mycotoxins in tropical grass swards (FNQ); the effects of the leaf stage and defoliation intensity on the nutritive value of setaria pastures (Sunshine Coast); modelling of season of calving on the profitability of Sunshine Coast dairy farms; a survey of current treatment methods for buffalo fly and ticks (Sunshine Coast); DNA profiling mastitis pathogens (SEQ); an evaluation of rumen bolus technology (Smaxtec) to aid with the detection of calving and heats (Darling Downs); and, an evaluation of precision nutrient mapping and tactical fertiliser application on northern NSW dairy farms (Far North Coast NSW). Unfortunately, drought saw our CalGran trial on the Mid North Coast abandoned in September 2019.

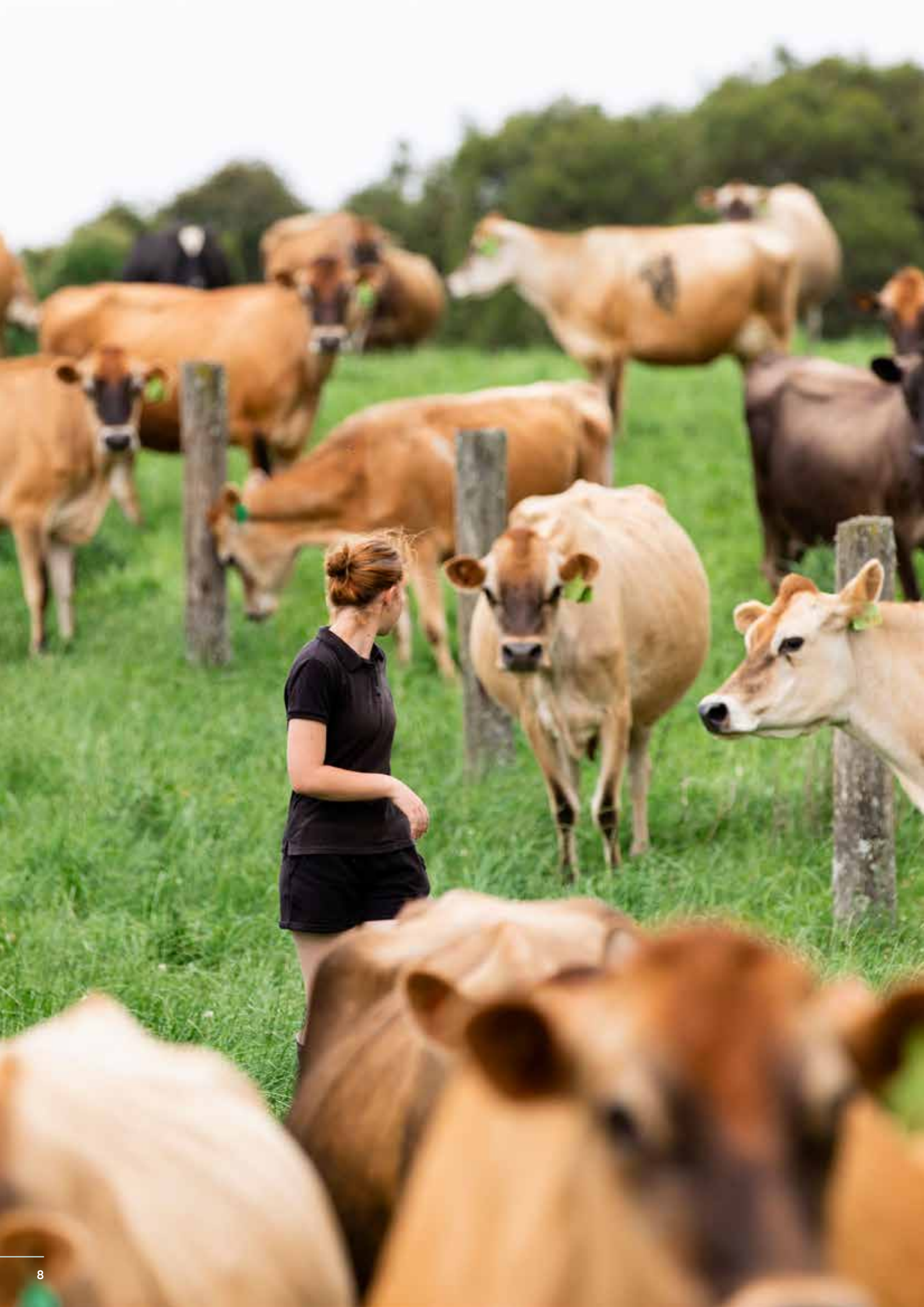
I would like to thank our staff, consultants and collaborators for their efforts during a challenging year. The ongoing support of the DAFQ, regional processors, agribusiness, universities and a range of other stakeholders are critical to our operations and leveraging our regional levy investment.

I thank my Board members for their diligence and governance over the 2019/20 year. I would also like to thank our retiring directors; Joe Bradley, Jo Davey and Matt Trace, and acknowledge their contributions to the Board during their terms. 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, and our Extension and Young Dairy Network co-ordinators: Kylie Dennis; Belinda Haddow; Alicia Richters, Jo Srhoj, Anna Bevan and our project managers, Ruth Chalk and Di Gresham for their hard work during the year.



**Paul Roderick** Chairman  
Subtropical Dairy Programme Ltd





## EXECUTIVE OFFICER'S REPORT

During 2019/20, Subtropical Dairy's revenue was \$833,375. Our key investor during the year was Dairy Australia with funding of \$693,993.

Subtropical Dairy also attracted an additional \$139,382 of funding from other sources. Including in-kind expenditure from collaborating organisations, Subtropical Dairy delivered projects valued at \$1.07 million. This year also saw Subtropical Dairy spend \$76,487 of reserves, mostly aligned with our Young Dairy Network and our National Landcare Resilience projects.

Our expenditure during 2019/20 was invested in a variety of projects, all of which are 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;
- Adverse seasonal condition support through the delivery of Taking Stocks, Feed Shortage workshops and our Commodity report;
- Our networks such as ten Discussion Groups, seven Regional Groups and six Young Dairy Networks;
- Workshop and webinar delivery in the disciplines of herd nutrition, heifer management, transition cows, silage management and reducing mastitis.
- Our communication and engagement platforms such as our bimonthly newsletter, Northern Horizons, **dairyinfo.biz**, the weekly eNews, the Commodity report and Facebook groups;
- Regionally targeted applied R&D which is instigated by Regional Groups. Forage management and herd health were key disciplines investigated during the year.

The continuation of drought and Covid-19 saw a significant reduction in Subtropical Dairy events during 2019/20. During the latter half of 2019, 20 per cent of our face-to-face events were cancelled due to low numbers, mostly within Darling Downs and south-east Queensland. Covid-19 saw us cancel all face to face events from mid-March through to 13 July 2020.

2019/20 also saw Subtropical Dairy change how it delivers extension. Discussion groups have been an important component of our extension services. These have been beneficial in allowing farmers to lead topic selection but also allowing for a technical discipline to be delivered over multiple sessions. The delivery of farm safety through discussion groups is a good example of this strategy. The other change during 2019/20 was the increasing delivery of online versus face-to-face events. Given the geographical spread of Subtropical Dairy, reducing farm

numbers and that farmers are more time poor than ever, delivering online addresses many of these issues while remaining cognisant however that it is not for everyone, nor for every discipline. If there is a positive to Covid-19, one for Subtropical Dairy has been an escalation in the development of online delivery platforms and extension methodologies. In 2019/20 we delivered 30 online events (or 28 per cent) out of 107 events.

2019/20 also saw the third year of implementation of Subtropical Dairy's Strategic Plan 2017–2022. Drought, Covid-19, reduced farmer engagement, and a reduction in access to government grants, whether at the federal or state levels, have all been constraints to the implementation of this plan. Despite this, Subtropical Dairy made good progress during 2019/20 in a number of key strategies regarding delivering more post event services, greater skill development in priority disciplines, increasing business resilience through better enterprise strategic planning and up-skilling farmers in transition cow management.

Our main funders during the year were Dairy Australia and the Department of Agriculture through the National Landcare programme. We are also appreciative of the financial support from various regional agribusiness during the year for projects such as Northern Horizons, the Northern Australian Innovation Days, regional dinners and our Young Dairy Network. During 2019/20, this sponsorship totalled approximately \$76,680. We also highly value the significant ongoing in-kind investment from the Queensland Government and milk processors.

I am very fortunate to work with a team of exceptional colleagues: Alicia, Anna, Belinda, Di, Kylie, Jo and Ruth. Despite drought, Covid-19 and the ongoing baseless public criticism from one of our stakeholders, their passion and professionalism has not wavered, and if anything has grown stronger. Their hard work and great enthusiasm may go un-noticed by some, but they are held in high regard by the Subtropical Dairy Board, their Executive Officer, Dairy Australia, their service provider colleagues and the farmers who take the time to work with them.

Finally, I would like to thank Paul Roderick, Paul Weir and the Board for the confidence shown in myself to carry out this role.



*Dr Brad Granzin*

**Dr Brad Granzin** Executive Officer  
Subtropical Dairy Programme Ltd

## FARM BUSINESS MANAGEMENT

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.

2019/20 again saw challenging operating conditions for Subtropical Dairy dairy businesses. Ongoing surveys showed a significant proportion of the industry under financial stress due to escalated feed costs. In response to this, Dairy Australia provided substantial funding to Subtropical Dairy for the delivery of Taking Stocks.

Numbers delivered in the region were the highest for five years. Accompanying the delivery of Taking Stocks were phone calls to check the status of farms (309), regional dinner events (7), technical workshops focussing on feeding decisions and fortnightly drought teleconferences amongst service providers to share information and develop response strategies. With an improvement in weather conditions in early 2020 followed by the declaration of the Covid-19 pandemic, these teleconferences were transformed to a working group to monitor operating conditions and the impact on the northern Australian dairy industry of Covid-19.

Project and outputs	Description	Co-funder	Total funding inc. in kind
Taking Stocks - 29	Taking Stocks address the specific needs of dairy businesses during challenging operating conditions. These may include financial, biophysical and human resource issues.	Dairy Australia	\$102,850
Taking Stocks (short) - 98	Consultations designed to assess impact of adverse events on farm, sign-post clients to resources and support accessing financial assistance.	Dairy Australia	\$38,720
Dairy Farm Monitor - benchmarking eight farms in northern NSW	Participating farmers are provided with data regarding their cost of production and profit drivers that can be most readily improved.	NSW DPI	\$15,260
Farm Business Fundamentals - 1 workshop	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	\$4,178
Business governance - 1 workshop	A workshop focused on strategic business planning and decision making.	Dairy Australia Rural Direction	\$7,178
Meet the Bank (delivered under YDN) - 1 workshop	This workshop for Young Dairy Network members looked at practical ideas about meeting and working with a bank.	Rabobank	\$2,678
Covid-19 support - 1 webinar	An overview of government support available for different dairy farm businesses, both from the federal and state governments.	Dairy Australia AE Consultancy	\$1,710



## 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.

The majority of feedbase investment in our region comes directly from Dairy Australia (approximately \$450 000 per annum) as co-investment with Department of Agriculture and Fisheries (DAF) Queensland at Gatton. This year saw the continuation of the project *C4 Milk: Developing low risk high forage feeding systems*.

DAF was a key regional collaborator of Subtropical Dairy during 2019/20 and partnered in a number of feed related projects: Seasonal Response technical workshops; R&D focussed on setaria management; our Northern Australian Dairy Innovation day, a webinar focussed on dealing with the high cost of molasses and our Covid-19 Seasonal Conditions working group. During 2019/20, DAF also wrote the lead technical article in each edition of Northern Horizons and published technical articles on our joint website [dairyinfo.biz](http://dairyinfo.biz).

Due to high feed costs driven by drought conditions, there were a number of extension events focussed on supporting farms to make informed decisions regarding purchasing feedstuffs, particularly in the context of

value per nutrient, milk production from feeds, storage and feeding infrastructure, and herd culling strategies. For regions that still had access to home grown forage, improving pasture utilisation (Feeding Pastures for Profit) and silage management (TopFodder) were two extension programmes focussed on maximising these more cost-effective resources.

As has been the case in previous financial years, Subtropical Dairy continued to invest in local R&D instigated by its Regional Groups. 2019/20 saw the delivery of a number of small projects focussing on feedbase and nutrition management. This included re-visiting the management of setaria from the perspectives of grazing management and potential for ensiling, the continuation of the precision fertiliser application project and an investigation into the presence of mycotoxins in tropical forages.

Subtropical Dairy continued to publish the Weekly Hay and Grain report customised for our region during 2019/20. This is generated from the national Dairy Australia report and is emailed to 1000 recipients every week as a component of Subtropical Dairy's Weekly eNews. A new report focussing on commodity availability and pricing was also commissioned by Subtropical Dairy in January 2020 with funding support from Dairy Australia. This report was also designed to provide market intelligence across Queensland, NSW and northern Victoria.

Project and outputs	Description	Co-funder	Total funding inc. in kind
Feeding Pastures for Profit – one multi-day course	The Feeding Pastures for Profit program provides farmers with the skills and tools to achieve the profitable balance between home grown feed harvest and supplement use. The programme comprises of two classroom days followed by five on-farm seasonal days.	Dairy Australia	\$26,940
Nutrition fundamentals – three online workshops	A course which reviews fundamental nutritional science and its application in subtropical and tropical dairy farming systems. Three workshops were delivered online. A joint webinar was also conducted with DAF to mitigate the impact of high molasses prices in Far North Qld later in early 2020.	Department of Agriculture and Fisheries Queensland	\$8,970
TopFodder – three two-day workshops	This course covers the science of crop selection, making, storing and feeding high-quality silage.	Dairy Australia and Neil Griffiths	\$22,520
Tropical grass development	Progress was made towards developing a business case and generating investment for the development of lignin gene silenced perennial tropical grasses.	Dairy Australia and Barenbrug	\$18,150
Seasonal Response – five technical workshops (one online)	A workshop series covering drought feeding strategies: Availability, value, diet formulation, options for the dry and young herds and flow on effects on health and fertility due to under-feeding	Department of Agriculture and Fisheries Queensland	\$30,730



Farmers discussing stage of pasture growth at Feeding Pastures for Profit Dorrigo NSW October 2019



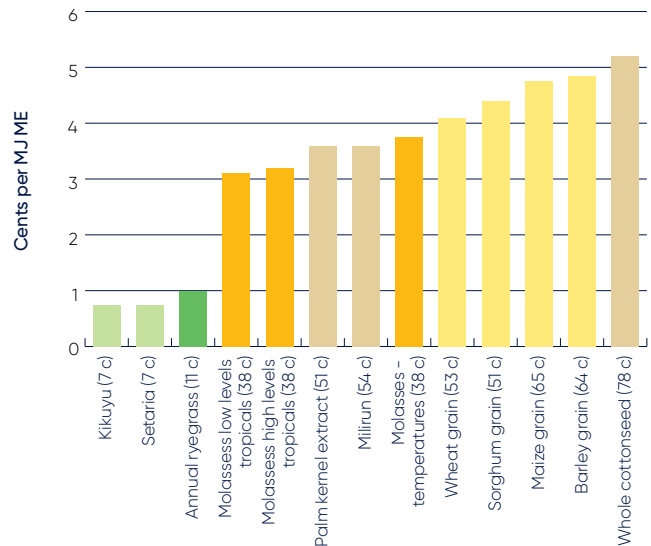
Mr Ross Warren, Department of Agriculture and Fisheries Qld at the Drought Feeding Strategy workshop Casino NSW January 2020



Ryegrass pastures Dorrigo NSW October 2019

Milk yield response to grain supplement		
Factor	Lower ↓	Higher ↑
Pasture availability	More grass	Less grass
Pasture quality	Higher quality	Lower quality
Grain energy content	Lower energy grain	Higher energy grain
Cow condition	Fatter cows - lower response	Lean cow - higher response
Genetic merit	Lower	Higher
Diet imbalance	Inbalance exists	No imbalance

Providing supplements to cows grazing temperature pastures  
Understanding the response from the last kg?



Different feed types (cents per kg dry matter)

Energy cost in molasses and other feeds - FNQ May 2020

# ANIMAL HEALTH AND WELFARE

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;
- Results in farmers operating at best practice in animal husbandry.

The management of herd health in the tropics and subtropics is a challenge globally. Mastitis and poor reproduction have significant impacts on herd production efficiencies, feedbase management and the proportion of non-lactating animals in a dairy business. During 2019/20, Subtropical Dairy continued to deliver key workshops in this discipline with 25 events in total delivered. In comparison to previous years, online sessions comprised a much higher proportion of delivery. The reasons for this were two-fold. One was due to the reduction of face to face events due to Covid-19 restrictions. The second was the implementation of online events to service regions which have low farm numbers which are geographically dispersed such as Central Queensland.



*Dr Carl Hockey from Rural Vet presenting at Heifers on Target on the Sunshine Coast Qld August 2019*

*Right: Low Stress Calving workshop Sunshine Coast Qld September 2019*

Project and outputs	Description	Co-funder	Total funding inc. in kind
Low stress calving - seven courses delivered	Low Stress Calving is an on-farm, group discussion focusing on how transition cow feed management can adapt fresh cows ruments to high energy feeds, avoid milk fever and other health problems, maintain high feed intakes post calving and control body condition loss in early lactation.	Dairy Australia	\$21,520
Cups on Cups Off - one two-day course delivered	Cups on Cups Off is 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	\$6,840
Heat Detective - one course delivered	An interactive discussion suitable for all farmers and farm workers involved in heat detection.	Dairy Australia	\$3,420
Transition Cow Management - Remote Classroom - delivered over five sessions	This online classroom delivered contemporary knowledge and skills regarding transition cow management. The course was a blend of online resources supported by facilitated online sessions. Participants were required to complete learning activities between online sessions.	Dairy Australia and Rural Vet	\$31,360
InCharge fertility - two workshops	A multi-day workshop series focussing on how to measure a herd's reproductive performance, maintaining a tight calving pattern and the drivers of an efficient mating program.	Processors and Agribusiness	\$9,260
Rearing Healthy Calves - two online discussion groups	An online event focussing on calf housing, identification and traceability, nutrition, disease prevention, health management and weaning management.	Dairy Australia	\$6,340
Heifers on Target - four workshops	Workshop series focussed on contemporary heifer management and long-term ramifications for cow performance.	Dairy Australia	\$12,712
Managing mastitis in wet conditions and drying off management - seven online workshops	An online session covering how and why mastitis infections occur, minimising mastitis during wet conditions, practical methods to detect, identify and treat mastitis, adapting milking processes to reduce the risk of infections, drying off procedures and mastitis culturing to identify pathogens.	Dairy Australia	\$20,940
Tick management - two workshops (under Discussion Group project)	These workshops focussed on the biology and control of economically important ticks of the dairy industry and tick transmitted diseases.	Dairy Australia	\$7,356







## 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;
- Increase the capacity of staff.

### Farm Safety

Improving farm safety is a key national strategic priority for the dairy industry. Following on from the previous financial year, Subtropical Dairy continued its delivery of farm safety workshops and discussion groups to equip farm business owners to undertake risk assessments and develop safe operating procedures. Many of these events were based on the Dairy Australia Farm Safety Manual and were tailored to meet specific compliance requirements.

### Discussion Groups

During 2019/20, Subtropical Dairy and Dairy Australia funded 15 discussion groups across the region which held 34 events. These were facilitated by Subtropical Dairy and Department of Agriculture and Fisheries Queensland. Over \$10,000 was provided to support initiatives developed by this project. This project engaged with 266 participants over 2019/20.



Members of the Crows Nest Discussion Group discussing the hazards associated with fuel storage on farm (March 2020)

Left: The Southern Downs Discussion group inspecting some on-farm hazards around working at heights and confined spaces in silos, windmills, mixing wagons, tanks and milk vats (March 2020).

Project and outputs	Description	Co-funder	Total funding inc. in kind
Farm Safety - 10 workshops or online events (delivered under Discussion Group project)	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 that come onto the farm through provision of materials and workshops.	Dairy Australia and Di Gresham	\$32,200
Cows Creates Careers - projects delivered in northern NSW and Darling Downs	Cows Create Careers is a Dairy Australia program designed to promote dairy industry careers and industry education to students in years 7-11. This project moved to an online format after March 2020 due to Covid-19.	Jaydee Events, Lismore and Toowoomba secondary schools	\$18,940
Innovation Day/Conference - Far North Qld	A two-day event for farmers and service providers in the northern Australian dairy industry focusing on improving farm profit through three key disciplines: people, herds and feed.	Department of Agriculture and Fisheries, Processors and Agribusiness	\$54,400
Regional Groups - seven	Undertake local R&D and advocate for Subtropical Dairy services.	Department of Agriculture and Fisheries, Processors and Agribusiness	\$74,290
Discussion groups - 15 groups supported across 34 events	34 events comprising of 15 different groups were supported. Some of these were noted earlier under technical disciplines.	Dairy Australia	\$61,475
Young Dairy Network - sixteen events covering six regions	16 events were delivered plus three newsletters. Seven Facebook groups were maintained. A tour to NSW was delivered in July 2019.	Dairy Australia, BEC Feed Solutions, Semex and Dairy Express	\$70,550

## Young Dairy Network

The Young Dairy Network (YDN) is an initiative of Subtropical Dairy with support from various stakeholders.

The strategic statement for the YDN is 'to enhance the future viability of the dairy industry by supporting its young people'.

The key aims of the network are to:

- **Grow** – develop the personal, technical, business, communication and leadership skills of young dairy farmers
- **Support** – create a network of young farmers that shares challenges and successes and boosts morale through challenging periods.
- **Inspire** – a group of young farmers to grow and develop together that are engaged with local, regional and national networks of young dairy farmers and the wider industry.

The project is delivered by a coordination team to the following regions: Far North Queensland, Sunshine Coast, Darling Downs/Burnett, South-east Queensland, Far North Coast NSW and Mid North Coast NSW.

As of 30 June 2020, YDN comprised of the following classes of membership:

- 282 members in a closed YDN Facebook group with 241 in six closed regional Facebook groups;
- The quarterly YDN newsletter is sent to 617 recipients with an opening rate of 29 per cent.

The YDN is overseen by a Project Advisory Committee (PAC), with Regional Steering Committees imbedded in each region.

Over 2019/20, the YDN network delivered 10 events (excluding regional steering committee meetings) with a total of 167 people attending these events. Participation in YDN was lower than in previous years. This was due to a combination of drought, reduced farm numbers in the Subtropical Dairy region and a lack of confidence in the future of the region's dairy industry.



Young Dairy Network members and regional farmers at a dinner hearing the latest technology regarding genomic testing from Semex (February 2020)



Far North Coast NSW Discussion Group at Casino July 2019



Cows Create Careers Lismore (August 2020)



The Darling Downs Qld Women in Dairy discussion group (August 2019)

Right: Northern Australian Dairy Innovation Days, Far North Queensland, (November 2019)



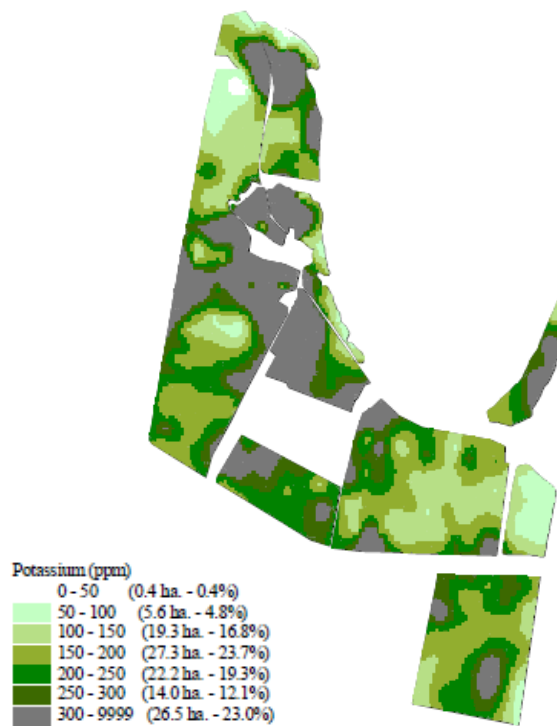
## NATURAL RESOURCE MANAGEMENT (NRM)

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

During 2019/20, Ruth Chalk was engaged as the Resource Management Officer for Subtropical Dairy.

The main outcomes over these 12 months were:

- To strengthen links and facilitate partnerships with NRM & industry organisations (Qld and NSW government, regional NRM organisations, milk processors) including Healthy Land & Water (formerly known as SEQ Catchments), AGL, Border Ranges – Richmond Valley Landcare Network, Southern NRM, Lactalis, Lion, DFMC, Norco and the Mary River Catchment Coordinating Committee;
- Delivery of the National Landcare Program funded project to improve climate risk management strategies of Southern Queensland dairy farms to deliver resilient and sustainable soils, waterways and businesses. Key outcomes from the year were: the development of a multi-year analysis framework incorporating key biophysical, financial and human resource factors and climate patterns; and the recruitment of 13 farm businesses to the project. Department of Agriculture and Fisheries Queensland are key project partners;
- Co-managing the Precision Fertiliser Trial project on the Far North Coast NSW with Border Ranges – Richmond Valley Landcare Network;
- Provide farmers and industry stakeholders access to credible evidence-based information, resources and tools. During 2019/20, these included a case study of on-farm solar systems.



Variation in soil potassium levels on a northern NSW dairy farm (Source GridFarm Pty Ltd)

Project and outputs	Description	Co-funder	Total funding inc. in kind
NRM Regional Co-ordination	Working closely with industry stakeholders, government agencies and natural resource management organisations to provide technical expertise, manage relationships and networks, seek funding for resource management projects and to address emerging issues and opportunities relevant to the northern Australian dairy industry.	Dairy Australia	\$18,940
Resilient Farms – Southern Qld. 13 farms engaged	Improving climate risk management of Southern Queensland dairy farmers to deliver resilient and sustainable soils, waterways and businesses.	Department of Agriculture and Water Resources	\$116,850
Soil Health Development – market research	Develop extension resources to provide independent advice in this discipline	Agribusiness	\$3,025

## COMMUNICATION AND SERVICE IMPROVEMENT

Subtropical Dairy invests in projects that:

- Develop and deliver world class RD&E that is regionally relevant, contextualised and adapted to business needs;
- Improve the delivery model to drive participation and adoption (practice change);
- Improve participation and adoption through better marketing and communication;
- Overcoming 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 2019/20 are shown below.

2019/20 continued to see our bimonthly newsletter, Northern Horizons, as a highly valued extension resource. This publication focusses on contemporary RD&E for our region. We sincerely thank all of our sponsors and contributors to Northern Horizons.

Subtropical Dairy and Department of Agriculture and Fisheries Queensland continued co-investment in the regional website **dairyinfo.biz**. 2019/20 saw the commencement of a major renovation of this site with a new site proposed for launch in late 2020. As was the case in 2018/19, **dairyinfo.biz** is a key international resource for tropical and subtropical dairy industries with 37 per cent of website visits from other countries.

2019/20 saw Regional Groups continue in Far North Queensland, Darling Downs/Burnett, Sunshine Coast, south-east Queensland, Far North Coast NSW and Mid North Coast NSW. Each Regional Group has an annual budget of \$5,000 to invest in local R,D&E projects. These are funded through submissions to the Subtropical Dairy Board Projects Committee. Meeting frequency during 2019/20 was hampered by challenging operating conditions and Covid-19. Despite these impediments, Regional Groups still provided implemented local projects. These were: the effect of leaf stage on the nutritive value of setaria forage for silage production (FNQ); the incidence of mycotoxins in tropical grass

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	\$40,535
Enews - 51 editions	A newsletter including upcoming events for all the Subtropical Dairy regions, the weekly Hay and Grain report and any other current links, information or news.	Dairy Australia	\$30,250
Website dairyinfo.biz	Local website co-delivered with Department of Agriculture and Fisheries Qld.	Department of Agriculture and Fisheries Queensland	\$16,100
Facebook	One Subtropical Dairy group and seven Young Dairy Network groups	Regional farmers and agribusiness	\$4,840
Regional dinners - seven	Dinners focussing on regional engagement and drought support services	Processors and Agribusiness	\$37,250
Facilitated Covid-19 and Seasonal Response fortnightly online meetings - 23 meetings	This was a network of service providers who shared intelligence of conditions on the ground, identified gaps and assisted with service deployment. Were redeveloped as fortnightly Covid-19/Seasonal Conditions Working Group meetings	Department of Agriculture and Fisheries, Processors, Agribusiness and Advocacy	\$21,300
Commodity pricing and availability report	Provide weekly market intelligence regarding by-product availability and pricing	Dairy Australia	\$29,040
Seasonal Response - engagement phone calls - 309	Access businesses to quantify impacts and provide information regarding available assistance	Dairy Australia	\$42,350

swards (FNQ); the effects of the leaf stage and defoliation intensity on the nutritive value of setaria pastures (Sunshine Coast); modelling of season of calving on the profitability of Sunshine Coast dairy farms; a survey of current treatment methods for buffalo fly and ticks (Sunshine Coast); DNA profiling mastitis pathogens (SEQ); an evaluation of rumen bolus technology (Smaxtec) to aid with the detection of calving and heats (Darling Downs) and, a continuation of an evaluation of precision nutrient mapping and tactical fertiliser application on northern NSW dairy farms (Far North Coast NSW).

November 2019 saw the Subtropical Dairy Northern Australian Dairy Innovation Days move to Far North Queensland. This year's programme focused on improving farm profit through three key disciplines: people, herds and feed. Participants had the opportunity to visit three farms in Far North Queensland to see and hear how regional businesses are adapting to tightening margins and volatile operating conditions. The programme also looked at how one dairy business has diversified into agritourism. Despite industry challenges and logistics, 66 people attended the two-day event.



The Far North Coast NSW Regional Dinner March 2020



Dr Bill Tranter addressing the Far North Qld Regional Dinner in Malanda (1 August 2019)

April 2020

**NORTHERN HORIZONS**

Dairy Australia

Inside this issue  
 Challenging summer for silages  
 Farm Safety a Focus for Discussion Groups  
 Raising Male Dairy Calves: Meat Industry  
 COVID-19: Stop Spread On Farms  
 + more

Summer Forage Options Field Day

CMilk Field Day attendees listening to discussion on grain sorghum varieties for silage.

Jo Gorman, Dairy Development Officer  
 Department of Agriculture and Fisheries, Queensland

Queensland Government Dairy Australia CMilk



# FINANCIAL REPORT

## Statement of comprehensive income for the year ended 30 June 2020

	Note	2020	2019
		\$	\$
Revenue	2a	833,403	1,040,314
Depreciation expenses		(63)	(73)
Operating expenses	2b	(911,445)	(911,339)
Surplus (Deficit) before income tax expense		(78,105)	128,902
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the members of Sub Tropical Dairy Programme Ltd		(78,105)	128,902
<b>Other comprehensive income for the year net of tax</b>		-	-
<b>Total comprehensive income/(loss) for the year, attributed to members</b>		<b>(78,105)</b>	<b>128,902</b>

The accompanying notes form part of these financial statements.

## Statement of financial position as at 30 June 2020

	Note	2020	2019
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	593,994	605,349
Trade and other receivables	4	31,635	143,509
Other financial assets	5	394,525	387,109
Other current assets	6	3,397	4,831
<b>Total current assets</b>		<b>1,023,551</b>	<b>1,140,798</b>
<b>Non-current assets</b>			
Plant and equipment	7	353	416
Total non-current assets		353	416
Total assets		1,023,904	1,141,214
<b>Current liabilities</b>			
Trade and other payables	8	12,714	51,919
Total current liabilities		12,714	51,919
Total liabilities		12,714	51,919
<b>Net assets</b>		<b>1,011,190</b>	<b>1,089,295</b>
<b>Equity</b>			
Retained surplus		1,011,190	1,089,295
<b>Total equity</b>		<b>1,011,190</b>	<b>1,089,295</b>

The accompanying notes form part of these financial statements.

## Statement of changes in equity for the year ended 30 June 2020

	Retained surplus	Total
	\$	\$
<b>Balance at 1 July 2018</b>	960,393	960,393
Surplus for the year	128,902	128,902
<b>Balance at 30 June 2019</b>	1,089,295	1,089,295
Surplus for the year	(78,105)	(78,105)
<b>Balance at 30 June 2020</b>	1,011,190	1,011,190

The accompanying notes form part of these financial statements.

## Statement of cash flows for the year ended 30 June 2020

	Note	2020	2019
		\$	\$
<b>Cash flows from operating activities</b>			
Receipt from grants		921,606	933,603
Payments to suppliers and employees		933,706	(882,973)
Interest received		8,162	11,710
Net cash (used in)/generated from operating activities	9	(3,938)	62,340
<b>Cash flows from investing activities</b>			
Payments for term deposits		(7,416)	(9,619)
Increase (decrease) in cash held		(11,354)	52,721
Cash and cash equivalents at the beginning of the financial year		605,349	552,628
Cash and cash equivalents at the end of the financial year	3	593,994	605,349

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

## 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) New accounting standards for application in future periods**

The company has considered the impact of new and amended accounting standards and interpretations issued by the Australian Accounting Standards Board that have pending and not mandatory application to the current financial report. These pending standards and interpretations are not expected to have a material impact on the future financial reporting of Sub- Tropical Dairy Programme Limited.

## **(l) New or Amended Accounting Standards and Interpretations Adopted**

The company 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.

### **AASB 15 Revenue from Contracts with Customers**

The company has adopted AASB 15 from 1 January 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment.

### **AASB 1058 Income of Not-for-Profit Entities**

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations. Income should be immediately recognised in profit or loss.

### **Impact of adoption**

AASB 15, AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no material impact on opening retained surplus as at 1 January 2019.

## Note 2 Surplus/(Deficit) for the year

	2020	2019
	\$	\$
<b>a Revenue</b>		
Funding Received	825,213	1,029,416
Interest Received	8,190	10,898
	<b>833,403</b>	<b>1,040,314</b>
<b>b Operating Expenses</b>		
Project Expenses	662,191	643,399
Industry Meetings	58,195	64,325
Communication	31,631	32,758
Project Management	125,154	129,335
Administration	30,524	37,922
Audit Fees	3,750	3,600
	<b>911,445</b>	<b>911,339</b>

## Note 3 Cash and cash equivalents

	Note	2020	2019
		\$	\$
Cash at bank		593,994	605,349
		<b>593,994</b>	<b>605,349</b>

## Note 4 Trade and other receivables

	Note	2020	2019
		\$	\$
Current			
Trade receivables		30,101	142,008
Credit card		5	-
GST refundable		-	-
Interest accrued		1,529	1,501
		<b>31,635</b>	<b>143,509</b>

## Note 5 Other financial assets

	Note	2020	2019
		\$	\$
Term deposits		394,525	387,109
		<b>394,525</b>	<b>387,109</b>

## Note 6 Other current assets

	Note	2020	2019
		\$	\$
Prepaid insurance		3,397	4,831
		<b>3,397</b>	<b>4,831</b>

## Note 7 Plant and equipment

	Note	2020	2019
		\$	\$
Plant and equipment – at cost		13,320	13,320
Less accumulated depreciation		(12,968)	(12,904)
		<b>353</b>	<b>416</b>

## Note 8 Trade and other payables

	Note	2020	2019
		\$	\$
Current			
Other amounts payable		5,646	31,834
GST payable		7,069	20,085
		<b>12,715</b>	<b>51,919</b>

## Note 9 Cash flow information

	Note	2020	2019
		\$	\$
Reconciliation of cash flows from operations with			
Surplus/(Deficit) for the year		(78,105)	128,902
Non cash flows			
Depreciation		63	73
Changes in assets and liabilities			
Decrease/(increase) in receivables and other assets		97,798	(95,005)
(Decrease)/increase in trade and other payables		(23,685)	28,370
Net Cash flows (used in)/provided by operating activities		<b>(3,938)</b>	<b>62,340</b>

## 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 2020 the number of members was 7; at 30 June 2019 the number of members was 7.

# DIRECTOR'S DECLARATION

For the year ended 30 June 2020

The directors of the company declare that:

- a The financial statements and notes, as set out on pages 23 to 28, 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 2020 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.



Paul David Roderick  
Director



Paul Weir  
Director

Dated this 18th day of August 2020

# INDEPENDENT AUDITOR'S REPORT



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## Independent Auditor's Review Report

To the Directors of Sub-Tropical Dairy Programme Limited

We have reviewed the accompanying financial report of Sub-Tropical Dairy Programme Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### Directors' Responsibility for the Financial Report

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with Standard on Review Engagements ASRE 2400, *Review of a Financial Report Performed by an Assurance Practitioner Who is not the Auditor of the Entity*.

ASRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ASRE 2400 is a limited assurance engagement. The assurance practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with Australian Auditing Standards. Accordingly, we do not express an audit opinion on these financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Sub-Tropical Dairy Programme Limited as at 30 June 2020, and of its financial performance and cash flows for the year then ended, in accordance with the Australian Accounting Standards.

Crowe Audit Australia

John Zabala  
Partner

19 August 2020  
Toowoomba

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The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately-owned organisation and/or its subsidiaries.

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## Indemnifying officers or auditors

No indemnities have been given, during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity.

## Proceedings on Behalf of the Entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part.

The entity was not a party to any such proceedings during the year.

## Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 32 of the financial report.

Signed in accordance with a resolution of the Board of Directors.



Paul David Roderick  
Director



Paul Weir  
Director

Dated this 18th day of August 2020

# AUDITOR'S INDEPENDENT DECLARATION



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## Auditor's Independence Declaration

As auditor of Sub-Tropical Dairy Programme Limited for the year ended 30 June 2020, 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 *Corporations 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.

*Crowe Audit Australia*

**Crowe Audit Australia**

A handwritten signature in black ink, appearing to read "John Zabala".

**John Zabala FCA**  
Partner

18 August 2020  
Toowoomba

# 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
- Advanced Rural
- Agrimentum
- AgForce
- Allflex
- Alltech Lienert Australia
- Barenbrug
- Biogreen Solutions
- Biomin Australia
- Border Ranges Richmond Valley Landcare Network (BRRVLN)
- BEC Feed Solutions
- Centre for Global Food and Resources University of Adelaide
- Chairs and Secretaries of SDP regional groups
- Conrad Carlile Accountants
- CRG Ag
- Crowe Horwath
- Dairy Australia
- Dairy Connect
- Dairy Express
- Dairy Farmers Milk Co-Operative
- Dairy NSW
- Datagene
- Daviesway
- Department of Agriculture and Water Resources
- Department of Agriculture and Fisheries (Qld)
- DHA Rural Sales
- Eacham Place Produce
- Elders
- Evanspread
- Far North Coast Dairy Industry Group
- Feed Central
- Feedworks
- FNQ Powersports
- Gympie Veterinary Services
- Jaydee Events
- Jefo
- Lactalis
- Lallemand Animal Nutrition
- Lion
- Lockyer Bookkeeping Service
- Maleny Dairies
- Mungalli Creek Dairy
- National Landcare Programme
- NSW Department of Primary Industries
- Norco Co-operative
- North Coast Local Land Services
- New South Wales Farmers Association
- Qld Rural & Industry Dev Authority Brisbane
- Queensland Machinery Agency
- Rabobank
- Richmond Dairies
- RuralVet
- Safe Food Production Queensland
- Selected Seeds
- Semex
- Sunstate Motorcycles
- Sunsuper
- Tableland Bikes & Power Equipment
- Tableland Fertiliser
- Toowoomba Motorcycles
- Tableland Veterinary Services
- TAFE in various regions
- The Drawing Room
- The Milk Processors that source Subtropical Dairy milk: Barambah Organics, Cooloola Milk, Kenilworth Dairies, Lactalis (Parmalat), Lion, Maleny Dairy, Mungalli Dairy, Norco, Richmond Dairies and Scenic Rim 4 Real Milk
- The other six Regional Development Programs across Australia
- Top Stock Agencies
- University of Queensland
- Wade Agricultural Consultants



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