



Annual Report

2024–25

Subtropical Dairy Programme Ltd



**Delivering
for Dairy**



Contents

Subtropical Dairy Board	2	Financial report	19
Subtropical Dairy staff	3	Director's declaration	25
Report from the Chair	4	Auditor's independence declaration	26
Executive Officer's report	6	Independent auditor's review report	27
Expenditure 2024–25	7	Acknowledgements	28
Operations 2024–25	8		



Subtropical Dairy board

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

During 2024–25, the Board met 10 times, excluding the Annual General Meeting. The Board Directors are listed below with a record of attendance. The Board also has committees including: Finance, Audit and Risk; Projects; Resource Management; Strategy and Innovation; and Extension and Adoption.

The Subtropical Dairy Finance, Audit and Risk Committee met twice during 2024–25. Members of the committee during 2024–25 were: Luke Stock, Mark Bauer, Elke Watson and Cameron Whitson.

Attended			Attended		
	Farmer Director: Glenore Grove, Qld Chair Committees: Finance, Audit and Risk; Resource Management; Strategy and Innovation	10/10		Independent Director Appointed 21 November 2024 Committees: Extension and Adoption; Project Committee	5/5
Luke Stock			Zita Ritchie		
	Farmer Director: Carney's Creek, Qld Vice Chair Committees: Projects; Strategy and Innovation	10/10		Independent Director Committees: Extension and Adoption; Projects	10/10
Ruth Chalk			Howard Smith		
	Independent Director Committees: Finance, Audit and Risk; Extension and Adoption; Strategy and Innovation	8/10		Farmer Director: Conondale Qld Committees: Extension and Adoption; Finance, Audit and Risk; Resource Management	10/10
Mark Bauer			Elke Watson		
	Farmer Director: Dorrigo, NSW Resigned 20 January 2025 Committees: Extension and Adoption; Projects; Strategy and Innovation	4/6		Independent Director Term ended 21 November 2024 Committees: Finance, Audit and Risk; Strategy and Innovation	5/5
Heath Cook			Cameron Whitson		
	Interim Farmer Director: Maleny, Qld Appointed 21 May 2025	1/1			
Dan Cork					

Subtropical Dairy staff

Subtropical Dairy had six staff during 2024–25. These were a mix of full-time and part-time Dairy Australia employees and Subtropical Dairy contractors.



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

Brad Granzin



Subtropical Dairy Lead Regional
Extension Advisor

Belinda Haddow



Subtropical Dairy Regional Extension Advisor:
Northern New South Wales
Resigned 5 July 2024

Heidi Barnier



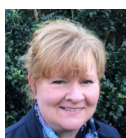
Subtropical Dairy Regional Extension Advisor:
Far North Queensland

Fiona Neville



Subtropical Dairy Regional Extension Advisor:
Northern New South Wales
Appointed 8 November 2024

Roisin Wilson



Subtropical Dairy
IT Manager

Di Gresham

Report from the Chair

2024–25 saw the continuation of good operating conditions across much of the Subtropical Dairy region. Milk production in Queensland and NSW grew for the second consecutive year, despite national milk production declining due primarily to very dry conditions across southern Australia.

Queensland Dairy Accounting Scheme (QDAS) 2023–24 results showed a continuation of the recent trend of improved annual profitability, with Earnings Before Interest and Tax (EBIT) per cow of \$895. This follows EBIT per cow results of \$986 in 2022–23 and \$861 in 2021–22.

As you are aware, Subtropical Dairy is one of eight Regional Development Programs (RDPs) across Australia funded primarily by Dairy Australia. The Regional Development Program model has stood the test of time, however, as with all things, the model needs to adapt to change. Generations of Subtropical Dairy and Dairy Australia boards have worked constructively over the last 28 years to create, refine and evolve how they work together. There has always been a strong interest and intent for continuous improvement. Our internal operating structures and strategies are continually adapting in response to our changing external operating environment.

There have been several strategies, business innovations, policies and cultural changes that is seeing Dairy Australia gradually evolve to a uniform farmer services model nationally, underpinned by a platform of support services, infrastructure and national projects. The key strategy driving RDP reform is the Farmer Services Strategy which was implemented by Dairy Australia in 2022. This strategy has introduced new methodologies relating to developing extension resources and 1:1 farmer engagement.

Of the eight RDPs in Australia, six have either moved, or are in the process of transitioning to a new operating model where Dairy Australia has responsibility for the delivery of services in regions. Subtropical Dairy is still reviewing its future options, however the continual significant reduction in core funding from Dairy Australia provides significant challenges for Subtropical Dairy to continue under its current strategic plan and operational model.

During 2024–25, our staff in Subtropical Dairy delivered 69 events to 1,215 participants. This compares with our 2023–24 delivery of 67 events to 1,167 participants. Average participation at each event was 18 which is comparable to the previous financial year. Extension programmes delivered by Subtropical Dairy during 2024–25 included: Understanding Farm Carbon Workshops, Rearing Healthy Calves in Practice, Milking and Mastitis Management and Healthy Hooves. We also continued to facilitate our Regional and Discussion groups. Our main communication channels during 2024–25 were the Northern Australian Dairy Hub, Northern Horizons, our Commodity Report and eNews.



Subtropical Dairy would also like to acknowledge the continuation of funding received during 2024–25 from the Farm Business Resilience Program, which is co-funded through the Australian Government’s Future Drought Fund and the Queensland Government’s Drought and Climate Adaptation Program. This funding totalled \$138,000 and was critical to Subtropical Dairy maintaining key projects such as the Commodity Report, additional on-farm technical consultancies, group events and collaborating in the North Queensland Dairy Development project. I would like to thank all our funders and sponsors during 2024–25, with special thanks to Dairy Australia and the Queensland Government.

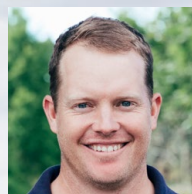
I would like to thank our consultants and collaborators for their efforts during the year, particularly the Department of Primary Industries Queensland. I would also like to acknowledge the ongoing support of regional processors and agribusiness.

I would like to thank my Board members for their diligence and governance over the 2024–25 year. It was unfortunate to see Heath Cook resign from the board in January this year. Heath’s linkages with Australian Dairy Farmers and Norco will be missed. The board welcomed Dan Cork in May as an interim director until our next Annual General Meeting in 2026. July 2024 also saw Heidi Barnier resign as our Regional Extension Advisor for northern NSW to take up a new role with Dairy Australia as a Carbon Farming Extension Advisor. In November 2024,

we welcomed Roisin Wilson to the Extension Advisor role for northern NSW.

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

I hereby submit my Chair’s report to the 2025 Annual General Meeting of Sub-tropical Dairy Programme Limited.



Luke Stock

(Digital signature)

Luke Stock
Chair
Subtropical Dairy Programme Ltd



Report from the Executive Officer

During 2024–25, Subtropical Dairy's revenue was \$636,842.

Our key revenue sources were Dairy Australia (\$396,926) and the Queensland Government's Farm Business Resilience Project (\$138,000). We also appreciate the financial support from regional agribusiness and processors during the year for projects such as regional dinners and Northern Horizons. During 2024–25, this sponsorship totalled approximately \$36,400. We also highly value the significant ongoing in-kind investment from the Queensland Government and milk processors. Including in-kind expenditure from collaborating organisations, Subtropical Dairy delivered projects valued at \$1.08 million.

Our expenditure during 2024–25 was invested in a variety of projects, all of which are aligned to the priorities outlined in our Strategic Plan 2023–2028.

Key projects delivered this year included:

- The employment of Regional Extension Advisors
- The deployment of Dairy Australia led Farm Engagement Lead services
- Co-delivery of the Queensland Government Farm Business Resilience Programme
- Collaboration with regional stakeholders in the delivery of the North Queensland Dairy Development Project
- Workshop and webinar delivery including the disciplines of advanced calf management, feeding systems, mastitis prevention and treatment, and herd nutrition
- Our networks such as our Regional Groups
- Our communication and engagement platforms such as our bimonthly newsletter, Northern Horizons, northernaustriandairyhub.com.au, the weekly eNews, the Commodity report and our Facebook page.

2024–25 also saw the second year of implementation of Subtropical Dairy's Strategic Plan 2023–2028. Of the 32 outcomes tabled in the plan, 20 are on target, three are partially on track and nine require significant action. Key areas of focus moving forward are:

- Delivering an extension model based on 1:1 support and confidential analysis to identify opportunities for business improvement
- Developing and delivering within year analysis tools focusing on profit, biophysical drivers and inherent farm characteristics
- Improving labour efficiency

- Improving soil management and utilisation of nutrients and water.

During 2024–25, we continued to invest in Regional Group projects, albeit on a reduced scale compared to previous years. These were:

- Driving enterprise profitability through the use of financial, biophysical and human resource key performance indicators (Far North Queensland)
- Funding agronomy consultancies in Central Queensland
- Publishing bimonthly case studies regarding on-farm safety (Sunshine Coast)
- The effect of ensiling time on starch availability in grain and forage sorghum silages (South-east Queensland)
- Evaluation of water trough agitators (South-east Queensland)
- Focus farms based on reproduction diseases (Darling Downs) and mastitis (Far North Coast New South Wales)
- An evaluation of contemporary perennial temperate pasture varieties suitable for the Dorrigo plateau (Mid North Coast New South Wales).

I have been truly fortunate to collaborate with a team of great colleagues during 2024–25: Belinda, Fiona, Roisin, Heidi, and Di. Their hard work, commitment and patience is greatly appreciated by the Subtropical Dairy Board, their Executive Officer, Dairy Australia, their service provider colleagues and the farmers who collaborate with them.

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

I hereby submit my Executive Officer's report to the 2025 Annual General Meeting of Sub-tropical Dairy Programme Limited.



Brad Granzin
(Digital signature)

Dr Brad Granzin Executive Officer
Subtropical Dairy Programme Ltd

Our investment during 2024–25

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

Subtropical Dairy expenditure 2024–25 (\$'000)

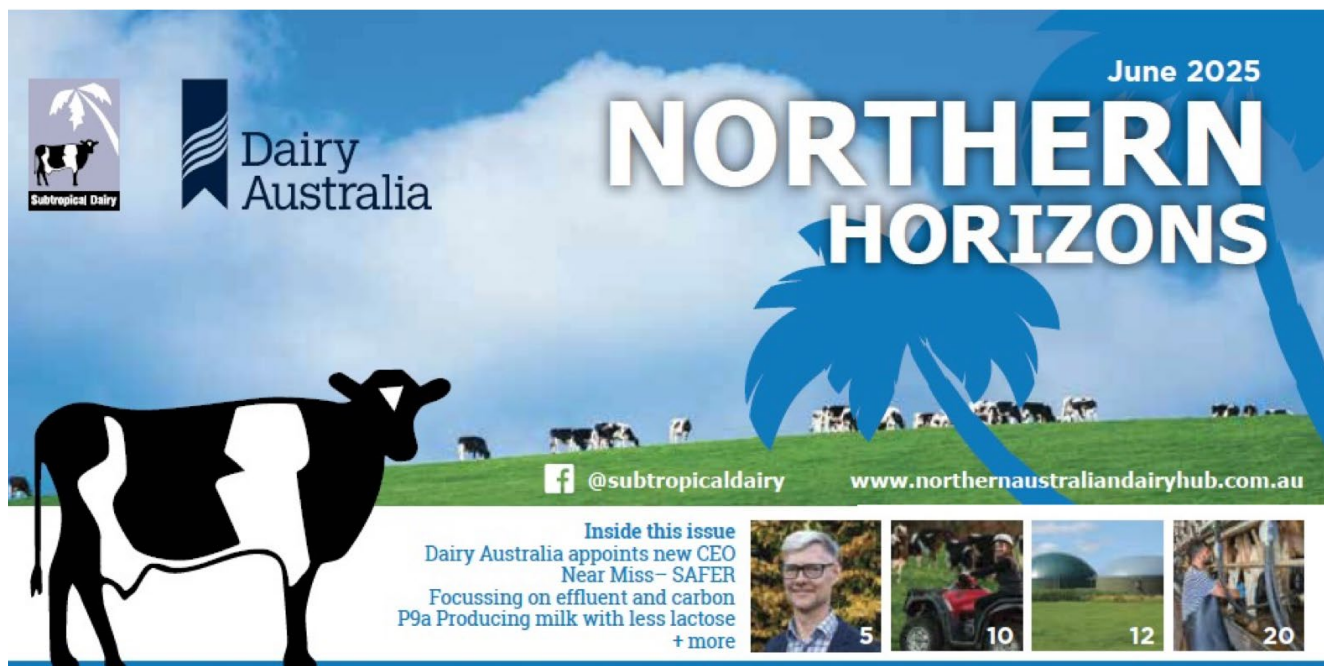


Operations 2024–25

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

Subtropical Dairy achieves this strategic outcome by:

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



Project and outputs	Description	Co-funder	Total funding inc. in kind
North Queensland Dairy Development Project	This project emerged from a strong collective sense to revitalise the North Queensland dairy farm sector through a number of key regional stakeholders. Key activities to date have included business reviews and the delivery of technical workshops.	Department of Primary Industries Queensland Drought and Climate Adaption Program and the Farm Business Resilience Program Bega Dairy Farmers Milk Cooperative	\$121,680
Northern Horizons (six editions)	A 24-page publication focussing on contemporary RD&E for the Northern Australian dairy industry.	Department of Primary Industries Queensland Corporate Sponsors	\$97,920
Regional dinners (seven events)	A series of regional dinners linking farm businesses and service providers.	Processors and agribusiness	\$67,600
Commodity pricing and availability report (25 editions)	These reports provide fortnightly market intelligence regarding by-product availability and pricing.	Queensland Government's Farm Business Resilience Program Dairy NSW Murray Dairy	\$66,380
Weekly eNews (51 editions)	A newsletter including upcoming events for all the Subtropical Dairy regions, Seasonal Reminders, and any other current links, information or news.	Dairy Australia	\$38,400
Website northernaustraliadairyhub.com.au	Local website co-delivered with Department of Primary Industries Queensland.	Department of Primary Industries Queensland	\$33,000
Service Provider Network	The Service Provider Network provides improved co-ordination and uptake of extension, education, emergency response and other services in the Subtropical Dairy region through a network of service providers and farmers working closely with industry.	State governments, processors and agribusiness	\$11,584
Investment forum	This forum provided an up-to-date account of the Australian dairy industry market trends and dairy farm performance with a focus on the Queensland and northern New South Wales dairy regions and other factors surrounding the dairy industry.	Department of Primary Industries Queensland New South Wales Department of Primary Industries and Regional Development Regional agri-banking institutions	\$9,120
Facebook	Subtropical Dairy maintains one Facebook page across its network.	Regional farmers and agribusiness	\$10,368

2 Delivering more customised and responsive farm services

Subtropical Dairy achieves this strategic outcome by:

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

Project and outputs	Description	Co-funder	Total funding inc. in kind
Farm Engagement Leads (60 farm visits and 194 remote consultations)	Dairy Australia employs Farm Engagement Leads who build relationships with farmers, understand their needs, and connect them with relevant resources. These leads also play a role in ensuring that farmer feedback is incorporated into the development of programs and initiatives. In Subtropical Dairy, these roles are incorporated into the duties of Regional Extension Advisors.	Dairy Australia	\$149,800
Regional Groups (six groups funded with eight meetings)	Undertake local R&D and advocate for Subtropical Dairy services. Eight projects were undertaken during 2024–25.	Queensland Government Farm Business Resilience Program Processors and agribusiness	\$77,160
Discussion groups (two groups with four events supported)	Subtropical Dairy funds support for discussion groups to enable dairy farmers to share ideas and learn from each other's experiences. This financial support can be facilitation, technical delivery or operating costs. Subtropical Dairy supports ongoing discussion groups based on regions, groups focussed on a particular topic or short-term discussion groups as follow up from a workshop or course.	Dairy Australia Queensland Government Farm Business Resilience Program Agribusiness	\$15,600



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

Farm business strategies and financial performance

Subtropical Dairy achieves this strategic outcome by:

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

Project and outputs	Description	Co-funder	Total funding inc. in kind
Developing and implementing farm performance KPIs – North Queensland Dairy Development Project (NQDDP)	A pilot tool was developed initially for Far North Queensland to allow for dairy farmers to increase profitability by improved decision making based on appropriate analysis and interpretation of key profit drivers. Prototypes have now been written for Partial and Total Mixed Ration systems.	Queensland Government Farm Business Resilience Program	\$54,800
Wealth Creation (one workshop)	This workshop explored practical pathways to achieve equity growth over time while considering finances, risk tolerance, and personal goals. Key topics covered included: the power of compounding and time, understanding how returns are generated and the important difference between capital expenditure and capital investment.	Dairy Business Support Services Program Farm Business Resilience Program Australian Government's Future Drought Fund NSW Government	\$5,280
Dairy Farm Business Analysis (one national online program)	This program assists farmers and their advisors to better understand and analyse farm business performance.	Dairy Australia	\$15,680
Farm System Evaluator (three workshops)	This two-day workshop is designed for farmers who are considering any level of infrastructure investment, whether it be a free-stall dairy, a feedpad or another option. The workshop covers how the Farm System Evaluator tool supports participants to assess future farm business needs and how new infrastructure can be integrated into the farming system.	Dairy Australia Queensland Department of Primary Industries	\$15,840
Development of a seasonal decision support system	In terms of seasonal milk production, this prototype decision support system will assist dairy farm businesses understand their biophysical, financial and people strengths and weaknesses of their systems and adapt their seasonal milk production strategies accordingly.	Nutrien-Ag	\$15,360



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

Agronomy and herd nutrition

Subtropical Dairy achieves this strategic outcome by:

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

Project and outputs	Description	Co-funder	Total funding inc. in kind
Nutrition Fundamentals (three workshops and one webinar)	A program which reviews fundamental nutritional science and its application in subtropical and tropical dairy farming systems.	Dairy Australia	\$23,680
Advanced Nutrition in Action (one series of multiple workshops)	A program for those with a solid grasp of dairy nutrition and feeding management and looking to extend their capabilities to a higher level.	Dairy Australia	\$16,880
Understanding Farm Carbon (three workshops)	This workshop supports dairy farm businesses to understand the drivers of greenhouse gas emissions and how to reduce their carbon footprint. From understanding industry requirements to assessing potential productivity and environmental benefits, the workshop provides farmers with essential information and practical steps.	Dairy Australia	\$14,760
Effluent Management (two workshops)	Topics covered in these workshops included: the importance of effluent system design, the benefits of using effluent, planning for changes to farming systems, anaerobic digestion and biogas.	Dairy Australia	\$10,620
Explore Sustainable Practices (one workshop)	This workshop assists dairy farmers to better understand, benchmark and identify actions to improve their farm's sustainability performance. The workshops cover a range of topics from animals to energy to effluent and biodiversity, and explores best practice examples of sustainability in terms of efficient and profitable production systems. The workshop also uses the Farm Environmental Tracker tool.	Dairy Australia	\$5,340
Agronomy on-farm consultancies (Central Queensland)	These consultancies were delivered by Glenn Perkins. Topics covered included soil fertility, crop options and herbicide management.	Queensland Government Farm Business Resilience Program	\$22,860



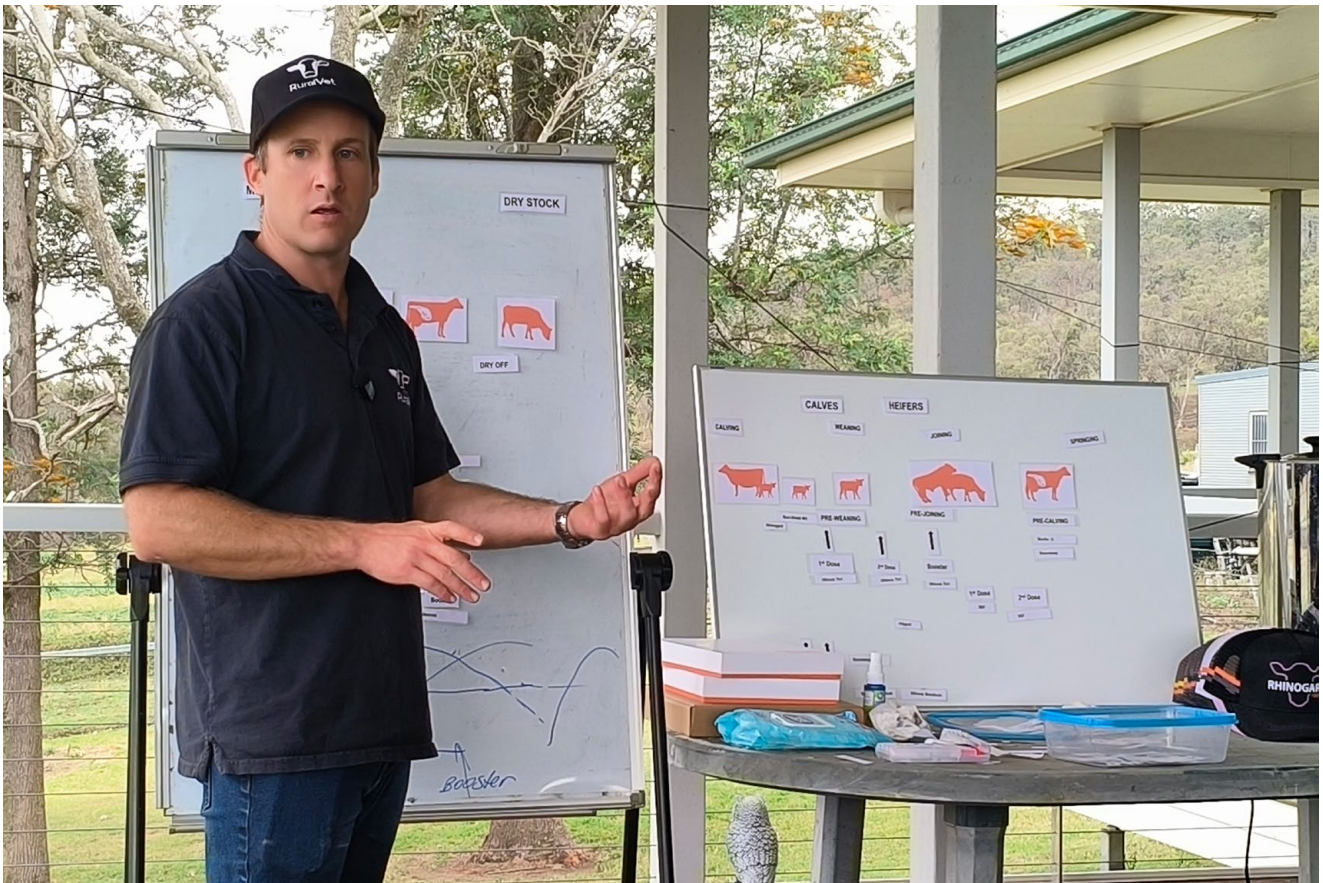
3 Supporting more competitive, contemporary and resilient farm businesses and systems

Herd development, performance, health and welfare

Subtropical Dairy achieves this strategic outcome by:

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

Project and outputs	Description	Co-funder	Total funding inc. in kind
Healthy Hooves (six workshops)	Covers key aspects for prevention of lameness, how to recognize lame cows early and treat simple cases.	Dairy Australia	\$32,040
Low stress calving (four workshops)	Low Stress Calving is an on-farm, group discussion focusing on how transition cow feed management can adapt fresh cows rums to high energy feeds, avoid milk fever and other health problems around calving related to hypocalcaemia and body condition loss in early lactation.	Dairy Australia	\$22,620
Disbudding (one pilot workshop)	Focusing on industry best practices, this workshop equips participants with the knowledge and skills to responsibly manage disbudding procedures and make well-informed decisions. Key topics covered are: successfully and safely carrying out best practice disbudding, understanding and implementing appropriate pain relief options, ensuring compliance with industry requirements and regulations, and exploring the role and opportunity of polled genetics.	Dairy Australia	\$4,920
Rearing Healthy Calves in Practice (four regions/11 workshops)	This workshop series was delivered over three facilitated on-farm sessions, building upon the Rearing Healthy Calves Fundamentals course. Participants examine their own calf rearing operations to identify areas for improvement. At the completion of this review, they will be encouraged to develop a farm action plan to support achievement of their specific calf rearing goals.	Dairy Australia	\$55,040
Managing herd body condition after adverse seasons (one workshop NQDDP)	Topics covered included measuring body condition score and ideal targets for lactating cows, dry cows and heifers; the impacts of body condition on herd health, productivity and profitability and the benefit/cost of strategies to manage body condition.	Queensland Department of Primary Industries Bega	\$5,480
Vaccination workshop (one region)	In conjunction with Zoetis, this workshop reviewed dairy herd vaccination options and programs.	Zoetis	\$4,920
Milking and Mastitis workshops (six workshops)	This workshop was designed to help both farm owners, managers and employees to deliver best practice management regarding milk harvesting and milk quality, with the emphasis on the detection, treatment and prevention of clinical mastitis.	Dairy Australia Queensland Government Farm Business Resilience Program	\$34,520
Milking Mastitis Management – online self-facilitated program	Topics covered include herd movement, workplace health and safety, milking techniques, post-milking teat disinfection, detection of clinical mastitis and water use around cows in the dairy.	Dairy Australia	\$3,908



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

Staff

Subtropical Dairy achieves this strategic outcome by:

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

Project and outputs	Description	Co-funder	Total funding inc. in kind
Case studies Near Miss (six)	These case studies describe events on farm related to Workplace Health and Safety.	Di Gresham	\$17,000







Financial report

Statement of comprehensive income for the year ended 30 June 2025

	Note	2025	2024
		\$	\$
Revenue	2a	637,203	830,348
Depreciation expenses		(185)	(32)
Operating expenses	2b	(688,922)	(911,320)
Surplus (Deficit) before income tax expense		(51,904)	(81,004)
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the members of Sub Tropical Dairy Programme Ltd		(51,904)	(81,004)
Other comprehensive income for the year net of tax		-	-
Total comprehensive income/(loss) for the year, attributed to members		(51,904)	(81,004)

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2025

	Note	2025	2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	3	170,315	307,679
Trade and other receivables	4	37,473	21,789
Other financial assets	5	763,712	724,755
Other current assets	6	4,057	4,051
Total current assets		975,557	1,058,274
Non-current assets			
Plant and equipment	7	-	185
Total non-current assets		-	185
Total assets		975,557	1,058,459
Current liabilities			
Trade and other payables	8	79,774	110,772
Total current liabilities		79,774	110,772
Total liabilities		79,774	110,772
Net assets		895,783	947,687
Equity			
Retained surplus		895,783	947,687
Total equity		895,783	947,687

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2025

	Retained surplus	Total
	\$	\$
Balance at 1 July 2023	1,028,691	1,028,691
Surplus (Deficit) for the year	(81,004)	(81,004)
Balance at 30 June 2024	947,687	947,687
Surplus (Deficit) for the year	(51,904)	(51,904)
Balance at 30 June 2025	895,783	895,783

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2025

	Note	2025	2024
		\$	\$
Cash flows from operating activities			
Receipt from grants		589,063	811,084
Payments to suppliers and employees		(719,927)	(836,527)
Interest received		32,457	28,554
Net cash (used in)/generated from operating activities	9	(98,407)	(3,111)
Cash flows from investing activities			
Payments for debentures and deposits		(38,957)	(317,766)
Increase (decrease) in cash held		(38,957)	(314,655)
Cash and cash equivalents at the beginning of the financial year		307,679	622,335
Cash and cash equivalents at the end of the financial year	3	170,315	307,679

The accompanying notes form part of these financial statements.

Notes to the financial statement for the year ended 30 June 2025

Note 1 Summary of material accounting policy information

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

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

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

The accounting standards for Special purpose are:

AASB 101, Presentation of Financial Statements

AASB 107, Statement of Cash Flows

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

AASB 124, Related Party Disclosures

AASB 1048, Interpretation of Standards

AASB 1054, Australian Additional Disclosures.

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

Accounting policies

(a) Revenue

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

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

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

(b) Trade receivables

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

(c) Impairment of assets

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

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

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

(d) Cash and cash equivalents

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

(e) Other financial assets

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

(f) Goods and Services Tax (GST)

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

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

(g) Income tax

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

(h) Comparative figures

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

(i) Critical accounting estimates and judgments

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

(j) Economic dependence

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

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

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

(l) Related party transactions

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

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

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

Note 2 Surplus/(Deficit) for the year

	2025	2024
	\$	\$
a Revenue		
Funding received	605,388	796,013
Interest received	31,815	34,335
	637,203	830,348
b Operating expenses		
Project expenses	410,027	624,979
Industry meetings	89,559	91,167
Communication	9,888	14,704
Project management	139,169	149,819
Administration	34,889	25,751
Audit fees	5,390	4,900
Bad debts	-	-
	688,922	911,320

Note 3 Cash and cash equivalents

	Note	2025	2024
		\$	\$
Cash at bank		170,315	307,679
		170,315	307,679

Note 4 Trade and other receivables

	Note	2025	2024
		\$	\$
Current			
Trade receivables		28,058	11,733
Credit cards		-	-
GST refundable		-	-
Interest accrued		9,415	10,056
		37,473	21,789

Note 5 Other financial assets

	Note	2025	2024
		\$	\$
Term deposits (Held – to – maturity investments)		763,712	724,755
		763,712	724,755

Note 6 Other current assets

	Note	2025	2024
		\$	\$
Prepaid insurance		4,057	4,051
		4,057	4,051

Note 7 Plant and equipment

	Note	2025	2024
		\$	\$
Plant and equipment – at cost		–	13,320
Less accumulated depreciation		–	(13,135)
Total plant and equipment		–	185

Note 8 Trade and other payables

	Note	2025	2024
		\$	\$
Current			
Other amounts payable		77,034	107,237
GST payable		2,740	3,535
		79,774	110,772

Note 9 Cash flow information

	Note	2025	2024
		\$	\$
Reconciliation of cash flows from operations with			
Surplus/(Deficit) for the year		(51,904)	(81,004)
Non cash flows			
Depreciation		185	32
Changes in assets and liabilities			
Decrease/(increase) in receivables and other assets		(15,690)	8,752
(Decrease)/increase in trade and other payables		(30,998)	75,331
Net cash flows (used in)/provided by operating activities		(98,407)	3,111

Note 10 Entity details

The registered office of the company is:

455 Tregeagle Road, Tregeagle NSW 2480

The principal place of business is:

455 Tregeagle Road, Tregeagle NSW 2480

Note 11 Member guarantee

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

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

At 30 June 2025 the number of members was 7;
at 30 June 2024 the number of members was 7.

Directors' declaration

The directors of the company declare that:

- a The financial statements and notes, as set out on pages 19–24, are in accordance with the *Corporations Act 2001* and:
 - i comply with Australian Accounting Standards to the extent of Note 1;
 - ii give a true and fair view of the financial position as at 30 June 2025 and of the performance for the year ended on that date in accordance with the accounting policies described in Note 1 of the financial statements.
- b In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Ruth Chalk

(Digital signature)

Ruth Chalk

Director

Luke Stock

(Digital signature)

Luke Stock

Director

22 October 2025

Auditor's independence declaration

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025 there have been no contraventions of:

- 1 the auditor independence requirements as set out in Section 307C of the *Corporations Act 2001* in relation to the review; and
- 2 any applicable code of professional conduct in relation to the review.



Tafadzwa Mudarikwa
Associate Partner
Brisbane

22 October 2025

Crowe Audit Australia
ABN 13 969 921 386
Digital Audit Hub
1300 236 893



Independent auditor's review report

To the Directors of Sub-tropical Dairy Programme Ltd

Report on the financial report

We have reviewed the accompanying financial report, being a special purpose financial report, of Sub-tropical Dairy Programme Ltd (the Company), which comprises the Statement of Financial Position as at 30 June 2025, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in equity and Statement of Cash Flows for the year then ended, notes comprising a summary of material accounting policy information and other explanatory information, and the Directors' Declaration on the annual statements giving a fair view of the financial position and performance of the company.

Committee's responsibility for the financial report

The committee of the company is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 is appropriate to meet the needs of the members. The committee's responsibilities also include such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with the reporting requirements of the association.

As the auditor of Sub-tropical Dairy Programme Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the review of the annual financial report. A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, subject to the effects of such adjustment, if any, nothing has come to our attention to believe that the financial report of Sub-tropical Dairy Programme Ltd does not present fairly the financial position of Sub-tropical Dairy Programme Ltd as at 30 June 2025 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis of accounting and restriction on distribution

Without further modifying our conclusion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Sub-tropical Dairy Programme Ltd to meet their reporting requirements. As a result, the financial report may not be suitable for another purpose.



Tafadzwa Mudarikwa
Associate Partner
Brisbane

22 October 2025

Crowe Audit Australia
ABN 13 969 921 386
Digital Audit Hub
1300 236 893

Acknowledgements

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

- Advanced Rural
- Agrimentum
- Alltech Lienert Australia
- Australasian Dairy Consultants
- BEC Feed Solutions
- Bega Dairy and Drinks
- Castlegate
- Chairs and Secretaries of SDP Regional Groups
- Conrad Carlile Accountants
- Crowe Australia
- Dairy Australia
- Dairy Express
- Dairy Farmers Milk Co-operative
- Dairyfields Co-operative
- DairyNext
- Dairy New South Wales
- Datagene
- Department of Primary Industries Queensland
- DHA Rural Sales
- Far North Coast Dairy Industry Group
- Feed Central
- Gympie Veterinary Services
- Jefe
- Kenilworth Veterinary Surgery
- Lallemand Animal Nutrition
- Lockyer Bookkeeping Service
- Malanda Rural Supplies
- Maleny Dairies
- McGregor Gourlay
- Murray Dairy
- New South Wales Department of Primary Industries
- North Coast Local Land Services
- Novus
- Nutrien Ag
- Queensland Machinery Agency
- Queensland Rural and Industry Development Authority
- Richmond Dairies
- Ridley Agriproducts
- RuralVet
- Scenic Rim Regional Council
- Solar Energy and Battery Storage Solutions
- The Drawing Room
- The Milk Processors that source Subtropical Dairy milk: Kenilworth Dairies, Lactalis, Bega, Maleny Cheese; Maleny Dairies, Mungalli Dairy, Norco, Richmond Dairies and Scenic Rim 4 Real Milk
- Zoetis





Subtropical Dairy

+61 431 197 479

brad@subtropicaIdairy.com.au

subtropicaIdairy.com.au

Disclaimer

The content of this publication is provided for general information only and has not been prepared to address your specific circumstances. We do not guarantee the completeness, accuracy or timeliness of the information.

Acknowledgement

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

© Dairy Australia Limited 2025. All rights reserved.

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