

# Annual Report

2024-25



Delivering  
*for* Dairy

## At a glance

# Key facts about Australia's dairy industry

For the year ended 30 June 2025

Dairy is Australia's **third largest** rural industry



**8,315 million litres** of milk produced



**\$5.955 billion** in value of farmgate production

Annual production of main commodities



**430,068 tonne**  
Cheese



**198,440 tonne**  
Milk powders



**72,021 tonne**  
Butter

**3,772** dairy farms with **345** cows per average sized herd



**30,400** dairy industry

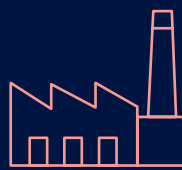


## Australian milk utilisation



**29%**

Drinking milk



**35%**

Manufacturing  
- domestic



**36%**

Manufacturing  
- export

Annual per capita consumption

**85 litres**  
of milk

## Major export markets



**China**  
156,802 tonne

**Japan**  
74,998 tonne

**Singapore**  
58,312 tonne

**Indonesia**  
57,389 tonne

**Thailand**  
39,237 tonne







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## Acknowledgement of Country

Dairy Australia acknowledges the role of First Nations peoples and recognises their continuing connection to lands, waters and communities.

This Annual Report should be read in conjunction with our Performance Report for 2024–25.

# Message from the Chair

It's been a season characterised by both challenge and change for Australian dairy.

Weather extremes dominated discussions around kitchen tables, board tables and at industry events throughout season 2024-25. Farm budgets were stretched across South-eastern Australia from rising feed costs owing to the drought, while Northern Australia experienced another major flood event, just three years on from the 2022 floods that devastated Southern Queensland and Northern New South Wales.

Yet despite the challenges, there have been positives this season.

Farmers again achieved the industry's profitability target in 2024-25, with 81% of farmers achieving the profit target of \$1.50 per kilogram of milk solids, maintaining a rolling average of 72% of farmers achieving the target over a five-year period, again exceeding the target of 50%.

Our collaborations with research partners have delivered tangible benefits on farm, such as our DairyUP program, which is identifying methods to improve the performance of kikuyu, our partnership with DataGene, which is driving the continued improvement in the genetic performance of the national dairy herd, and a reinvigorated Dairy Moving Forward process, which has re-engaged researchers and universities towards our shared purpose of a profitable and sustainable dairy industry.

Beyond the farmgate, demand for Australian dairy has improved both at the checkout and abroad, with volume and value growth across all four dairy categories at the supermarket, and stronger demand from key trading partners including China and across South-east Asia, reinforcing that our milk is valued by local and global consumers.

After moderate growth in milk production in 2023-24, last season saw a modest decline to 8.315 billion litres, down 0.7% on the previous season. The contraction was mostly concentrated in southern regions affected by the drought and exacerbated by flooding on the mid-North coast of New South Wales. However, growth in Gippsland, Northern Victoria and Southern New South Wales balanced those seasonal factors.

**As it is on farm, Dairy Australia too must maintain its focus on delivering in a tighter operating environment and achieving the best return on investment.**

The financial report for the 2024-25 financial year includes a deficit of \$0.1 million, which reflects the impact of the contraction of the milk pool coupled with higher operational costs over the reporting period.

It's been a time of change for Dairy Australia, with the culmination of our previous five-year Strategic Plan and commencement of our new strategy, and a changing of the guard at both board and organisational level. These changes have been a natural checkpoint for us to look at what we've achieved so far, where we can improve and how we're tracking against our goals.

**The new Strategic Plan seeks to build on the solid foundation of the previous plan, with a sharper focus on profitability and productivity, reflecting the feedback received from farmers and the unpredictable environment in which we operate.**

The plan identifies three priority areas for investment – enabling farmers to be more profitable so they can unlock today's potential of their farms; investing for future success in research and innovation that deliver long-term productivity gains; and growing our local and global markets, ensuring a sustainable industry that is competitive from farm to kitchen table.

In practical terms, this means we are refining what provides the best value for farmers, delivering the delivery services to support the operations of your farm, investing in research and innovation for the future, and ensuring the industry is sustainable in the future with a demand for Australian dairy both domestic and globally.

It has been a season of renewal for Dairy Australia this year, with several changes around the board table. I want to begin by acknowledging and thanking my predecessor, James Mann, for his service to the Dairy Australia Board over the past nine years, including four and a half years as Chair. During his time on the board James has been a passionate advocate for the research projects that deliver the greatest benefits to farmers, establishing the foundation for further growth and achievement in farm innovation. I congratulate James for his contributions over a long career in service of Australian dairy.

Our former Managing Director, David Nation, departed Dairy Australia at the end of June 2025 following seven years in the role. David's contribution over that time was significant. His leadership reaffirmed our farmer first focus, and he leaves a lasting legacy of championing research, innovation and extension initiatives that support the long-term sustainability and profitability of Australian dairy. On behalf of the entire dairy industry, I thank David for his contributions and wish him every success for the future.

After a thorough national search, I'm thrilled to welcome Matthew Shaffer, who joined us as CEO in mid-July. Matt brings deep industry experience and a genuine commitment to collaboration, which makes him a fantastic fit for Dairy Australia. I'm looking forward to working closely with him as we continue partnering with farmers and the broader industry to be more profitable, productive and sustainable.

Finally, I'd also like to acknowledge and thank the Dairy Australia Board, the Dairy Australia leadership team and our people for their commitment. I extend particular thanks to Professor Alan Bell, who will step down from the Board at the Annual General Meeting in November, for his service and contributions to the Dairy Australia Board and the dairy industry.



A stylized, handwritten signature in dark ink, appearing to read 'Paul Roderick'.

**Paul Roderick** Chair – Dairy Australia



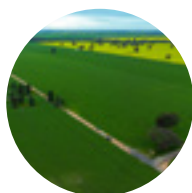
# Key achievements

The following highlights some of the many ways Dairy Australia has delivered value to dairy farmers in 2024–25.



## Regional services

Created 12,000 **meaningful connections** with farmers, to enable them to access services that support their business goals.



## Climate and environment

Delivered practical insights into farm carbon to 450 farmers and service providers through **Understanding Farm Carbon** workshops, supporting them to measure and understand greenhouse gas emissions.



## Farm business management

Enhanced farm decision-making through **DairyBase** – a tool for measuring and comparing farm business performance. DairyBase now supports over 3,130 registered users, with 18,700 farm datasets and 5,300 carbon calculator datasets.



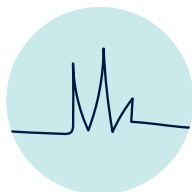
## Feed innovation

Supported farm decision making by publishing ryegrass biomass (dry matter) performance and nutritive values through the **Forage Value Index**.



## Farm business management

Supported 127 farmers to achieve their business and personal goals, contributing to more than 1,400 farmers who have benefited from practical planning through **Our Farm Our Plan**.



## Feed innovation

Explored ways to **improve pasture performance** by using satellite technology, refining grazing strategies, and optimising resilient kikuyu varieties through DairyUp.



## Training and development

Engaged farmers to pilot the **Dairy Capability Guide**, a framework for farmers and their teams to assess current and future career development needs.



## Herd innovation

Updated breeding priorities to support **more productive, fertile and resilient cows** through the National Breeding Objective.



## Soil health

Supported farmers to adopt multi-species pastures and soil health practices through the **Grounds for Growth** event, where 180 participants explored global research and practical insights over three interactive days.



## Herd innovation

Supported herd health and reduction in antibiotic use through the development of the **Clinical Mastitis app**.





### Health and nutrition

**Boosted consumer trust in dairy's health benefits** by sharing the latest science with GPs and dietitians – leading to 89% of consumers hearing positive health messages about dairy foods from health professionals.



### Sustainability

**Advanced efforts to reduce dairy food waste** by delivering key actions under the Dairy Food Waste Action Plan – including standardised data collection, waste assessments at 10 processing sites, and development of a milk equivalence calculator.



### Promoting Australian dairy

Built trust in dairy and the industry through the **Aussie Dairy, Simple Greatness** campaign, which promoted dairy's health benefits and helped 84% of Australians trust the industry.



### International markets

Celebrated 25 years of the **Dairy Australia Japan Scholarship** program, recognised for strengthening Australian dairy's reputation, market access and export intelligence.



### School education

Educated school children through the **Discover Dairy** website, **Picasso Cows** and Virtual Reality Farm Tours, with teachers rating student knowledge of dairy foods at 9.6/10.



### Policy development

Delivered **policy support** across industry to areas including health and nutrition, productivity and competitiveness, energy, climate, carbon, water and calf management.



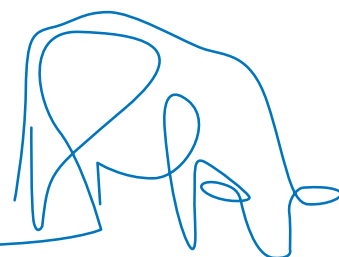
### Sustainability

Supported viable pathways for dairy calves by 2035 through the launch of the **CalfWays** roadmap, in collaboration with Meat & Livestock Australia – aligning farming practices with community expectations.



### Responding to critical issues and events

Continued to support **industry preparedness** and response to droughts, floods and animal diseases.







# About us

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

These services deliver value by:

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

Dairy Australia's regional teams are part of dairy communities in Gippsland, Murray, New South Wales, South Australia, Subtropical, Tasmania, Western Australia and Western Victoria.

Our regional teams work with dairy farm businesses to understand their needs, deliver relevant services and support industry activities.

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

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

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

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



# Our vision

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

# Our values

Farmer first

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Decisive action

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Innovative thinking

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One team

# Our purpose

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



# Strategic priorities

Our strategy during this reporting period is set out in the Dairy Australia Strategic Plan 2020-25.







The 2024-25 financial year was the fifth and final year of the plan, prior to the launch and implementation of the Dairy Australia Strategic Plan 2030.

Our strategy describes our priorities and the outcomes to be delivered over five years. The 2020-25 strategy focused on six priorities that contribute to delivering improved profitability for farmers and a more sustainable

dairy industry, and a seventh priority focused on organisational performance. Each priority is underpinned by a goal, key outcomes and key success indicators. Priorities and goals are set out below. More information about the strategy is available on our website.

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

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

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



# Approach to sustainability

Dairy Australia shares the Australian dairy industry's commitment to sustainability and its promise to provide nutritious food for a healthier world. The industry is recognised globally for its leadership in sustainable food production and contribution to addressing major national and international sustainability challenges.

## Australian Dairy Sustainability Framework

The Australian Dairy Sustainability Framework guides the industry's approach to sustainability. It was established in 2012 to transparently respond to stakeholder expectations, support economic viability and build capacity for positive change. The framework is owned by the Australian Dairy Industry Council, representing the whole dairy supply chain. Dairy Australia provides secretariat support and plays a key role in its development and implementation.

As the first whole-of-industry sustainability framework in Australian agriculture, it positions dairy as an innovator in the sector. The framework is embedded in Dairy Australia's core work to ensure ongoing progress and alignment with industry goals.

The framework is built around four commitments: enhancing livelihoods, improving the wellbeing of people, providing the best care for animals, and reducing environmental impact. Targets have been set for achievement by 2030, offering a clear direction for measuring progress.

In 2024, a double-materiality assessment was conducted to ensure the framework remains relevant and aligned with stakeholder expectations. The assessment identified greenhouse gas emissions, business viability and product safety and quality as priority areas for the industry.

 Enhancing economic viability and livelihoods	 Improving the wellbeing of people	 Providing the best care for animals	 Reducing our environmental impact
Creating a vibrant industry that rewards dairy workers and their families, communities, business and investors.	Providing nutritious, safe, quality dairy food.	Striving for health, welfare and best care for our animals throughout their lives.	Meeting the challenges of climate change and providing good stewardship of our natural resources.



# Our funding

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

## Dairy service levy

The dairy service levy is deducted by milk processing companies from payments made to farmers for their milk. The money is remitted to the Commonwealth Government and allocated to Dairy Australia. The rate of milk levies in 2024-25 was 2.8683 c/kg milk fat and 6.9914 c/kg protein. Based on national average milk composition, these combined levies were equivalent to approximately 4.7228 c/kg milk solids.

## Commonwealth funding

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

In 2024-25, approximately 84% of our expenditure was directed towards activity that qualified as RD&E under the government's matching funding criteria.

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

## Revenue for 2024-25

	\$'000	%
Dairy Service Levy	30,769	45.8
Government matching payments	28,404	42.3
External contributions	6,729	10.0
Interest revenue	515	0.8
Distributions from investments	740	1.1
Royalties	8	0
Other income	207	0.3
Share of results of Joint Ventures	(176)	(0.3)
<b>Total revenue</b>	<b>67,196</b>	<b>100.0</b>

## Investment approach

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

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

## Available reserves

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

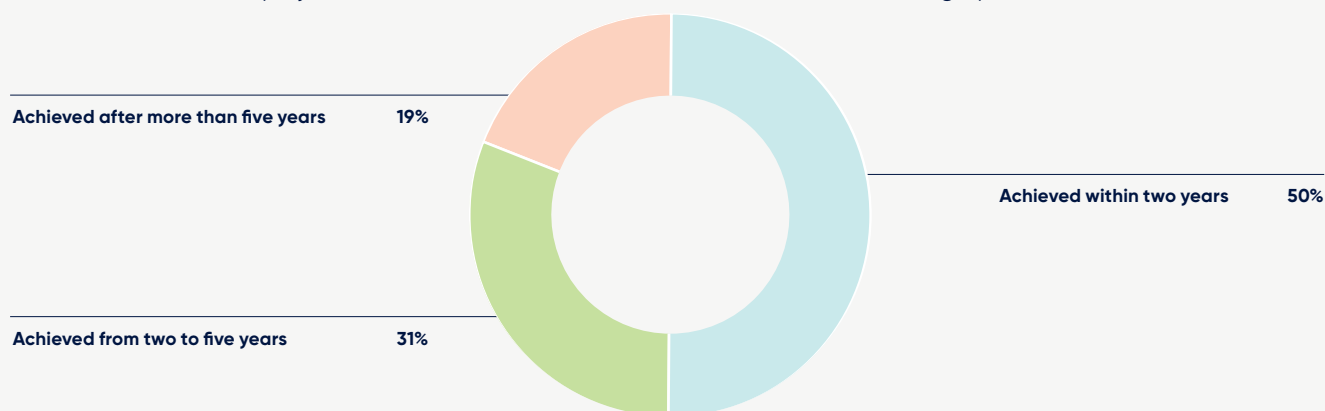
Dairy Australia holds available reserves to provide secure long-term funding to protect the continuity of our work and meet our commitments and any cyclical and structural changes in the dairy industry. This includes providing for production volatility, short-term restrictions on our operations, and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

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

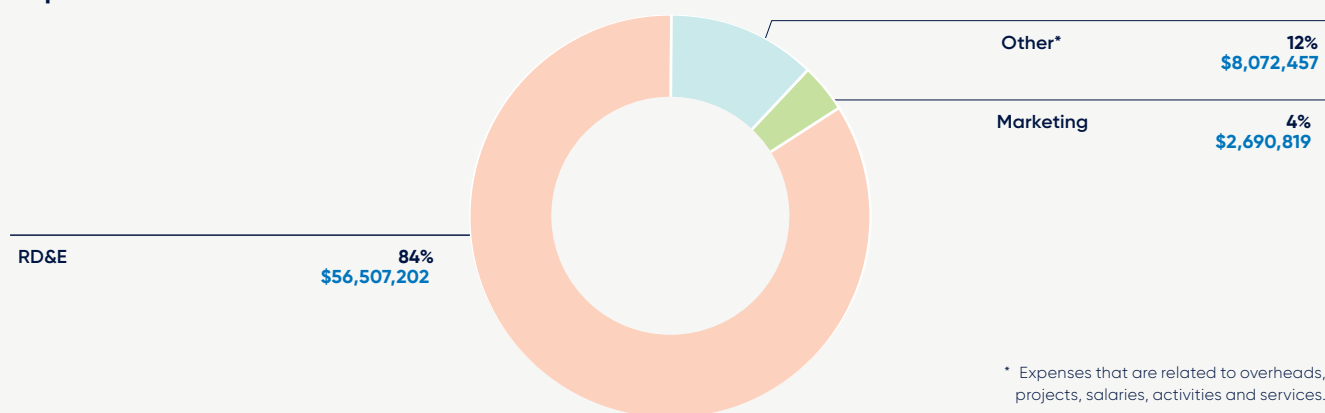
Future years will require careful management of available reserves with smaller planned deficits or nil deficits.

## Time horizon to achieve project benefits

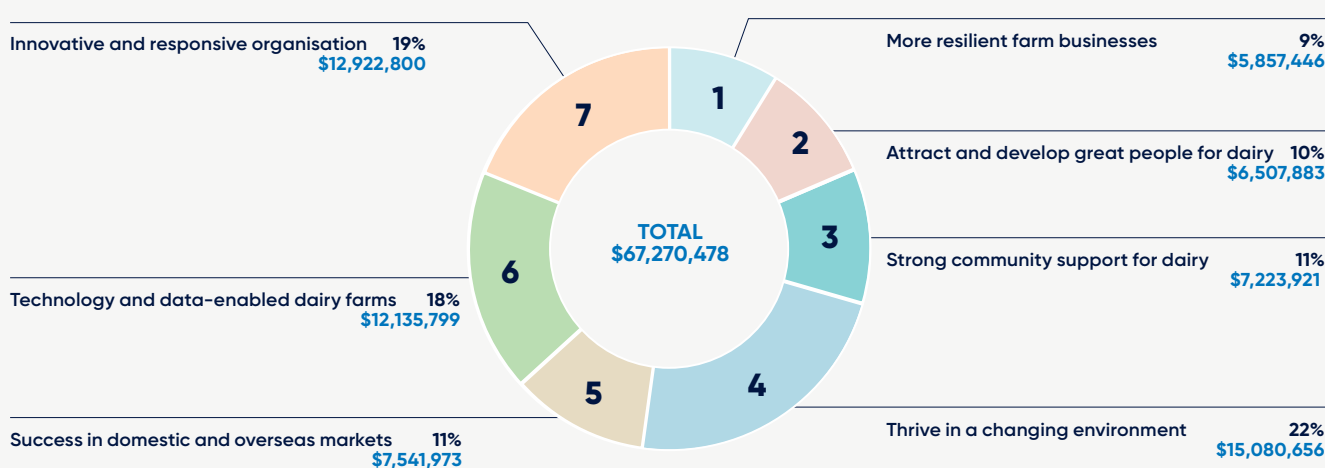
Each investment has a projected time frame in which to realise benefits, shown in the graph below.



## Expenditure



## Funding allocations across strategic priorities





# Collaborative investment

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

We collaborate with universities, the Commonwealth and state governments, research, development and extension organisations, agricultural industry agencies, commercial agricultural companies, non-government organisations and cooperative research centres to inform policy decisions in all regions. A more comprehensive overview of our projects and partnerships is available in our Performance Report 2024-25.

Through Dairy Moving Forward, we work with Gardiner Foundation, Australian Dairy Farmers, our Regional Development Programs and six state governments to set research and development priorities and drive collaborative investment.

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

Our partnership with Gardiner Foundation supports a range of initiatives, including those designed to enhance farm business management through Our Farm Our Plan.

Now in its fifth year, DairyUP – in partnership with the New South Wales Department of Primary Industries, the University of Sydney and Scribus – focuses on developing new markets, reducing risk and increasing productivity and profitability for dairy farms across Australia.

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

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

Dairy Australia operates an International Platforms National Committee on behalf of the Australia dairy sector. The committee overseas engagement with the International Dairy Federation (IDF) and the Global Dairy Platform (GDP), ensuring influence in global policies, standards, practices and regulations that affect dairy. We also engage with these global networks on human nutrition science and to promote the value of dairy foods. Operated by GDP, Dairy Australia is a member of the global Dairy Sustainability Framework (DSF), which provides a framework for sustainability and collects data on progress against 11 identified elements. The Australian Dairy Sustainability Framework aligns with the global framework.

For a full list of our collaboration partners, see page 62 of this report.



# Our people

Dairy Australia is committed to delivering against our values: Farmer First, One Team, Innovative Thinking and Decisive Action.

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

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

As the organisation continues to mature and evolve, understanding and supporting our people remains a priority.

## Employee feedback

Employee engagement is central to our ongoing success.

This year has been one of reflection and progress as we continue to shape a capable workplace that represents our stakeholders and is supportive and aligned with our strategic goals. Our 2025 engagement survey, which had a solid participation rate of 78%, provided valuable insights into areas of strength and opportunities for growth.

Notably, the survey identified that 92% of employees can see how their job benefits the dairy industry, which is a clear reflection of our 'Farmer First' value in action. We will continue to build on the overall engagement score of 78%, which reflects a high level of employee commitment and satisfaction.

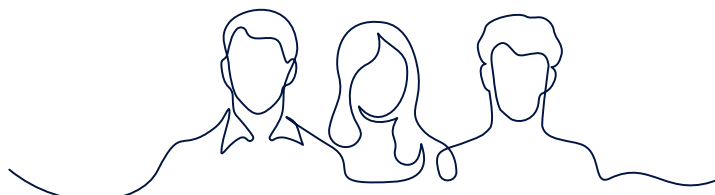
## Key initiatives

The progress we have made in key areas is a testament to our dedication to fostering a positive workplace. We remain committed to listening, learning and acting on employee feedback.

This year, we continued working on and implementing a range of initiatives designed to develop and strengthen our employee value proposition. These included:

- Continuing to advance and implement a comprehensive learning and development strategy which enables our people to access a wide range of opportunities designed to support professional growth.
- Developing an employee value proposition framework, which will help attract, engage and retain top talent, enabling us to continue delivering quality services that meet farmer needs.
- Bringing attention to the importance of workplace health and safety and the collective role our people play in creating a safe workplace environment with our first annual Workplace Health and Safety (WHS) Awareness Week.
- Continuing to build out our new Employee Onboarding and Induction program, with a particular focus on regional and remote employees ensuring equitable access to systems, tools, and quality information across the organisation.

We also continued to support employee health and wellbeing through initiatives such as skin checks, flu shots, R U OK? Day and Movember.



# 196

people

# 183.6

full-time equivalent





# Leadership team

Dairy Australia's skilled and experienced leadership team provides strategic direction and manages our investments, priorities and goals in our strategic and operational plans.

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



## **Dr David Nation** Managing Director

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

**Appointed 2018, stepped down June 2025**

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



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

Kendra oversees industry marketing, corporate and farmer communications, digital experience, and design. With over 20 years of experience in marketing and corporate communications, she brings deep expertise in both strategic leadership and hands-on delivery across diverse, multi-stakeholder environments. Kendra's career includes senior roles at Coles Express, 10 years at Bakers Delight Holdings, manufacturing and various other sectors. Her expertise spans marketing strategy, customer experience, brand management, digital communications, media and public relations, issues and crisis management, stakeholder engagement and internal communications.

**Appointed 2017**

BBus (Marketing), GAICD



## **Firoz Divecha** Chief Financial Officer

Firoz oversees the Corporate Services business unit, providing strategic oversight across finance, information technology, legal, project management, risk and strategy. With over 26 years of senior executive experience in Australia, India and the United Arab Emirates, Firoz has a wealth of expertise across diverse sectors, including not-for-profit, food manufacturing, industrial printing solutions, automotive, and auditing. Firoz plays a key role in strengthening governance, enhancing financial stewardship, and advancing strategic delivery across the organisation.

**Appointed 2023**

Qualified CPA (Australia) and Qualified Chartered Accountant (India)



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

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

**Appointed 2002, stepped down October 2024**

BAgrSc (Hons), GAICD



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

Verity oversees the Regional Services business unit, overseeing strategic direction, operations and industry engagement across the nation's dairying regions. She brings extensive experience from government, industry and the corporate sector, with a strong background in leadership, consultancy, extension, project management, governance and rural business management. Since joining Dairy Australia, Verity has driven major organisational transformation, enhanced service delivery, and strengthened relationships with regional and industry stakeholders. With a farming background, she understands the needs of farm businesses and rural communities, combining strategic vision with practical execution to deliver meaningful impact.

**Commenced at Dairy Australia 2019, appointed General Manager 2021**  
BAppSci (Ag) GradDip (Ed), GAICD



### **Greg Jarman** General Manager – Research and Innovation

Greg oversees the Research & Innovation team, which is responsible for investments in research, innovation, farm business, data and industry human resource activities to support the profitability, sustainability and competitiveness of Australian dairy farmers. He has over 20 years' experience in agriculture, covering commercial operations, innovation, growth, finance, people and capability development. Greg has held senior management roles with Costa Group, Nutrano Produce Group and Hancock Natural Resource Group. As a past chair of Raspberries and Blackberries Australia, he oversaw the creation of a combined berry peak industry body.

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



### **Imogen McBain** General Manager – People & Culture

Imogen oversees the People & Culture team and is a human resources professional with over 15 years' experience across diverse industries including engineering, consulting, media, technology and property development. She leads the People & Culture team bringing specialist experience in employee relations, human resources technology and analytics. She also has a keen interest in talent management, including organisational development.

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



### **Charlie McElhone** General Manager – Sustainable Dairy

Charlie oversees the Dairy Australia Sustainable Dairy team, which is responsible for guiding, connecting and uniting the dairy industry to shape and deliver its sustainability, policy development and trade objectives. A core element of this program includes facilitating the profitable international trade for Australian dairy products. Charlie has extensive experience in the agriculture and food sectors in policy, advocacy and analysis of market dynamics. Prior to joining Dairy Australia, Charlie was General Manager of Policy with the National Farmers' Federation.

**Appointed 2012, stepped down May 2025**  
BAgrEc, GDip (International Business), MBA, GAICD



### **Susannah Tymms** General Manager – Sustainable Dairy

Susannah oversees the Sustainable Dairy team, focusing on national and international initiatives connecting sustainability frameworks, trade policy and regulatory strategy to drive industry-wide transformation. She is an experienced executive leader in agricultural sustainability, policy and regulatory affairs, with over 25 years spanning industry and government. Susannah has an extensive background in R&D investment strategy, evidence-based policy development and government relations, and has represented the Australian dairy sector in cross-commodity and international forums.

**Commenced at Dairy Australia 2016, appointed General Manager 2025**  
BA, GDip Sc, MSc



# Corporate governance

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

- Group A members are dairy farmers who pay the dairy services levy and elect to become members. Group A members have voting rights on resolutions and director appointments at general meetings.
- Group B members are bodies that represent the Australian dairy industry, consisting of Australian Dairy Farmers and the Australian Dairy Products Federation.

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

- Corporations Act 2001 (Cth)
- Australian Charities and Not-For-Profits Commission Act 2012 (Cth)

Dairy Australia is party to a Statutory Funding Agreement (SFA) with the Commonwealth, with a 10-year term expiring in December 2034. Under the SFA, the Commonwealth agrees to pay dairy service levy funds collected from dairy farmers to Dairy Australia, together with government matching payments in relation to eligible RD&E activities undertaken by Dairy Australia.

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

## Commitment to good governance

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

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

## Governance benchmark

We have adopted the Australian Institute of Company Directors Not-for-Profit Governance Principles (the AICD Principles) as an appropriate guide to governance practices suitable for our organisation.

## Accountability and transparency

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



# Board and management

## Roles and responsibilities

The board comprises eight non-executive directors.

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

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

The board delegates responsibility for the day-to-day management of Dairy Australia to the Chief Executive Officer and the leadership team under a formal Delegations of Authority policy, but retains responsibility for the overall strategy, governance and performance of the company.

## Board committees

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

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

## People and Culture Committee

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

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

## Audit and Risk Management Committee

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

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

## Board skills

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

In 2024, the board reviewed and revised the mix of skills, knowledge and experience considered collectively necessary to direct Dairy Australia, having regard to the business and strategy of the company. These skills and the number of current directors who have 'strong' or 'intermediate' skills/experience in each area are set out in our corporate governance statement, available on our website.

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

## Board performance

The board is committed to formally evaluating its performance and the performance of its committees on an annual basis.

During the year, the board undertook an externally facilitated appraisal of board and committee performance.

## Board diversity

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



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

- regional and geographic background
- industry experience
- research and development experience
- farming systems
- farm size
- race, gender and other distinctions between directors.

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

In 2024-25, the board adopted an aspiration to have three to five directors of each gender on the board.

## Independence of the board

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

The board considers that in 2024-25, all non-executive directors were independent and free from any business or other relationship that could materially interfere with the independent exercise of their judgment and able to fulfil the role of an independent director for the purposes of the charter.

## Organisational culture

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

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

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

## Risk management

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

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

Under the risk management framework, enterprise-wide risks are reviewed annually and outcomes reported to the Audit and Risk Management Committee and board. These risks are managed and treated under the company's risk management policy and risk management procedure under which:

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

## Stakeholder engagement

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

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

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

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



# Intellectual property

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

To a lesser extent, it can include patents, trademarks and domain names.

## Core objectives of Dairy Australia's IP management

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

Dairy Australia's primary investment goal is to return a real and direct benefit to industry, generating relevant and valuable outputs, and where appropriate, delivering these to levy-paying farmers and where relevant, other industry stakeholders efficiently and free-of-charge.





# Financial Report

## Directors' report

For the year ended 30 June 2025

The directors of Dairy Australia Limited submit their report for the year ended 30 June 2025.

### Directors

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



#### **Mr Paul Roderick** Chair

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

**Appointed November 2020**

**Appointed Chair November 2024**

Member – Audit and Risk Management Committee

Member – People and Culture Committee



#### **Mr Paul van Heerwaarden** Deputy Chair

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

Paul has a Bachelor of Business (Accounting) and has completed an MBA at Melbourne Business School and the Advanced Management Program at Harvard Business School.

**Appointed January 2023**

**Appointed Deputy Chair December 2023**

Member – Audit and Risk Management Committee



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

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

**Appointed July 2018, resigned June 2025**





### Professor Alan Bell

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

#### Appointed November 2022

Chair – People and Culture Committee



### Mr Paul Bennett

Paul grew up on the family farm at Elizabeth Town, Central-northern Tasmania. He is married to Bernadette and has two sons, William and Angus, who are currently studying at university. Paul is owner and manager of Ashgrove Farms, which has five dairy farms milking 3,500 cows and a dairy beef grazing operation with over 4,000 cattle across 3,500 hectares of Northern Tasmania. Paul was Tasmanian Apprentice of the Year before graduating from Marcus Oldham Agricultural College in 1991 with a distinction in farm management. Paul is currently Chairman of Ashgrove Cheese, the Bennett family value-adding business. He was Chair of DairyTas from 2010 to 2013, and a member of the Dairy Moving Forward Steering Committee between 2013 and 2016. He graduated from the Rabobank Executive Development Program in 2015. Paul is an active member of his local community.

#### Appointed November 2023

Chair – Board Selection Committee

Member – Audit and Risk Management Committee (until November 2024)

Member – People and Culture Committee (from December 2024)



### Ms Simone Jolliffe

Simone and her husband Neil have been farming on the Murrumbidgee River near Wagga Wagga in NSW since 2000, starting out as sharefarmers and later purchasing the property in 2008. She has experience across a variety of farming systems, starting out in a pasture-based operation, employing a partial mixed ration (PMR) during dry and wet periods, as well as utilising a full total mixed ration (TMR) housed facility. Outside of the farm business, Simone has 25 years of industry involvement and governance experience in local, state and national roles. She has held various leadership positions in industry research, development and extension, as well as advocacy and representation roles with Dairy NSW, Australian Dairy Farmers, DataGene and the Australian Dairy Sustainability Framework.

Simone has a Bachelor of Rural Science and is a graduate of the Australian Rural Leadership Program as well as the Australian Institute of Company Directors.

#### Appointed November 2021

Member – Audit and Risk Management Committee

Member – People and Culture Committee



### Mr Andrew Maughan

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

#### Appointed November 2022

Chair – Audit and Risk Management Committee



### **Ms Kären Moroney**

Kären is a fourth-generation dairy farmer from the Mitta Valley, North-east Victoria. She is a partner in the dairy operation Arajarra, milking 280 Aussie Reds in a predominantly pasture-based farming system and operates in a share farm arrangement with her son and his partner. Up until December 2023, Kären was the co-owner of Auzred XB, a commercial AI import distribution company focused on three-way crossbreeding and the use of Aussie Red genetics. She has dedicated many years to contributing to projects, boards and industry groups that empower her local community and the broader dairy industry, including Murray Dairy, Agbiz Assist, the Goulburn Murray Water Services Committee, the Mitta Valley Landcare Group, and the Sustainable Landscapes Advisory Committee for the North East Catchment Management Authority.

Kären is a graduate of the Australian Institute of Company Directors and has a Diploma in Human Resources Management (Dairy).

#### **Appointed November 2023**

Member – People and Culture Committee (until November 2024)

Member – Audit and Risk Management Committee (from December 2024)



### **Dr James Neal**

James is a fifth-generation dairy farmer from Oxley Island, near Taree in New South Wales. He farms with his wife Katrina and parents Peter and Cheryl Neal, milking up to 800 cows all year round in a predominantly pasture-based system. He has extensive agricultural research, development and extension skills, having worked for New South Wales Department of Primary Industries and completed a PhD at the University of Sydney, investigating differences in water use efficiency, yield, nutritive value and profitability of different dairy forages. After completing his Agricultural Science degree at the University of Adelaide, James worked for the University at Roseworthy as a scientist, investigating the importance of soil fertility and root pathogens on the poor productivity of legume pastures.

In addition to his background and experience in the dairy sector, which encompasses all aspects of quality milk production and dairy farm systems, James has strong governance experience, having served on numerous industry boards and committees, including as Chair of the Dairy NSW Board.

#### **Appointed November 2024**

Member – People and Culture Committee (from December 2024)



### **Mr James Mann Chair**

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

#### **Appointed November 2015, retired November 2024**

#### **Appointed Chair July 2020**

Member – Audit and Risk Management Committee (until November 2024)

Member – People and Culture Committee (until November 2024)

## **Company Secretary**



### **Mr Martin Bede**

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

**Appointed August 2022**

## Meeting of Directors

Directors	Directors' meetings		Committee meetings			
	A	B	Audit and Risk Management Committee		People & Culture Committee	
	A	B	A	B	A	B
Mr J Mann (retired)	3	3 <sup>(i)</sup>	2	2	2	2
Mr P van Heerwaarden	10	10	4	4	-	-
Dr D Nation (resigned)	10	10	-	-	-	-
Professor A Bell	10	9	-	-	4	4 <sup>(i)</sup>
Ms S Jolliffe	10	10	4	4	4	4
Mr A Maughan	10	9	4	4 <sup>(i)</sup>	-	-
Mr P Roderick	10	10 <sup>(i)</sup>	2	2	4	4
Mr P Bennett	10	10	2	2	2	2
Ms K Moroney	10	10	2	2	2	2
Dr J Neal	7	7	-	-	2	2

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

i Indicates Chair

## Principal activities

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

## Strategy

Dairy Australia's strategy during the period is set out in our Strategic Plan 2020-2025. The Strategic Plan describes the priorities and the outcomes to be delivered over five years and is aligned with the industry-wide Australian Dairy Plan. Goals set for the coming year are set out in our Annual Operating Plan. There are six priorities that contribute to delivering improved profitability for farmers and a more sustainable dairy industry, and a seventh priority that focuses on organisational performance. Each priority is underpinned by a goal and key outcomes, with the priorities and goals set out below. How the company's activities assisted in achieving these outcomes and how we measure our performance including key performance indicators are reported in the Dairy Australia Performance Report 2024-25.

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



The new Dairy Australia 2030 five-year strategic plan focuses on three strategic priorities with farm business profitability through productivity at the core of its focus. Each of the three strategic priorities are supported by three sub-priorities and will be measured via a Strategic Performance Report Scorecard.

### Limited liability of members (guarantee)

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

- each member at the time the winding up starts, and
- each person who, at any time in the 12 months before the winding up started, was a member

undertakes to contribute to the assets of the company up to an amount not exceeding \$2 for payment of the debts and liabilities of the company, including the costs of the winding up. The total amount that members of the company are liable to contribute if the company is wound up for 2025 is \$7,310 (2024: \$7,726).

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

### Statement of corporate governance

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

### Registered office

Level 3, HWT Tower  
40 City Road  
Southbank Victoria 3006

### Rounding

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

### Auditor independence

The Auditor's Independence Declaration in relation to the audit for the year ended 30 June 2025 has been received by the company. A copy follows the financial statements.

Signed in accordance with a resolution of the directors.



Paul Roderick  
Director

4 September 2025



Andrew Maughan  
Director

4 September 2025

# Statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

	Note	2025	2024
		\$'000	\$'000
<b>Revenue</b>	2		
Dairy service levy		30,769	30,585
Government matching payments		28,404	27,861
External contributions		6,729	7,879
Interest revenue		515	794
Distributions from investments		740	343
Share of results of joint ventures	6.4	(176)	-
Royalties		8	1
Other income		207	408
<b>Total revenue</b>		<b>67,196</b>	<b>67,871</b>
<b>Expenses</b>	3		
Projects		33,437	36,810
Activities and services		24,434	17,339
Overheads		9,400	9,812
<b>Total expenses</b>		<b>67,271</b>	<b>63,961</b>
<b>Surplus/(deficit)</b>		<b>(75)</b>	<b>3,910</b>
<b>Other comprehensive (loss)/income</b>			
Items that may be reclassified subsequently to profit or loss:			
Fair value gain/(loss) on investments designated as at fair value through the statement of other comprehensive income	6.3	1,330	(75)
<b>Other comprehensive (loss)/income for the period</b>		<b>1,330</b>	<b>(75)</b>
<b>Total comprehensive income/(loss)</b>		<b>1,255</b>	<b>3,835</b>

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

# Statement of financial position

For the year ended 30 June 2025

	Note	2025	2024
		\$'000	\$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1	11,096	12,549
Trade and other receivables	6.1	12,498	11,476
Other financial assets	6.2	359	359
<b>Total current assets</b>		<b>23,953</b>	<b>24,384</b>
<b>Non-current assets</b>			
Investments designated as at fair value through the statement of other comprehensive income	6.3	17,029	14,165
Investment in joint venture	6.4	1,439	1,615
Plant and equipment	4.1	508	703
Right-of-use assets	6.5	3,564	4,269
Intangible assets	4.2	-	-
<b>Total non-current assets</b>		<b>22,540</b>	<b>20,752</b>
<b>Total assets</b>		<b>46,493</b>	<b>45,136</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	6.6	9,403	7,696
Contract liabilities	6.7	2,785	2,511
Provisions	3.2.2	2,796	3,673
Lease liabilities	6.5	1,466	1,468
<b>Total current liabilities</b>		<b>16,450</b>	<b>15,348</b>
<b>Non-current liabilities</b>			
Lease liabilities	6.5	2,331	3,152
Provisions	3.2.2	682	861
<b>Total non-current liabilities</b>		<b>3,013</b>	<b>4,013</b>
<b>Total liabilities</b>		<b>19,463</b>	<b>19,361</b>
<b>Net assets</b>		<b>27,030</b>	<b>25,775</b>
<b>Equity</b>			
Retained surplus		25,775	25,850
Available-for-sale investments	6.3	1,255	(75)
<b>Total equity</b>		<b>27,030</b>	<b>25,775</b>

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



# Statement of changes in equity

For the year ended 30 June 2025

	Retained surplus	Other reserves	Total
	\$'000	\$'000	\$'000
<b>At 1 July 2023</b>	<b>21,940</b>	<b>-</b>	<b>21,940</b>
Surplus for the year	3,910	-	3,910
Other comprehensive (loss)/income	-	(75)	(75)
<b>Total comprehensive (loss)/income for the period</b>	<b>3,910</b>	<b>(75)</b>	<b>3,835</b>
<b>At 30 June 2024</b>	<b>25,850</b>	<b>(75)</b>	<b>25,775</b>
Deficit for the year	(75)	-	(75)
Other comprehensive (loss)/income	-	1,330	1,330
<b>Total comprehensive (loss)/income for the period</b>	<b>(75)</b>	<b>1,330</b>	<b>1,255</b>
<b>At 30 June 2025</b>	<b>25,775</b>	<b>1,255</b>	<b>27,030</b>

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

# Statement of cash flows

For the year ended 30 June 2025

	Note	2025	2024
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Levy and government matching payment receipts		58,333	57,024
Receipts from customers and other contributors		6,726	9,860
Interest received		515	937
Distributions received	2.6	520	343
Payments to suppliers and employees		(64,280)	(63,335)
<b>Net cash flows generated by operating activities</b>	<b>5.2</b>	<b>1,814</b>	<b>4,829</b>
<b>Cash flows from investing activities</b>			
Payments to acquire fair value through the statement of other comprehensive income		(1,535)	(14,682)
Payments to acquire interests in joint ventures		–	(1,174)
Purchase of plant and equipment		–	(6)
<b>Net cash flows (used in)/generated by investing activities</b>		<b>(1,535)</b>	<b>(15,862)</b>
<b>Cash flows from financing activities</b>			
Repayment of the Principal portion of the lease liability		(1,556)	(1,212)
Interest charged on the lease liability		(176)	(211)
<b>Net cash flows used in financing activities</b>		<b>(1,732)</b>	<b>(1,423)</b>
Net (decrease)/increase in cash and cash equivalents		(1,453)	(12,456)
Add: Opening cash and cash equivalents at beginning of year		12,549	25,005
<b>Cash and cash equivalents at end of year</b>	<b>5.1</b>	<b>11,096</b>	<b>12,549</b>

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

# Notes to the financial statements

For the year ended 30 June 2025

## 1 About this report

### 1.1 Date authorised for issue

The financial report of Dairy Australia Limited for the year ended 30 June 2025 was authorised for issue in accordance with a resolution of the directors on 4 September 2025.

### 1.2 Corporate information

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

### 1.3 Basis of preparation

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

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

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

### 1.4 Economic dependency

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

## 2 Funding the delivery of services

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

The company has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2024.

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

	Note	2025 \$'000	2024 \$'000
<b>Revenue</b>			
Dairy service levy	2.2	30,769	30,585
Government matching payments	2.3	28,404	27,861
External contributions	2.4	6,729	7,879
Interest revenue	2.5	515	794
Distributions from investments	2.6	740	343
Investment in joint venture	6.4	(176)	-
Royalties	2.7	8	1
Other income	2.8	207	408
<b>Total revenue</b>		<b>67,196</b>	<b>67,871</b>

The new Statutory Funding Agreement with the Commonwealth was signed on 3 December 2024 and is effective from 1 January 2025 until 31 December 2034.

# Notes to the financial statements *continued*

For the year ended 30 June 2025

## 2.2 Dairy service levy

The dairy service levy is paid by farmers based on milk production and is calculated per kilogram on milk fat or protein content. The rate of milk levies is 2.93c/kg milk fat and 7.13c/kg protein.

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

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

## 2.3 Government matching payments

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

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

## 2.4 External contributions

	2025	2024
	\$'000	\$'000
Geoffrey Gardiner Dairy Foundation Ltd	3,311	2,572
Department of Industry, Science, Energy and Resources	586	46
DataGene	375	-
Department of Agriculture, Fisheries and Forestry	337	2,601
Department of Primary Industries - Queensland	285	-
Sustainability Victoria	264	67
Department of Jobs, Skills, Industry and Regions	263	87
The University of Sydney	246	-
Barenbrug Australia Pty Ltd	222	260
Department of Agriculture, Water and the Environment	217	-
Department of Foreign Affairs & Trade	170	201
Agriculture Victoria	-	955
NSW Department of Primary Industries	-	128
Department of Education and Training Victoria	-	73
Others	453	889
<b>Total external contributions</b>	<b>6,729</b>	<b>7,879</b>

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

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



# Notes to the financial statements *continued*

For the year ended 30 June 2025

## 2.5 Interest revenue

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

## 2.6 Distributions from investments

The company receives distributions from the externally managed funds invested with BlackRock Moderate Multi-Index fund and deploys the distributions in accordance with the Company's investment policy. For more information, please refer to notes 5.1, 6.3 and 7.1.

## 2.7 Royalties

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

## 2.8 Other income

	2025	2024
	\$'000	\$'000
Lease Incentive for Southbank Office Fitout	-	70
Sundry income	207	338
<b>Total other income</b>	<b>207</b>	<b>408</b>

## 3 Costs of delivering services

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

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

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

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

### 3.1 Lease expenses

Office rent and car park leases relate to the lease of the company's office at Southbank and office car park spaces. The lease for the company's office premises at Southbank runs until March 2028, with an option to renew for a further five years.

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

# Notes to the financial statements *continued*

For the year ended 30 June 2025

## 3.2 Employee benefits

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

	2025	2024
	\$'000	\$'000
Salaries and allowances	21,342	19,432 *
Superannuation	2,368	2,078
Long service leave - net movement	(610)	255
Termination benefits	219	52
Workers compensation costs	107	108
<b>Total employee benefits expenses</b>	<b>23,426</b>	<b>21,925</b>

\* Note that the FY2024 Salaries and allowances figure has been amended due to a reclassification of expenditure. There is no impact on the financials.

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

Superannuation includes superannuation contributions made by the company at 11.5% (2024: 11.0%) of employees' wages and salaries, as legally enforceable in Australia.

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

Total employee benefits increased materially compared to the previous financial year. These changes are aligned with the organisation's strategic priorities and ensure appropriate resourcing to deliver value to our stakeholders across the sector.

Key contributing factors to the increased employee benefits is primarily driven by:

- Annual remuneration reviews in line with CPI adjustments;
- Full-year impact of roles introduced in the previous year to support delivery and strengthen our engagement with industry and regulatory bodies;
- Two RDPs staff costs have been reclassified from RDP core funding expenditure to Dairy Australia salaries; and
- Three additional roles have been created and fully funded through an external grant as part of a carbon emissions project.

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

	2025	2024
<b>Current</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Employee benefits in respect of:</b>		
Long service leave	1,226	2,084
Performance-based remuneration	95	43
Annual leave (expected to be settled within 12 months)	1,184	1,210
Annual leave (expected to be settled after 12 months)	291	336
<b>Total provision for employee benefits – current</b>	<b>2,796</b>	<b>3,673</b>
<b>Non-current</b>		
<b>Employee benefits in respect of:</b>		
Long service leave	551	733
<b>Total provision for employee benefits – non-current</b>	<b>551</b>	<b>733</b>

# Notes to the financial statements *continued*

For the year ended 30 June 2025

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

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

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

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

## 3.3 Commitments

### 3.3.1 Research and development expenditure commitments (excluding GST)

	2025	2024
	\$'000	\$'000
<b>Commitments contracted at reporting date but not recognised as liabilities are:</b>		
Not later than one year	18,955	13,445
Later than one year but not later than five years	22,485	35,155
<b>Total research and development expenditure commitments</b>	<b>41,440</b>	<b>48,600</b>

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

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

## 4 Assets available to support the provision of services

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

### 4.1 Plant and equipment

	2025	2024
	\$'000	\$'000
Furniture and equipment at cost	1,929	1,929
Accumulated depreciation	(1,597)	(1,474)
<b>Total furniture and equipment</b>	<b>332</b>	<b>455</b>
Leasehold improvements at cost	1,130	1,130
Accumulated depreciation	(954)	(881)
<b>Total leasehold improvements</b>	<b>176</b>	<b>249</b>
<b>Total plant and equipment</b>	<b>508</b>	<b>704</b>

# Notes to the financial statements *continued*

For the year ended 30 June 2025

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

	Furniture and equipment	Leasehold improvements	Total
	\$'000	\$'000	\$'000
<b>Year ended 30 June 2024</b>			
Opening balance at 1 July 2023	595	329	924
Additions	6	-	6
Disposals	-	-	-
Depreciation charge for the year	(146)	(80)	(226)
<b>Closing balance at 30 June 2024</b>	<b>455</b>	<b>249</b>	<b>704</b>
<b>Year ended 30 June 2025</b>			
Opening balance at 1 July 2024	455	249	704
Additions	-	-	-
Disposals	-	-	-
Depreciation charge for the year	(123)	(73)	(196)
<b>Closing balance at 30 June 2025</b>	<b>332</b>	<b>176</b>	<b>508</b>

## Initial recognition

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

## Subsequent measurement

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

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

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

## Impairment

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

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

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

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



# Notes to the financial statements *continued*

For the year ended 30 June 2025

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

## Derecognition and disposal

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

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

## 4.2 Intangible assets

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

	2025	2024
	\$'000	\$'000
Opening balance at 1 July	-	7
Additions	-	-
Disposal	-	-
Amortisation charge for the year	-	(7)
<b>Closing balance at 30 June</b>	<b>-</b>	<b>-</b>

## Initial recognition

The company's intangible assets are initially measured at cost. There are currently no intangible assets held.

## Subsequent measurement

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

- Computer software, where applicable: three years

## Derecognition and disposal

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

# Notes to the financial statements *continued*

For the year ended 30 June 2025

## 4.3 Depreciation and amortisation

	2025	2024
	\$'000	\$'000
Buildings	665	691
Equipment	75	12
Motor vehicles	690	435
<b>Total right of use depreciation</b>	<b>1,430</b>	<b>1,138</b>
Furniture and equipment	123	146
Leasehold improvements	73	80
<b>Total PPE depreciation</b>	<b>196</b>	<b>226</b>
Amortisation of intangible assets	-	7
<b>Total depreciation and amortisation of non-current assets</b>	<b>1,626</b>	<b>1,371</b>

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

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

## 5 Cash flow information and balances

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

### 5.1 Cash and cash equivalents

	2025	2024
	\$'000	\$'000
Cash at bank and in hand	11,096	12,549
<b>Total Cash and cash equivalents</b>	<b>11,096</b>	<b>12,549</b>

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

The cash balance in FY25 is (\$1.5m) lower than in FY24. This is a largely a result of the matured term deposit being invested into the BlackRock Moderate Multi-Index fund (\$1m), and interest earned throughout the year was \$0.4m lower than in FY24. See notes 6.3 and 7.1 for more information.

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

# Notes to the financial statements *continued*

For the year ended 30 June 2025

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

	2025	2024
	\$'000	\$'000
<b>Operating surplus/(deficit)</b>	<b>(75)</b>	<b>3,910</b>
<b>Non-cash flows in operating surplus/(deficit)</b>		
Depreciation	196	226
Amortisation	-	7
Loss on disposal – fixed assets	8	161
Loss on Investment in joint venture	176	-
Depreciation – Right of use	1,430	1,138
Interest expense on lease liability	176	211
<b>Changes in assets and liabilities</b>		
Trade and other receivables (increase)/decrease	(1,022)	76
Trade and other payables increase/(decrease)	1,980	(866)
Provisions increase/(decrease)	(1,055)	(34)
<b>Net cash flows provided by operating activities</b>	<b>1,814</b>	<b>4,829</b>

## 6 Other assets and liabilities

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

### 6.1 Trade and other receivables

	2025	2024
	\$'000	\$'000
Trade receivables	856	1,214
<b>Total trade receivables</b>	<b>856</b>	<b>1,214</b>
Levy receivables	6,521	6,389
Sundry receivables and prepayments	5,121	3,873
<b>Total trade and other receivables</b>	<b>12,498</b>	<b>11,476</b>

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

Trade and other receivables disclosed above include amounts that are past due at the end of June 2025 for which the company has not recognised a loss allowance because there has not been a significant change in credit quality and the amounts are still considered recoverable. The company always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. Trade and other receivables are non-interest bearing and are generally 30-day terms. Due to their short-term nature, the carrying value is assumed to approximate their fair value. It is expected that these balances will be received when due. Bad debts are written off when identified.

# Notes to the financial statements *continued*

For the year ended 30 June 2025

## 6.1.1 Ageing analysis of receivables

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

	2025	2024
	\$'000	\$'000
0–30 days	554	977
31–60 days	245	3
61+ days	57	234
<b>Total</b>	<b>856</b>	<b>1,214</b>

The lifetime Expected Credit Loss is \$nil (2024: \$nil) because there has not been a significant change in credit quality and the amounts are still considered recoverable.

As of 30 June 2025, the nature of the receivables are such that they are considered recoverable. The majority of balances greater than 30 days relate to larger contracted external contributions.

## 6.2 Other financial assets

	2025	2024
	\$'000	\$'000
Short-term deposits	359	359

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

## 6.3 Investments designated as at fair value through the statement of other comprehensive income

	2025	2024
	\$'000	\$'000
<b>Opening balance of externally managed funds, at fair value</b>	<b>14,165</b>	<b>-</b>
Additions	1,016	14,173
(Withdrawals)	-	-
Net gains/(losses) on investments	1,848	(8)
<b>Closing balance of externally managed funds, at fair value</b>	<b>17,029</b>	<b>14,165</b>

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

Available reserves were invested during the year with BlackRock Moderate Multi-Index fund based on external professional advice. The company objective is to protect against inflation and to invest in a low to moderate risk multi-asset class exposure achieving a positive return of 1.5% in excess of Australian Consumer Price Index (trimmed mean) over a five-year rolling period. During the year the fund delivered on this objective. The BlackRock Moderate Multi-Index fund comprises a portfolio of published indices that provide exposure to a range of domestic and global asset classes, consistent with a conservative strategic asset allocation (i.e. approximately 30% growth assets and 70% defensive assets). The fair value of funds is determined by reference to the unit price of the investment funds which are available each day based on closing values of the previous day.



# Notes to the financial statements *continued*

For the year ended 30 June 2025

## Impairment

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

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

## 6.4 Investment in joint venture

	2025	2024
	\$'000	\$'000
Investment in joint venture using the equity method	1,439	1,615

In May 2024, the company and the University of Tasmania ("UTAS") formed an arrangement to set up a company, Sita Gen Tech Pty Ltd ("SGT") incorporated in Australia, in order to undertake and commercialise research. The shareholding proportion of company and UTAS is 35% and 65% respectively. The company's 35% of total shares in SGT comprises of upfront cash payment (\$1,174,000) and provision of in-kind services (\$441,000).

The investment has been recorded as a joint venture and accounted for using the equity method. Under the equity method, there is a \$175,576 share of loss on joint venture to be reported as of 30 June 2025.

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

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

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

	2025	2024
	\$'000	\$'000
Buildings	1,774	2,439
Equipment	307	-
Motor vehicles	1,483	1,830
<b>Net carrying amount of right-of-use asset</b>	<b>3,564</b>	<b>4,269</b>

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

	Buildings	Equipment	Motor vehicles	Total
	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 July 2024	2,439	-	1,830	4,269
Additions	-	382	343	725
Depreciation	(665)	(75)	(690)	(1,430)
<b>Closing balance at 30 June 2024</b>	<b>1,774</b>	<b>307</b>	<b>1,483</b>	<b>3,564</b>

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

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

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

# Notes to the financial statements *continued*

For the year ended 30 June 2025

	2025	2024
	\$'000	\$'000
Lease Liabilities in respect of:		
HWT Tower – Level 3	619	564
Sharp photocopiers	8	-
Car park	63	58
Dell laptops	111	-
Motor vehicles	665	846
<b>Total current lease liabilities</b>	<b>1,466</b>	<b>1,468</b>
HWT Tower – Level 3	1,161	1,780
Sharp photocopiers	27	-
Car park	118	180
Dell laptops	167	-
Motor vehicles	858	1,192
<b>Total non-current lease liabilities</b>	<b>2,331</b>	<b>3,152</b>
<b>Total lease liabilities</b>	<b>3,797</b>	<b>4,620</b>

## 6.6 Trade and other payables

	2025	2024
	\$'000	\$'000
Trade payables	3,821	3,705
Accrued research and development expenditure	5,261	3,267
Other payables	404	495
GST payables	(83)	229
<b>Total trade and other payables</b>	<b>9,403</b>	<b>7,696</b>

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

Accrued research and development expenditure relates to work completed at 30 June 2025 where invoices have not been received. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

# Notes to the financial statements *continued*

For the year ended 30 June 2025

## 6.7 Contract liabilities

	2025	2024
	\$'000	\$'000
External contributions	2,564	2,070
In-kind services	221	441
<b>Total contract liabilities</b>	<b>2,785</b>	<b>2,511</b>

Contract liabilities consist of:

- the unutilised amounts of external contributions received on the condition that specified services are delivered or conditions are fulfilled, and
- in-kind services yet to be fulfilled from the joint venture investment in Sita Gen Tech Pty Ltd (Note 6.4).

## 6.8 Contingent assets and liabilities

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

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

Contingent liabilities are:

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

### 6.8.1 Contingent assets

The company has no material contingent assets.

### 6.8.2 Contingent liabilities

The company has no material contingent liabilities.

## 7 Financial instruments

Classes and categories of financial instruments and their fair values.

The following section combines information about:

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

# Notes to the financial statements *continued*

For the year ended 30 June 2025

## 7.1 Categories of financial instruments

	2025	2024
	\$'000	\$'000
<b>Financial assets</b>		
<b>Investment designated as at fair value through the statement of other comprehensive income assets:</b>		
Investment designated as at fair value through the statement of other comprehensive income	17,029	14,165
<b>Cash and cash equivalents</b>	11,096	12,549
<b>Loan and receivables:</b>		
Trade and other receivables	12,498	11,476
<b>Financial assets measured at amortised cost:</b>		
Short-term deposits	359	359
<b>Total financial assets</b>	<b>40,983</b>	<b>38,549</b>
<b>Financial liabilities</b>		
Trade and other payables	9,403	7,696
Contingent contract assets/liabilities	2,785	2,511
<b>Total financial liabilities</b>	<b>12,188</b>	<b>10,207</b>

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

## 7.2 Financial instruments specific disclosures

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

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

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

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

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



# Notes to the financial statements *continued*

For the year ended 30 June 2025

## (ii) Equity instruments designated at FVTOCI

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

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

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

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

## 7.3 Fair value determination

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

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

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

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

## 7.4 Impairment

### Impairment of financial assets

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

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

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

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

# Notes to the financial statements *continued*

For the year ended 30 June 2025

## 8 Director and executive disclosures

### 8.1 Details of key management personnel

Directors		
Mr P Roderick	Chair (non-executive)	Appointed Chair November 2024
Mr J Mann	Chair (non-executive)	Retired November 2024
Mr P van Heerwaarden	Director (non-executive)	
Dr D Nation	Managing Director	Resigned June 2025
Prof A Bell	Director (non-executive)	
Mr P Bennett	Director (non-executive)	
Ms S Jolliffe	Director (non-executive)	
Mr A Maughan	Director (non-executive)	
Ms K Moroney	Director (non-executive)	
Dr J Neal	Director (non-executive)	Appointed November 2024
Executives		
Mrs K Campbell	GM Marketing and Communications	
Mr F Divecha	Chief Financial Officer	
Ms V Ingham	GM Regional Services	
Mr G Jarman	GM Research & Innovation	
Ms I McBain	GM People & Culture	
Mr C McElhone	GM Sustainable Dairy	Resigned May 2025
Ms S Tymms	GM Sustainable Dairy	Appointed May 2025

# Notes to the financial statements *continued*

For the year ended 30 June 2025

## 8.2 Compensation of key management personnel

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

	2025	2024
	\$	\$
<b>Directors</b>		
Short-term employee benefits	984,399	916,779
Post-employment benefits	74,947	67,206
Other long-term benefits	(10,101)	6,655
<b>Total</b>	<b>1,049,245</b>	<b>990,640</b>
<b>Executives</b>		
Short-term employee benefits	1,732,717	1,738,854
Post-employment benefits	181,481	169,568
Other long-term benefits	(54,627)	9,581
<b>Total</b>	<b>1,859,571</b>	<b>1,918,003</b>
<b>Total key management personnel compensation</b>	<b>2,908,816</b>	<b>2,908,643</b>

Short-term employee benefits include salary and fees, bonus, and other short-term benefits. Post-employment benefit refers to superannuation. Other long-term benefits include long service leave. The above directors compensation includes the increase to managing directors performance-based remuneration for the year (refer to 3.2.2).

Fees to directors of the board comprise fixed remuneration only. Fees increased by 2.5% in 2025, including the 0.5% superannuation increase outlined in Note 3.2.1. Remuneration for all directors is routinely benchmarked and has consideration towards time commitment for the role and skill composition.

- Directors other than the managing director, chair and deputy chair are remunerated at \$47,856 per annum (2024: \$46,707).
- Members of the board sub-committees receive a supplement of \$3,473 per annum (2024: \$3,390).
- Chairs of the board sub-committees receive a supplement of \$6,946 per annum (2024: \$6,779).
- The chair of the board receives \$107,158 per annum (2024: \$104,586).
- The deputy chair of the board receives \$64,162 per annum (2024: \$62,621).
- The managing director's remuneration package comprises salary, a short-term performance-based component plus superannuation. The award of the performance-based component and the amount of the award is subject to the managing director satisfying performance measures set by the board.

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

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

In respect to the prior year, the managing director's short-term incentive was included in the provision for employee entitlements and was subsequently paid in July 2024.

### Executives

Executives are eligible to receive fixed remuneration only.

# Notes to the financial statements *continued*

For the year ended 30 June 2025

## 8.3 Related party transactions

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

### Payments made to key management personnel-related entities

During 2025, \$113,302 (2024: \$100,611) was paid or payable to the following key management personnel-related entities under normal commercial terms and conditions.

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

Dairy Australia key management personnel		2025	2024
Entity		\$	\$
Australian Dairy Conference Ltd	Paul Roderick/David Nation	58,500	47,124
Somerset Capital Pty Ltd	Andrew Maughan	54,802	53,487
<b>Total</b>		<b>113,302</b>	<b>100,611</b>

### Income earned from key management personnel-related entities

During 2025, \$3,115 (2024: \$nil) was received or receivable from the following key management personnel related entities under normal commercial terms and conditions.

Dairy Australia key management personnel		2025	2024
Entity		\$	\$
Australian Dairy Conference Ltd	Paul Roderick/David Nation	837	-
Ashgrove Farms Tasmania Pty Ltd	Paul Bennett	2,278	-
<b>Total</b>		<b>3,115</b>	<b>-</b>

## 9 Other disclosures

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

### 9.1 Subsequent events after balance sheet date

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

### 9.2 Income tax

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

### 9.3 Other taxes

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

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

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



# Notes to the financial statements *continued*

For the year ended 30 June 2025

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

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

## 9.4 Auditor's remuneration

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

	2025	2024
	\$	\$
Audit of the financial report of the company including Statutory Funding Contract compliance	132,000	128,000
<b>Total auditor's remuneration</b>	<b>132,000</b>	<b>128,000</b>

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

## 9.5 Members' funds

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

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

	2025	2024
	number	number
<b>Group A members</b>		
Nominated	1,986	2,151
Joint	1,669	1,712
<b>Total</b>	<b>3,655</b>	<b>3,863</b>
<b>Group B members</b>		
<b>Total</b>	<b>2</b>	<b>2</b>
<b>Total Group A and Group B members</b>	<b>3,657</b>	<b>3,865</b>

## 9.6 Significant accounting judgements, estimates and assumptions

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

### Significant accounting judgements

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

# Notes to the financial statements *continued*

For the year ended 30 June 2025

## Significant accounting estimates and assumptions

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

## Classification of and valuation of investments

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

The investment in Sita Gen Tech Pty Ltd is treated as a joint venture and accounted for using the equity method, to record the Company's share of the net assets of the associate at acquisition date and any changes thereof. The in-kind contribution of the investment is classified as a contract liability; over time this will be recognised as income in the statement of profit or loss and other comprehensive income when the company delivers the services.

## 9.7 New accounting standards and interpretations

### Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following new and amended Australian Accounting Standards and AASB Interpretations that are relevant to its operations as of 1 July 2024:

- AASB 13 Fair value measurement of non-financial assets of not-for-profit public sector entities (AASB 2022-10)
- AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants [Deferred amendments now apply]
- AASB 2020-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities
- AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements

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

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

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

- AASB 18 Presentation and disclosure in financial statements for not-for-profit public sector entities.

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

# Notes to the financial statements *continued*

For the year ended 30 June 2025

## Directors' declaration

The directors declare that in the directors' opinion:

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

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

On behalf of the board



Paul Roderick  
Director

4 September 2025



Andrew Maughan  
Director

4 September 2025

# Independent auditor's report



Deloitte Touche Tohmatsu  
ABN 74 490 121 060

477 Collins Street  
Melbourne, VIC, 3000  
Australia

Phone: +61 3 9671 7000  
[www.deloitte.com.au](http://www.deloitte.com.au)

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

### *Opinion*

We have audited the financial report of Dairy Australia Limited (the "Entity") which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the declaration by the directors.

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

- (i) giving a true and fair view of the Entity's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

### *Basis for Opinion*

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

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

### *Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

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

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

# Independent auditor's report *continued*



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

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

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

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

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

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

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



## Independent auditor's report *continued*

**Deloitte.**

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

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

*SKortum*

Stuart Kortum Partner  
Chartered Accountants  
Melbourne, 4 September 2025

# Auditor's independence declaration



Deloitte Touche Tohmatsu  
ABN 74 490 121 060

477 Collins Street  
Melbourne, VIC, 3000  
Australia

Phone: +61 3 9671 7000  
[www.deloitte.com.au](http://www.deloitte.com.au)

4 September 2025

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

Dear Board Members

## Auditor's Independence Declaration to Dairy Australia Limited

In accordance with section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Directors of Dairy Australia Limited.

As lead audit partner for the audit of the financial report of Dairy Australia Limited for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

A handwritten signature in blue ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in blue ink that reads "SKortum".

Stuart Kortum  
Partner  
Chartered Accountants

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Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

# Appendix

## Statutory funding contract performance principles

The assessment framework sets out the performance principles in Dairy Australia's statutory funding contract and demonstrates adherence to the principles.

Performance principle and outcome	Actions taken
<b>Principle 1</b> Stakeholder engagement	<p>The Strategic Plan 2020–2025 was developed via broad stakeholder consultation and aligned with the Australian Dairy Plan.</p> <p>A new five-year strategic plan has been developed for 2025–2030, with broad stakeholder consultation across industry. This includes consultation in dairy regions, with Regional Development Programs (RDPs), ADF, ADPF and the Department of Agriculture, Fisheries and Forestry (DAFF). The Strategic Plan is published on our website.</p> <p>The Annual Investment Plan 2025–26 was developed following consultation and feedback from dairy farmers, RDPs, ADF, ADPF, and Dairy Moving Forward. Consultation also took place with industry policy groups, industry reference groups and DAFF.</p>
<b>Principle 2</b> Research, Development and Extension activities	<p>An Investment Review Panel (IRP), operating under a formal charter, assesses all proposed projects. Each submission to the IRP includes an outline of the strategic priority alignment, problem or opportunity to be addressed, potential impact if not pursued, budget, estimated delivery date and expected benefits to farmers and industry. This is captured in the project initiation request and recorded in the master data managed by the project management office.</p> <p>At the project initiation stage, farmers' willingness to adopt the tools or practices is considered and presented to the IRP prior to approval under a benefit-cost analysis.</p> <p>The project initiation templates capture all key requirements. Additionally, relevant stakeholders are consulted during the initiation stage with the outcome of the IRP decision communicated back to internal and external stakeholders.</p> <p>Investments in RD&amp;E are made through decisions under Delegations of Authority or as projects with third parties, while extension is delivered through the Dairy Australia extension team and third-party service providers to ensure optimal outcomes for the industry and the delivery of strategic priorities in the most cost-effective manner. Projects above IRP approval limits are referred to the board for investment approval.</p> <p>Our Regional Services team provides a diverse and capable local team in each dairy region to lead and facilitate extension services.</p>
<b>Principle 3</b> Collaboration	<p>Dairy Australia has projects listed on the growAg website.</p> <p>Our board and management participated in the evokeAG conference.</p> <p>Emerging National Rural Issues (ENRI) supported through participation, planning and engagement.</p> <p>Cross-RDC communications consultation currently takes place via the Council of RDCs on a range of common topics. The focus of these discussions is on sharing communications approaches and aligning where possible.</p> <p>Financially contributed to cross-sectoral collaboration with other research and development corporations:</p> <ul style="list-style-type: none"><li>• Australian Food and Wine – collaboration group \$ 80,000 – MLA, HIAL, Wine Australia, Seafood Industry Australia</li><li>• Dairy Farm Manager – sponsorship of three Horizon Scholars \$40,000 – AgriFutures</li><li>• Rural Health &amp; Safety Alliance 2 \$20,000 – AgriFutures</li><li>• Animal Industries Antimicrobial Stewardship \$11,040 – MLA</li><li>• Extension \$10,000 – Hort Innovation</li><li>• evokeAG 2025 Sponsorship – RDC Impact Hub \$2,500 – AgriFutures</li></ul>

Performance principle and outcome	Actions taken
<b>Principle 4</b> <b>Governance</b> Governance arrangements and practices to fulfil legislative requirements and align with contemporary Australian best practice for open, transparent, and proper use and management of funds.	<p>Our Evaluation Framework aligns with the 2020–2025 Strategic Plan. We continue to improve the way we evaluate our investments in line with the guidelines from the Council of Rural Research and Development Corporations (CRRDC). In addition, we continue to perform pre and post investment assessments.</p> <p>The Evaluation Framework is publicly available on our website. A regular portfolio review is also undertaken to monitor progress and action taken toward the achievement of the Annual Operating Plan. The executive summary is shared with DAFF, ADF and ADPF.</p> <p>In line with the requirements set out under the Australian Charities and Not-for-Profits Commission Act, Dairy Australia prepares annual financial statements and reports which are audited prior to submission to the Australian Charities and Not-for-Profits Commission.</p> <p>The Dairy Australia Annual Performance Report outlines key achievements and is available on our website.</p> <p>We maintain a Risk and Compliance Management Framework capturing both financial and non-financial risk. Under the Compliance Management Framework, we maintain several policies and procedures to support compliance obligations under Commonwealth and state legislation and regulatory requirements.</p> <p>Critical business support services, such as human resources, information technology, intellectual property, marketing and communications, strategy, project, innovation, farm, regional services and finance are well established with skilled knowledge, processes and systems to ensure ongoing management of financial and non-financial risk and compliance.</p>
<b>Principle 5</b> <b>Monitoring and evaluation</b> Demonstrate positive outcomes and delivery of RD&E (and marketing) benefits to Levy Payers and the Australian community in general and show continuous improvement in governance and administrative efficiency.	<p>Dairy Australia's Evaluation Framework aligns with the 2020–2025 Strategic Plan which has broad, cross-section investments to benefit farmers and industry.</p> <p>Our strategic priorities focused on seven pillars with performance monitored against each pillar. Dairy Australia ensures the right proportion of investment is made in each of the pillars. Our Annual Performance Report is shared with stakeholders and published on our website.</p> <p>The Evaluation Framework is publicly available and published on our website.</p> <p>In the investment decision process, we undertake impact assessments on projects across the total investment portfolio, quantifying the net benefits of these investments to levy payers and the Commonwealth wherever possible. Impact assessment comprises pre-investment (ex-ante) assessments of projects prior to approval by the Dairy Australia IRP and post-investment (ex-post) assessments after projects have concluded. The methodology typically employed is Benefit-Cost Analysis (BCA), consistent with the latest CRRDC guidelines (April 2018).</p>

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

# Our collaboration partners

## Group B members

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Australian Dairy Farmers Ltd  
Australian Dairy Products Federation Inc.

## Rural Research and Development Corporations

## Commonwealth and state governments

## Universities and educational partners

## Cross-agricultural committees

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Animal Health Australia – Industry and Members Forums  
Australian Food and Wine International Trade Collaboration Group  
Australian Pastures Genebank Steering Committee  
National Animal Biosecurity RD&E Strategy  
Plant Biosecurity Cross-Sector Strategy  
Research and Innovation Committee  
SAFEMEAT

## Industry groups

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Australian Dairy Farmers Policy Advisory Groups  
Australian Fodder Industry Association  
Australian Food and Grocery Council  
Australian Meat Advisory Council  
Dairy Company Quality Assurance Managers and Field Service Officers  
Dairy Manufacturers Sustainability Council  
Dairy Moving Forward Steering Committee  
Dietitians Association of Australia  
End Food Waste Australia  
Infant Formula Nutrition Council  
Regional Development Programs  
Royal Agricultural Societies  
State Dairy Farming Organisations  
Sustainable Agriculture Initiative  
Sustainable Packaging Working Group  
Sustainability Consultative Forum

## International groups

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Global Dairy Platform  
Global Dairy Sustainability Framework  
International Dairy Federation



## Key investment partners

Agriculture Victoria  
Ag Innovation Australia  
Artesian  
Austrade  
Australian Fresh Milk Holdings  
AgriZero NZ  
Barenbrug Australia Pty Ltd  
Beanstalk  
CSIRO  
DairyNZ  
DataGene  
Food Agility CRC  
Gardiner Foundation  
Global Victoria  
National Herd Improvement Association  
Pasture Trials Network Saputo  
Scibus  
Sustainability Victoria  
Tasmanian Institute of Agriculture

## Regulatory groups

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





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1800 004 377  
[enquiries@dairyaustralia.com.au](mailto:enquiries@dairyaustralia.com.au)  
[dairyaustralia.com.au](http://dairyaustralia.com.au)