

OFFICIAL

**HOUSE OF ASSEMBLY
LAID ON THE TABLE**

28 Nov 2023



DAIRYSAFE
Leaders in dairy food safety

DAIRY AUTHORITY OF SOUTH AUSTRALIA

2022-23 Annual Report

136 Glen Osmond Road, Parkside, SA 5063

<http://www.dairy-safe.com.au>

Contact phone number: +61 8 8223 2277

Contact email: admin@dairy-safe.com.au

ISSN: 2205 – 6866 (print)

2205 – 6874 (online)

Date approved by the Board: 11 September 2023

Date presented to Minister: 29 September 2023

OFFICIAL

OFFICIAL

2022-23 ANNUAL REPORT for the Dairy Authority of South Australia (t/as Dairysafe)

To:

Hon. Clare Scriven MP

Minister for Primary Industries and Regional Development

Minister for Forest Industries

I am pleased to provide you with Dairysafe's Annual Report for 2022-2023.

The annual report is to be presented to Parliament to meet the statutory reporting requirements of the *Primary Produce (Food Safety Schemes) (Dairy) Regulations 2017*, the *Public Sector Act 2009* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Dairy Authority of South Australia (t/a 'Dairysafe') by:

Roseanne Healy

Dairysafe Presiding Member (Chair)



Date: **29 September 2023**

From the Dairysafe Chair

On behalf of the Dairysafe Board, it is a pleasure to present the Annual Report and financial accounts for 2022-2023.

Dairysafe is a regulator that operates in a dynamic environment and we specialise in ensuring that national dairy food safety standards are successfully applied throughout South Australia's dairy supply chain. Our primary focus is on keeping consumers safe, providing value, and supporting businesses to be resilient, sustainable, and successful.

The 2022-2023 year has been one of further growth and development for Dairysafe, implementing our 2021-2024 Strategic Directions and maintaining an emphasis on Dairysafe's 4 strategic priorities:

- Leading food safety regulation
- Connecting the industry
- Inspiring a food safety culture
- Building industry and consumer confidence

This year's Report illustrates that throughout the year Dairysafe delivered on the commitments, aims and objectives of our Strategic Directions. I can confidently say Dairysafe has successfully realised a number of key goals by:

- Keeping consumers safe by setting, monitoring and regulating local and national standards.
- Creating a more knowledgeable and interconnected industry through engagement, technology and data.
- Leading the South Australian dairy community to embrace a food safety culture.
- Building industry and business confidence that translates to consumer confidence.
- Modernising and investing in the capabilities of our organisation to ensure we deliver the strategy.

In realising these goals Dairysafe has delivered the following initiatives:

- Further developing our data management system to incorporate a client portal which provides transparency and access to business specific information.
- Finalising the development of an incentive and risk-based Verification Framework (in partnership with PIRSA and in consultation with SA Health).
- Awarding the '2022 Dairysafe Food Safety Culture Award' to acknowledge the outstanding efforts of dairy processors who have championed food safety practices.
- Completing comprehensive audits of export-registered dairy processors on behalf of the Commonwealth.
- Successfully transitioning to a fit-for-purpose office with industry training facilities.

As a regulatory body, Dairysafe aims to strike a balance between specialisation and collaboration, while remaining transparent, open to feedback, and responsive. We recently conducted a stakeholder survey in May 2023, and have observed improvements in several areas, including the quality of communication, reliability as a source of information, alignment with industry risks and performance, stakeholder engagement, audit value, effectiveness as a food safety regulator, quality of food safety information, and how industry values the partnership with Dairysafe.

The South Australian dairy industry is known for its safe and high-quality products, achieved through collaboration with industry and stakeholders. This is reflected in their performance outcomes, including: zero cases of foodborne illness associated with SA dairy products, no pathogens found in processed SA dairy products at retail level, no antibiotic residue detected in processed SA dairy products, and no critical non-conformances found during audits.

The Dairysafe Board is committed to maintaining our pursuit of excellence and best practice in partnership with industry for the betterment of the industry. As a statutory authority we are mindful that we must work smart:

- We are committed to using and investing in technology that promotes transparency, accessibility, and efficiency.
- We have taken a proactive approach in reviewing the legislative framework, modernisation, and verification models to address changes in the industry and operating environment.
- We maintain a focus on ensuring the Regulations are in step with changing expectations of the industry.
- As part of our responsibilities, we regularly communicate with and provide guidance to the Minister regarding issues affecting the Dairy Food Safety Scheme, in order to ensure its effectiveness.

Dairysafe delivers all audit and verification services for the South Australian dairy sector which, I'm happy to say, has included export audits in 2022-2023. We feel these arrangements provide the industry with enhanced connection and improved access to knowledge sources, approval processes and potential assistance programs that complement regulatory guidance and market access.

Our collaborations with industry partners and stakeholders have allowed Dairysafe to consistently enhance our services and focus. We share information and frequently evaluate our systems and processes throughout the dairy industry. I am certain that these efforts guarantee a strong and efficient South Australian dairy food safety program.

This Annual Report outlines Dairysafe's performance and the work completed during the 2022-2023 period.

I'd like to extend my appreciation to the Dairysafe Board and our specialist team for their outstanding contributions to the organisation and to the South Australian dairy industry throughout 2022-2023.



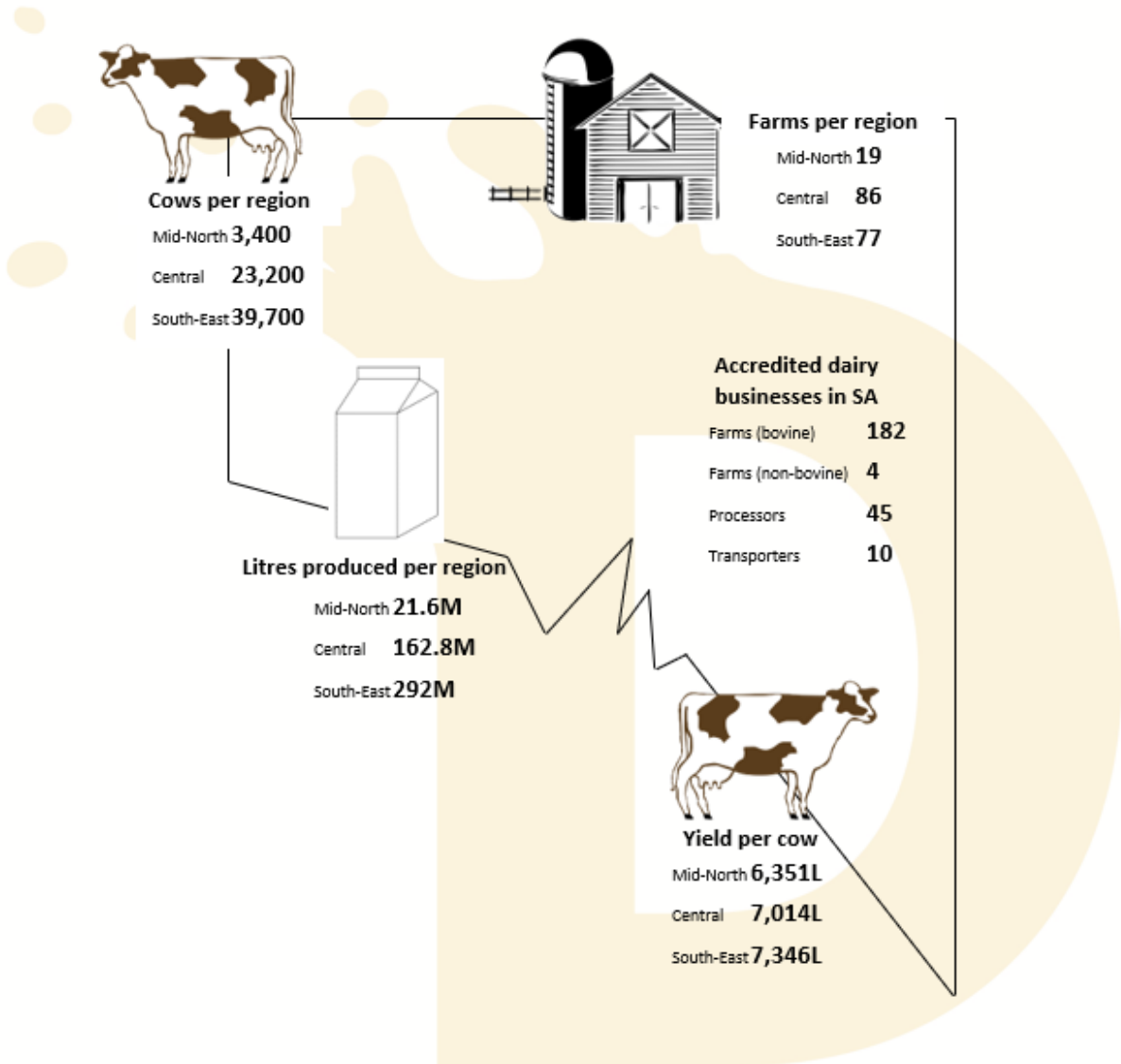
Roseanne Healy

Dairysafe Chair

Dairy Authority of South Australia (trading as
'Dairysafe')



South Australian dairy industry at a glance



Contents

Overview: about Dairysafe	9
Our strategic focus.....	10
Our organisational structure.....	13
Our Minister	13
Dairysafe Board	14
Dairysafe Operational Team	16
Legislation administered by Dairysafe	16
Other related agencies (within the Minister’s area/s of responsibility).....	16
Dairysafe’s performance	17
Performance at a glance.....	17
Profile - South Australian Dairy Industry	17
National Production.....	17
Snapshot - the South Australian Dairy Industry	17
Dairy farm herd size.....	18
Regional milk production.....	18
Herd size, farms and milk production across the regions.....	18
Milk production and yield	19
Farm production.....	20
Contribution to national milk production	20
Accredited dairy businesses	20
Dairy farms.....	21
Dairy processors	22
Dairy transporters	22
Dairy industry workforce	22
Milk production statistics	23
Dairysafe specific objectives and performance	23
Corporate performance summary - Dairysafe Board outcomes	28
Employment opportunity programs	34
Agency performance management and development systems.....	35
Work health, safety and return to work programs	36
Executive employment in the agency.....	38
Financial performance	39
Financial performance at a glance	39

Consultants disclosure 39

Contractors disclosure 40

Risk management..... 42

 Risk and audit at a glance..... 42

 Fraud detected in the agency..... 42

 Strategies implemented to control and prevent fraud..... 42

 Public interest disclosure 43

Reporting required under any other act or regulation 44

 Reporting required under the *Carers' Recognition Act 2005*..... 44

Public complaints..... 45

 Number of public complaints reported 45

 Additional Metrics..... 46

 Service Improvements 47

 Compliance Statement..... 47

Appendix: Audited financial statements 2022-23 48

Overview: about Dairysafe

Dairysafe is the statutory authority responsible for regulating the South Australian dairy industry to safeguard public health. Established on 1 July 1993, the Dairy Authority of South Australia, trading as 'Dairysafe', consists of three Members appointed by the Governor, one of whom is appointed as Presiding Member. Dairysafe is accountable to the South Australian Government through the Minister for Primary Industries and Regional Development.

Dairysafe's work as the accreditation body and overseeing the safe production of dairy products is carried out by a small team of technical specialists.

Legislative functions are outlined the *Primary Produce (Food Safety Schemes) Act 2004* and in regulation 12 of the *Primary Produce (Food Safety Schemes) (Dairy) Regulations 2017*:

12—Functions of Authority

- 1) The Authority is the accreditation body for the classes of activities to which the dairy industry food safety scheme applies.
- 2) The Authority has the following functions:
 - a) to administer the dairy industry food safety scheme
 - b) to monitor the extent of compliance by accredited producers with Standard 4.2.4 of the Food Standards Code and to enforce the Standard
 - c) to approve food safety arrangements to be adopted by accredited producers and monitor the implementation of such arrangements
 - d) to advise the Minister on matters relating to the administration of the dairy industry food safety scheme
 - e) to carry out other functions assigned to the Authority by these regulations or the Minister.

Dairysafe's role is to maintain a robust regulatory framework that ensures dairy products are produced in accordance with national food safety standards, and that also underpins market access and facilitates growth of the SA dairy industry. This ensures that standards are complied with at each point in the supply chain and producers and processors have the capacity and capability to produce safe dairy products.

Dairysafe accredits dairy farmers, raw milk transporters and dairy processors and audits accredited businesses for compliance with national food safety standards. Dairysafe also assists businesses along the supply chain to resolve issues that can impact the integrity of dairy products. The objective is to apply an appropriate accreditation and compliance verification framework whilst not stifling innovation.

Around 250 dairy businesses are accredited by Dairysafe, and each of these businesses must have a food safety program and be subject to an audit and verification program.

While most dairy farmers and dairy processors are involved in the production of cow's milk products, Dairysafe also accredits buffalo, goat, sheep and camel milk producers. Accredited processes include the manufacture of pasteurised milk, cream, cheese, milk powders, butter, ice cream, yoghurt, dairy dips and desserts and ghee.

Ensuring safe food practices and the production of wholesome dairy products is a collaborative effort between industry and Dairysafe as the regulator.

Dairysafe’s role is to work with each unique business to verify they carry out their business in a safe way. Dairysafe is committed to South Australia’s dairy community embracing a positive and effective food safety culture with a focus on continual improvement.

Our strategic focus

<p>Our Purpose</p>	<p>Dairysafe is an independent statutory authority established under regulation 7 of the <i>Primary Produce (Food Safety Schemes) (Dairy) Regulations 2017</i>.</p> <p>Dairysafe is the accreditation body for the dairy industry food safety scheme in South Australia and is funded by industry accreditation fees.</p> <p>The role of Dairysafe is to ensure that South Australian dairy products are produced in accordance with Australia’s national food safety standards at each point along the supply chain.</p> <p>Dairysafe achieves this by accrediting dairy farmers, dairy transporters and dairy processors and verifying their capacity and performance in complying with food safety standards.</p> <p>Dairysafe’s regulatory, verification and communication activities support the reputation of South Australia’s dairy industry, and the State’s enviable food safety and product integrity standards.</p>
<p>Our Mission</p>	<p>To lead the South Australian dairy community to embrace a food safety culture.</p>
<p>Our Vision</p>	<p>For customers to have confidence in the dairy industry.</p>
<p>Our Desired Outcomes</p>	<ol style="list-style-type: none"> 1. To keep consumers safe. 2. Delivering value to businesses through consistent food safety regulation and minimal regulatory burden. 3. Supporting businesses to be resilient, sustainable and growing.
<p>Our Values</p>	<p>Leadership – Dairysafe takes a leadership role in the industry to facilitate the future sustainability and growth of the industry and for the ultimate safety of the consumer.</p> <p>Excellence – Dairysafe is ambitious in our desire to be recognised as the national and international leader in dairy food safety standards. As such, our commitment to best practice and our pursuit of excellence is relentless. We seek to facilitate best practices to help South Australia’s dairy industry be recognised internationally for food innovation and safety.</p>

	<p>Knowledge – Dairysafe values the creation and dissemination of knowledge for the betterment of the Industry. The South Australian dairy industry regards us not only as an invaluable source of knowledge, but also an essential business partner.</p> <p>Independence – As a statutory body financed by industry, the Dairysafe team is recognised for its fiercely independent, unbiased and a-political views. In a position as regulator and food safety custodian, the Dairysafe team is entrusted to act with integrity and transparency in every aspect of our business.</p> <p>Agility – Dairysafe is recognised for its dynamic and pro-active approach. We partner with industry to provide them with tools and information to ensure their products meet all dairy food safety standards. Our entrepreneurial spirit ensures we are responsive to the needs of industry and endeavour to assist them in being renowned for food innovation and safety.</p>
<p>Our Strategic Priorities</p>	<p>Leading food safety regulation – To keep consumers safe by setting, monitoring and regulating local and national standards.</p> <p>Connecting the industry – To create a more knowledgeable and interconnected industry through technology and data.</p> <p>Inspiring a safety culture – To lead the South Australian dairy community to embrace a food safety culture.</p> <p>Building industry and consumer confidence – To build industry and business confidence that will translate into consumer confidence.</p>
<p>Our functions, objectives and deliverables</p>	<p>Legislative Functions:</p> <ol style="list-style-type: none"> 1. To administer the dairy industry food safety scheme. 2. To monitor the extent of compliance by accredited dairy producers with Standard 4.2.4 of the Food Standards Code and to enforce the Standard. 3. To approve food safety arrangements to be adopted by accredited dairy producers and monitor the implementation of such arrangements. 4. To advise the Minister on matters relating to the administration of the Dairy Food Safety Scheme. 5. To carry out other functions assigned to the Authority by these regulations or the Minister. <p>Strategic Priorities / Goals / Desired Outcomes:</p> <p>Strategic Priority #1: Leading food safety regulation</p> <p><u>Goal</u>: To keep consumers safe by setting, monitoring and regulating local and national standards</p>

Desired Outcomes:

1. Fit-for-purpose risk-based verification
2. Regulatory solutions for food safety gap areas
3. Industry thought leadership

Strategic Priority #2: Connecting the industry

Goal: To create a more knowledgeable and interconnected industry through technology and data

Desired Outcomes:

1. Defined industry information requirements
2. Implementation of a platform to access information and provide ongoing eco-system development

Strategic Priority #3: Inspiring a food safety culture

Goal: To lead the South Australian dairy community to embrace a food safety culture

Desired Outcomes:

1. Advice regarding maintaining a safe dairy culture
2. Learning pathways for businesses and individuals
3. Leadership in industry alignment and streamlining
4. A collaborative 'co-ownership' safety culture across the industry

Strategic Priority #4: Building industry and consumer confidence

Goal: To build industry and business confidence that will translate into consumer confidence

Desired Outcomes:

1. Available tailored business and individual learning programs
2. Strong safety reputation
3. Recognised industry champions
4. Confidence in the industry
5. Industry growth, premium products, increased productivity

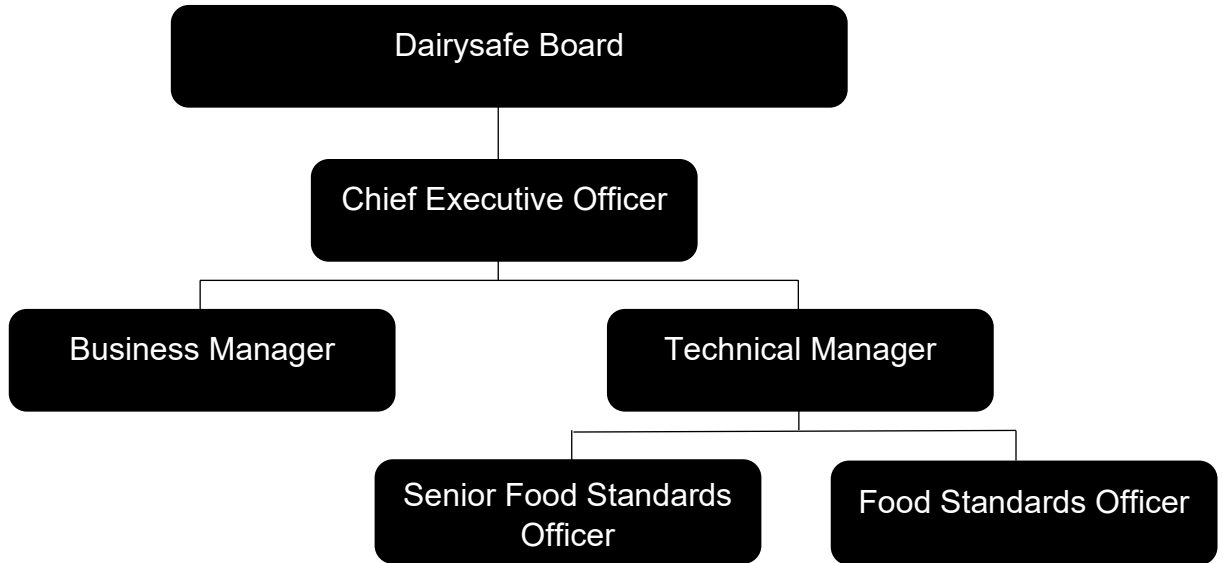
Strategic Priority #5: Organisation capabilities to deliver

Goal: To invest in the capabilities of the organisation to ensure it can deliver the strategy

<p><u>Desired Outcomes:</u></p> <ol style="list-style-type: none">1. Trusted and respected auditors / regulator2. Sought out for advice and thought leadership3. Platform of information and knowledge

Our organisational structure

Dairysafe is a small Authority consisting of a statutory Board of three and small operational team comprising 5 fulltime equivalent staff.



Changes to the agency

During 2022-23 there were no changes to the agency’s structure and objectives as a result of internal reviews or machinery of government changes

Our Minister

The Hon. Clare Scriven MP was appointed as the Minister for Primary Industries and Regional Development and as the Minister for Forest Industries on 24 March 2022. The Minister is also a Member of the Executive Council.



Dairysafe Board

The Dairysafe Board is the accreditation body for South Australia’s dairy food safety scheme.

Regulation 8 of the *Primary Produce (Food Safety Schemes) (Dairy) Regulations 2017* outlines the membership of the Board – 3 members are appointed by the Governor, with one appointed as the presiding member (Chair). Members are appointed a term not exceeding (3) year terms. The procedures, functions and powers of the Authority are provided in regulations 10-13 of the Regulations.

Throughout 2022-2023 the Dairysafe Board included:

- Presiding Member (Chair)** Ms Roseanne Healy
- Board Member** Mr Michael Connor
- Board Member** Mr George Kamencak



Roseanne Healy joined the Board on 1 July 2015 and has officiated as the Presiding Member since that date. Roseanne is an experienced non-executive director who has served on the boards of not-for-profit and ASX listed companies, as well as statutory corporations in the corporate finance, agribusiness and innovation sectors. She is an accomplished Director and Board Chair with responsibilities across food, wine, facilities management, agriculture, space, digital health and fintech and as a graduate of the Kauffman Centre for Entrepreneurial Leadership, a trusted advisor to start-ups supporting founders, growth programs and investors.



Michael Connor joined the Board on 1 July 2018 and has been involved in the dairy industry his entire life on a family farm at Mt Compass. His family operate their mixed farming business ‘Nangkita Dairies Pty Ltd’, which consists of 4 Fleurieu Peninsula properties milking 700 cows. Michael was awarded the Brenton Higgins Memorial Trophy in 2022 for exceptional service to the dairy industry. All the family have been involved in the farming business, and 3 children are now employed full time. Michael’s maintains interests in career pathways to farming, sustainable, profitable farming on the Fleurieu Peninsula, and farming in an environmentally sensitive region.



George Kamencak joined the Board on 1 July 2020 and has over 20 years' experience in corporate governance, law and compliance across the public and private sector. George is the Managing Director and Principal Lawyer at CCL Consultants Pty Ltd, a boutique legal, risk compliance, and regulatory consultancy. George is also a lecturer and facilitator of the Graduate Diploma Legal Practice, Consumer Law Practice Course, and an appointed Consumer Court Assessor for the District and Magistrates Court. He has held roles in Consumer and Business Services (Attorney General's Department), and as the SA Regional Director for the ACCC. His involvement in state and national committees has covered product standards, liquor, gambling, and building industry regulation, and maintains an active role with the Law Council of Australia. In addition to his legal qualifications, George holds a Master of Laws and Management (UNSW Sydney).

The Board met on 7 occasions in 2022-2023.

A summary of outcomes achieved by the Board during this reporting period is provided in the Corporate Performance Summary within this report.

Dairysafe Operational Team

Five Dairysafe employees constituted the operational team on 30 June 2023.

The Dairysafe operational team includes a Chief Executive Officer, Business Manager, Technical Manager, Senior Food Standards Officer and Food Standards Officer. The CEO reports to the Dairysafe Board.

There is significant capability within the team in terms of considerable working knowledge of South Australia’s dairy industry, extensive food safety and food regulation experience across a range of primary industry sectors, and financial business management and governance.

During 2022-2023 the Dairysafe operational team consisted of:

Chief Executive Officer	Geoff Raven
Business Manager	Eric Radley
Technical Manager	Craig Heard
Senior Food Standards Officer	Derene Szczerba
Food Standards Officer	Ryan Turner

Legislation administered by Dairysafe

Primary Produce Food Safety Schemes Act 2004

Primary Produce (Food Safety Schemes) (Dairy) Regulations 2017

Other related agencies (within the Minister’s area/s of responsibility)

Department of Primary Industries and Regions

Dairysafe’s performance

Performance at a glance

Sessional meetings held and the number of meetings attended by each member.

Board Member	Scheduled Board meetings in 2022-23	Board meetings attended	Unscheduled Board sessions attended
Roseanne Healy	8	7	0
Michael Connor	8	7	0
George Kamencak	8	7	0

*Due to Board scheduling and availabilities 1 meeting was cancelled

Profile - South Australian Dairy Industry

National Production

Dairy is Australia’s fourth largest and one of the most important rural industries, producing about 8.554 billion litres of milk in annually and directly employing approximately 34,700 people (*Dairy Australia, In Focus 2022*). Dairy is Australia’s third-largest rural industry generating \$4.9 billion in farm gate value. There are around 4,420 registered dairy farms operating in Australia and approximately 1.34 million dairy cows.

Snapshot - the South Australian Dairy Industry

South Australia’s dairy supply chain stretches from grass to glass and is well positioned to target the premium end of the national and international marketplace. Dairy is South Australia’s sixth largest agribusiness industry sector by revenue (**PIRSA Scorecard 2021-2022*) and accounts for 4.8% of Australia’s milk and nearing a billion dollars in generated revenue.

The PIRSA Scorecard* lists the following revenue data:

- Production value: \$263 million
- Processing value: \$678 million
- Overseas Exports: \$124 million

The South Australian industry produced 477.1 million litres of milk from around 182 dairy (cow) farms during 2022-2023, a decrease of 4.1% on 2021-2022 production.

During 2022-23 dairy cow farm numbers increased by 0.5%, from 181 on 30 June 2022 to 182 on 30 June 2023, whilst the dairy herd in South Australia decreased by 1.9% to around 66,350.

In addition to these accredited dairies, there were 2 goat, 1 buffalo and 1 camel dairy operating in 2022-2023. Three cow dairy farms process their own milk, whilst a goat, and camel dairy farm also process their own milk.

Dairy farm herd size

The average size of a dairy farm herd in Australia has increased from 93 cows in 1985 to 303 cows in 2022-2023. In comparison, the average herd size in South Australia in 2022-2023 is 365, a significant increase from an average of 78 cows in 1984.

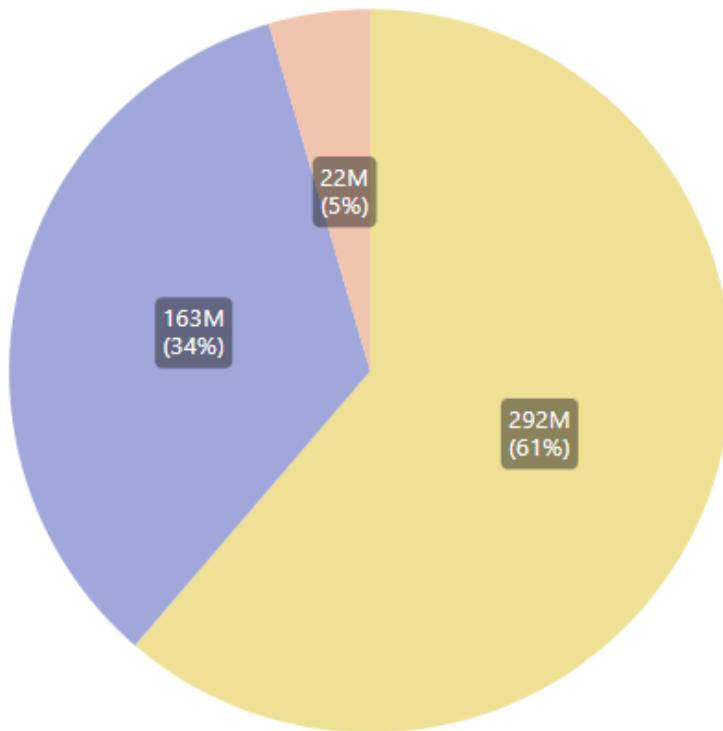
The majority of South Australian dairy farms (62%) hold between 101 and 500 milking cows, with the largest farm holding a milking herd of approximately 2,300.

Regional milk production

South Australia’s dairy farms are clustered across three production areas – the Mid North (Barossa & districts), Central region (Adelaide Hills, Fleurieu Peninsula, Murray Swamps & Meningie Lakes), and the South-East (Upper & Lower South-East).

The majority of milk production occurs in the South-East (61%), followed by the Central region (34%), with 5% production occurring in the Mid North region.

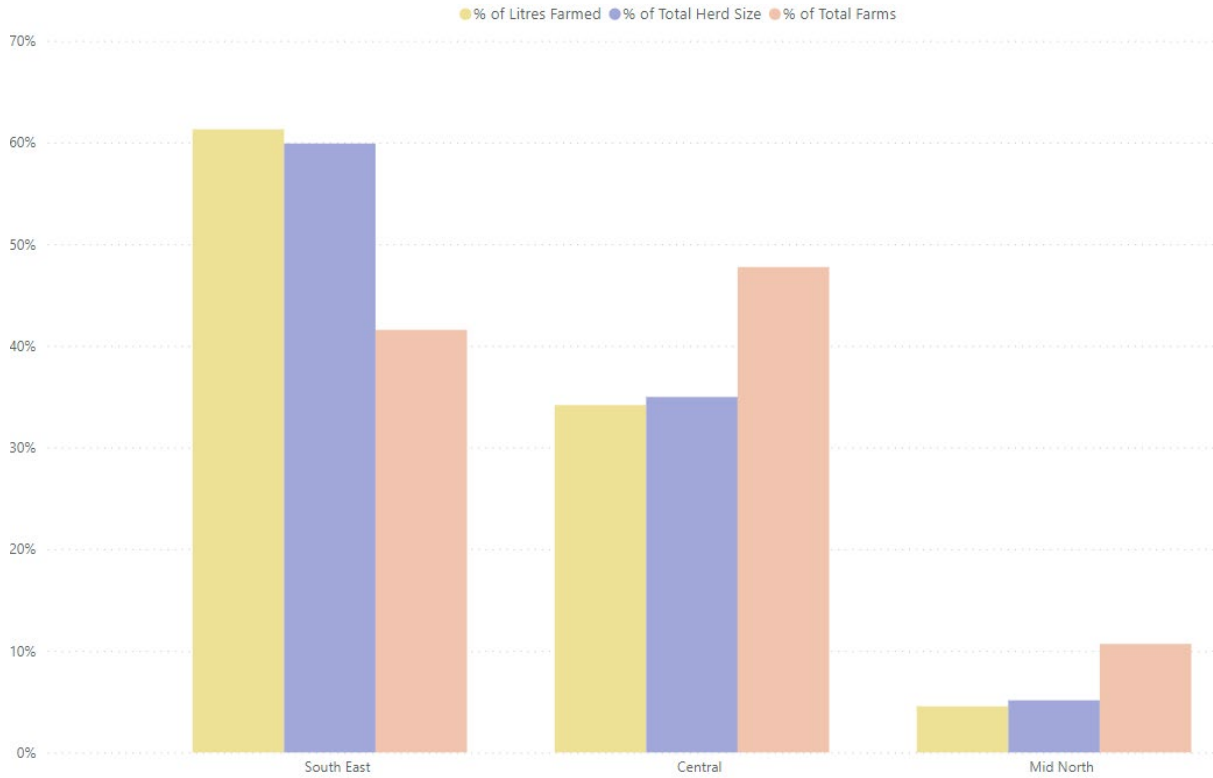
Region ● South East ● Central ● Mid North



Herd size, farms and milk production across the regions

There were around 66,300 milking cows in South Australia in 2022-2023 contributing to the production of around 477 million litres of milk.

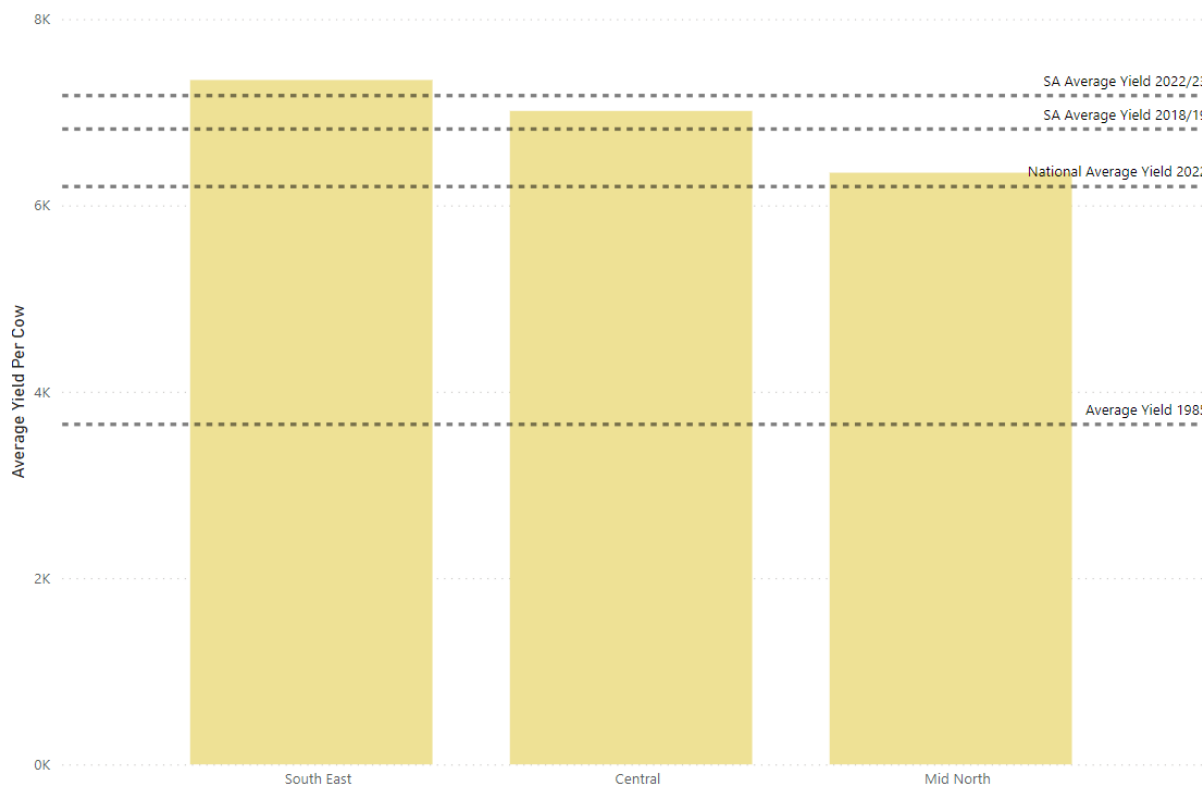
Over half (61%) of milk produced occurs in the South-East, which has less than half (42%) of the State’s dairy farms but more than half (60%) of the SA milking herd.



Milk production and yield

During 2022-2023 the South Australian dairy industry produced 477 million litres of cow’s milk from just over 66,300 cows, with an average yield of around 7,179 litres per cow. This compares with 3,650 litres/cow in 1985 and 6,820 litres/cow in 2018-2019, indicating continuing yield improvements.

The yield per cow is greatest in the South-East region (7,346 ltrs/cow), followed by the Central region (7,014 ltrs/cow), with the Mid North having the lowest yield (6,351 ltrs/cow). Australia’s national average yield in 2022 was 6,203 ltrs/cow.



Farm production

The South-East region has the largest dairy farms with an average 516 cows/farm, significantly more than in the Central region (270) and more than double the number of cows per farm in the Mid North (179). The milk yield per farm is greatest in the South-East (3.79M litres/farm), followed by the Central region (1.89M litres/farm), with the yield in the Mid North significantly lower at 1.14M litres/farm.

Contribution to national milk production

Annual milk production decreased in most jurisdictions in 2022-2023 contributing to an overall decrease in national production of -5.3%. South Australia’s annual production across the 2022-2023 period decreased by 4.1%, contributing around 4.8% of national production.

Accredited dairy businesses

Dairysafe administers the accreditation of persons undertaking dairy business operations as prescribed in the *Primary Produce (Food Safety Schemes) (Dairy) Regulations 2017*.

The regulations establish the dairy industry food safety scheme, and specify accreditation is required in the following business categories – dairy primary production business (dairy farm), dairy processing business (dairy processor) and dairy transport business (dairy transporter). A person cannot engage in any of these activities without an accreditation. A business seeking accreditation must demonstrate the capacity to satisfy the requirements of the regulations, which is achieved by establishing an approved food safety arrangement and by demonstrating compliance with Standard 4.2.4 of the *Food Standards Code*.

The number of accreditations held in each dairy business category during the 2022-2023 period is provided in the following table along with the comparative figures for 2021-2022:

Accreditation type	30 June 2023	30 June 2022
Dairy farms (bovine)	182	181
Dairy farms (goat, buffalo, sheep & camel)	4	9
Dairy transports	10	9
Dairy processors	45	47
Total	244	246

Accreditations that were cancelled and newly issued during the 2021-2022 period are provided in the following table:

Accreditation type	Cancelled 2022-2023	New 2022-2023
Dairy farms (bovine)	3	4
Dairy farms (goat, buffalo, sheep & camel)	5	0
Dairy transports	1	2
Dairy processors	6	4
Total	9	7

Dairy farms

As of 30 June 2023 there were 186 accredited dairy farms (182 cow dairies). Over the course of this reporting period 3 dairy farm accreditations were cancelled and 4 new dairy farm accreditations were granted.

In the past years there was a continued downward trend in dairy farm numbers in South Australia and across Australia’s dairy regions. Over the current reporting period the number of dairy cow farms around Australia decreased by around 4.2%, where in South Australia the dairy farm numbers increased by 0.5%.

In South Australia, 16% of farms have 100 or less milking cows, 62% have between 101 and 500 cows, 18% have between 501 and 1000 cows, and 4% have a herd size greater than 1000.

Dairy processors

On 30 June 2023 there were 45 accredited dairy processors. Over the course of reporting period, 6 dairy processor accreditations were cancelled, and 4 new accreditations was granted.

South Australia's range of small, innovative and boutique dairy processors compliments the large processors and produce a high quality, artisanal experience for their clientele.

In South Australia, 30% have between 1 and 5 employees, 37% of processors have between 6 and 50 employees, and 33% have greater than 50 employees.

There are 15 dairy processors that also hold export registration with the Commonwealth Department of Agriculture, Fisheries and Forestry (DAFF).

Dairy transporters

On 30 June 2023 there were 10 dairy transporters accredited to transport bulk raw milk. Of these, 4 are commercial transport companies with the remaining 6 being accredited dairy processors that transport bulk raw milk between supplier farms to their processing facility.

During the 2022-2023 period 1 dairy transporter accreditation was cancelled and 2 new accreditation was granted.

Dairy industry workforce

Employment in dairy sector across farming and manufacture:

- Total SA employment in dairy cattle farming full-time and part-time is 1,483 (ABS averaged over 4 quarters to August 2022)
- Total SA employment in dairy product manufacturing is 900 (ABS averaged over 4 quarters to August 2022)

Milk production statistics

Industry Milk Production Statistics – comparative data from 1974 to 2023						
Region	Milk (litres)	Cows	Farms	Litres/farm	Cows/farm	Litres/cow
Mid-North	21,607,198	3,402	19	1,137,221	179	6,351
Central	162,762,767	23,204	86	1,892,590	270	7,014
South-East	292,001,992	39,748	77	3,792,234	516	7,346
Annual South Australian Totals						
2023						
2022	497,760,000	67,650	181	2,750,065	374	7,358
*2021	499,110,000	69,089	198	2,520,756	349	7,224
2020	492,957,986	69,377	206	2,393,000	337	7,105
2019	489,283,351	71,654	221	2,213,952	324	6,828
2018	510,121,007	74,942	228	2,237,373	329	6,807
2017	500,805,339	73,977	240	2,086,688	308	6,769
2016	544,297,211	80,134	244	2,230,726	328	6,792
2015	549,610,354	81,899	252	2,180,993	325	6,711
2014	536,573,563	83,370	264	2,032,476	316	6,436
2013	565,488,352	84,606	268	2,110,031	316	6,684
2012	597,404,939	86,171	275	2,172,382	313	6,933
1984	273,176,320	74,720	962	283,967	78	3,656
1974	255,591,000	81,140	1,397	182,957	58	3,150

* Note: There were subsequent minor revisions to the milk production 2020-2021 statistics for the regions.

Dairysafe specific objectives and performance

The below data contains information relevant to Dairysafe 2021-2024 strategic directions. Where indicated, the data is specific to 2022-23 results.

Agency objectives	Indicators	Performance	Outcome
1. Leading food safety regulation	i. Tiered verification system	The audit frequency for dairy processors is based on risk and compliance outcomes.	✓
	ii. Recognition of standards	Arrangements finalised and in place for Dairysafe to undertake export audits.	✓
	iii. Audit rating by customers		

Agency objectives	Indicators	Performance	Outcome
	iv. Less audit activity and expense for customers v. Export auditor authorisation achieved vi. Policy position on additional schemes supported vii. Valued thought leadership viii. Valued contribution to policy & protocols	The Memorandum of Understanding with DAWE for regulation of export registered dairy processors maintained. Dairysafe provided a positive contribution to the SA Productivity Commission's inquiry into food regulation. National antibiotic management policy endorsed Successful external audit of Dairysafe's ISO 9001:2015 regulatory management system.	✓ ✓ ✓ ✓
2. Connecting the industry	i. Industry supports development of information platform ii. Industry values Dairysafe's information platform iii. Positive industry partnership iv. Effective communications plan	Accredited dairy businesses provided with access to the new Dairysafe client portal. Stakeholders value Dairysafe's communications for 2022-23: <ul style="list-style-type: none"> ○ Bulletins – 1 issued. ○ E-news – 4 editions published: 56.44% open rate compared to 48.32% in 2021-2022 (industry average 23.31%). ○ Website – further development of the website, including access to a food safety culture page. ○ Email communications with stakeholders 2 Processor Forum in 2022-23 completed providing a networking opportunity on food safety for dairy processors.	✓ ✓ ✓ ✓ ✓

Agency objectives	Indicators	Performance	Outcome
3. Inspiring a food safety culture	i. Dairysafe industry awards are valued	'Dairysafe Food Safety Culture Award' awarded at the 2022 SA Dairy industry awards.	✓
	ii. Advisory program meets stakeholder expectations	Advisory program delivering value & meeting stakeholder expectations	✓
	iii. Stakeholders value the Dairysafe partnership	Industry self-reporting issues and dairy businesses actively seeking Dairysafe advice.	✓
	iv. Learning pathway/s available	Development of online listeria webinars and certificate of completion.	✓
4. Building industry and consumer confidence	i. Business Continuity Tool developed	Dairy farm web-based Business Continuity Tool developed and available at no cost to farmers on website.	✓
	ii.SA ranked #1 in quality and safety benchmarks	NIL foodborne illness associated with SA dairy products	✓
		2 trade withdrawals or consumer level recalls	✓
		NIL antibiotic residue in finished dairy products	✓
		NIL dairy products with pathogens at retail level	✓
		Industry compliant with regulatory standards	✓
		○ NIL critical non-conformance found at audit	✓
		○ 29 major non-conformance issues identified at audit	✓
○ 5 minor non-conformance issues identified at audit	✓		
○ 301 audits completed	✓		

Agency objectives	Indicators	Performance	Outcome
		<p>Timely and professional management of food safety incidents with positive outcomes</p> <ul style="list-style-type: none"> ○ 48 incidents managed – NIL negative outcomes <p>Effective management of dairy sector complaints</p> <ul style="list-style-type: none"> ○ 7 complaints effectively managed <p>Review and approval of variations to Approved Arrangements</p>	<p align="center">✓</p> <p align="center">✓</p> <p align="center">✓</p>
<p>5. Organisation capabilities to deliver</p>	<p>i. Technology & data is a strength</p> <p>ii. Auditor/regulator development program established</p> <p>iii. Technical development training program in place</p> <p>vii. Robust business risk management program</p>	<p>Phase 3+ development of the Dairysafe QMS IT system completed and commissioned.</p> <p>Staff self-led strength-based performance development plans agreed & completed.</p> <p>Professional development for 2022-23:</p> <ul style="list-style-type: none"> ○ Drive to survive course ○ Lead Food Safety Auditor ISO 22000:2018 & ISO 19011:2018 ○ First Aid/CPR ○ Standard 3.2.2a training <p>Staff maintain nationally recognised auditor scopes for all industry sectors</p> <p>Dairysafe risk management framework implemented and monitored.</p> <p>Industry profile established for farm and processor sectors</p>	<p align="center">✓</p> <p align="center">✓</p> <p align="center">✓</p> <p align="center">✓</p> <p align="center">✓</p> <p align="center">✓</p> <p align="center">✓</p> <p align="center">✓</p>

Agency objectives	Indicators	Performance	Outcome
	<p>viii.Dairysafe’s industry knowledge is valued</p> <p>v.Dairysafe acknowledged as innovative</p> <p>vi.Stakeholders value Dairysafe communications</p>	<p>Dairysafe’s regulatory management arrangements maintained under external ISO 9001:2015 certification.</p> <p>Dairysafe technological needs analysis completed.</p> <p>Digital and ICT Framework developed.</p> <p>Dairysafe Customer Service Charter endorsed by the Board.</p> <p>Dairysafe People and Culture Framework developed and endorsed by the Board.</p> <p>Workforce development project finalised in partnership with SA Health & PIRSA.</p> <p>Verification Framework project in partnership with PIRSA endorsed by the Board.</p>	<p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p>

Corporate performance summary - Dairysafe Board outcomes

Governance

- Dairysafe maintain a Memorandum of Understanding with the Commonwealth Department of Agriculture, Fisheries and Forestry (DAFF) to provide audits of export registered dairy processors on behalf of DAFF.
- Dairysafe maintained the following governance documents:
 - People and Culture Framework
 - Customer Service Charter
 - Digital and ICT Framework
- Full compliance with reporting Government reporting requirements was achieved – no matters were brought to Dairysafe’s attention.
- 7 scheduled Board meetings were completed.
- Standing Board meeting agenda items included:
 - Accreditations issued and accreditations cancelled
 - Industry compliance reporting
 - Work, Health & Safety
 - Chief Executives Report
 - Director Conflict of Interest
- Monthly financial reporting was provided to every Board meeting.
- On 1 occasion the Board reviewed progress with controls and treatments associated with Dairysafe’s Risk Management Framework.
- A positive actuals to budget outcome was achieved for 2022-2023.
- There was a **NIL** increase to dairy industry accreditation fees.
- The Auditor General’s Department assessment returned an unadjusted and unqualified audit of Dairysafe’s financial statements.
- The Dairysafe Employee Handbook was reviewed and updated.
- 100% of staff with up to date Performance Management and Development Plans.
- Policy development and review – 12 policies were reviewed, amended and endorsed.
- An internal Board performance review was completed with positive outcomes.
- The Board completed a review of the Employee Handbook.
- Dairysafe’s regulatory management arrangements maintained external ISO 9001:2015 certification.

Industry Leadership & Development

- 2 industry forums held by Dairysafe with attendees from the industry.
- Food Safety culture award presented to winner.

Work, Health & Safety

- The 2023 Dairysafe WH&S Site Safety Management Plan was reviewed and endorsed.
- Dairysafe's Risk Register was reviewed and amended.
- Covid-19 management arrangements, including policy and procedures, and risk register, were reviewed, updated, and maintained.
- An active WH&S policy development and review program was maintained.
- Work, Health & Safety policies were reviewed and endorsed.
- There were **NIL** workplace injury claims.
- There were **NIL** improvement notices.

Strategy

- The Board continued to manage business based on the Dairysafe 2021-2024 Strategic Directions.
- A Year-2 strategy progress report was provided to accredited businesses and stakeholders in December 2022.
- Budget strategy was completed for the 2023-2024 financial year.

Communication & Engagement

- 4 E-news editions were published, covering 49 articles.

Key initiative (case study #1) – 2023 Stakeholder Survey

In order to measure Dairysafe's progress against its 2021-2024 Strategic Directions, data is crucial. This includes qualitative feedback from stakeholders on various aspects of Dairysafe's work, such as: the value placed on Dairysafe audits, regulation and audit activities aligning with business risk and performance, appreciation for the Dairysafe website, partnership, and communication efforts, as well as recognition of Dairysafe's industry knowledge.

Every two years, Dairysafe conducts a stakeholder survey to gather qualitative data and assess its performance.

Surveys were conducted in 2019 and 2021, focusing on the opinions of accredited businesses and stakeholders regarding Dairysafe's regulatory and communication services.

In the 2023 survey, Dairysafe requested feedback regarding its regulatory activities, including technical and verification methods, as well as their communication efforts.

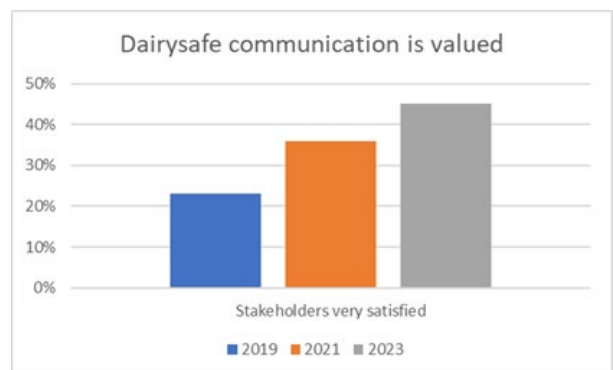
The survey delivered positive results using an NPS or 'Net Promoter Score'. NPS is widely regarded as the benchmark for measuring stakeholder experience. It evaluates stakeholder satisfaction on a scale of -100 to +100, with higher scores indicating better performance. NPS scores help distinguish between negative and positive feedback. Respondents rate their satisfaction on a scale of 0 (strongly disagree) to 10 (strongly agree) and are then categorised into one of three groups to determine the NPS score:

- Promoters respond with a score of 9 or 10 and are typically loyal and enthusiastic stakeholders.
- Passives respond with a score of 7 or 8. They are satisfied with your service but not happy enough to be considered promoters.
- Detractors respond with a score of 0 to 6. These are unhappy stakeholders.

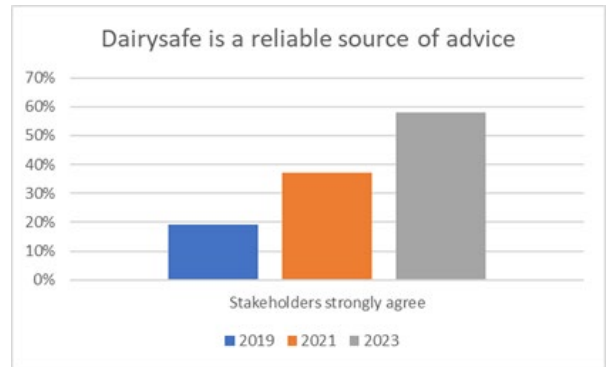
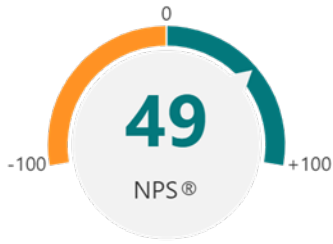
Stakeholder survey highlights:

The metrics below indicate a mostly positive NPS and demonstrate consistent improvement in Dairysafe's key performance areas over time, noting there has been a slight restructure of survey questions to align with the common measure of Net Promoter Score.

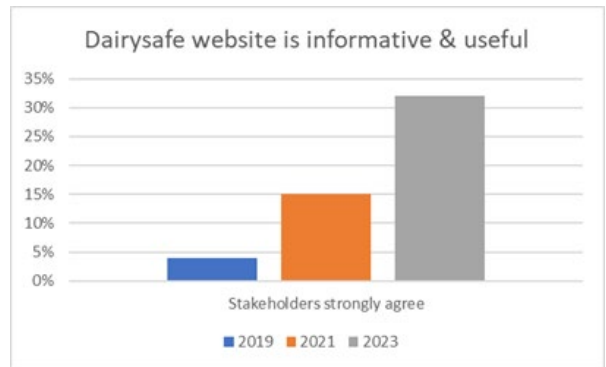
Quality of communication



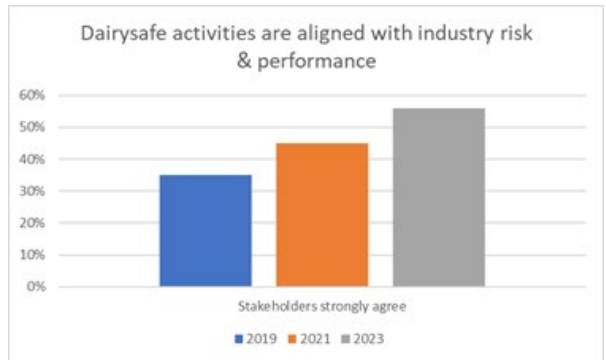
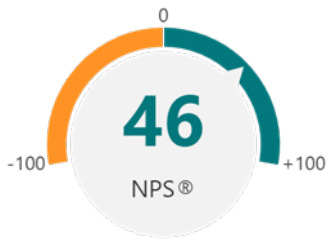
Reputation as a reliable source of advice



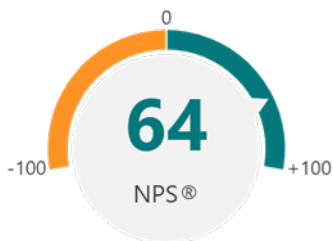
Informative and useful website



Alignment of activities with industry risk and performance

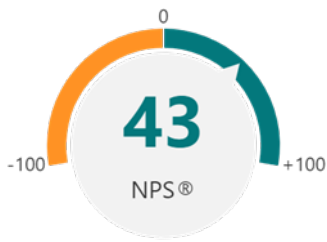


Stakeholder engagement

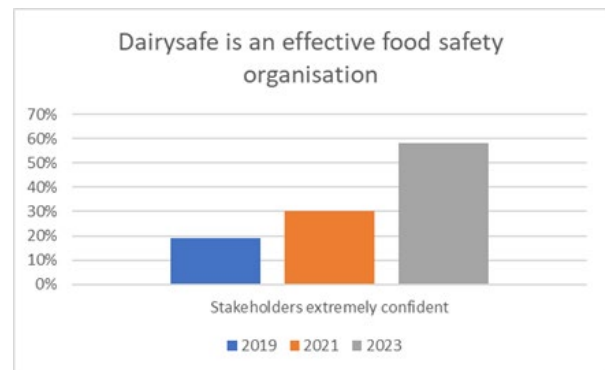
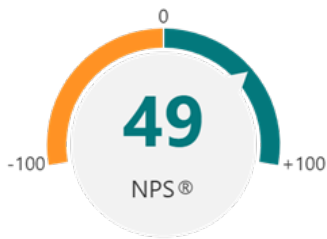


* This information was not included in the surveys conducted in 2019 and 2021.

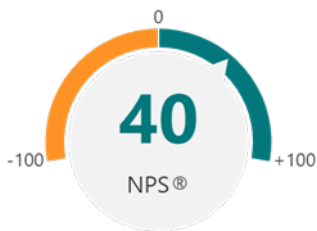
Audits adding value



Effectiveness as a food safety regulator

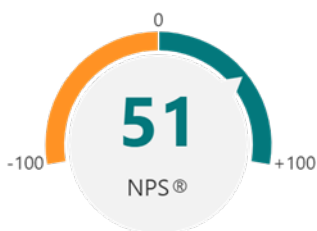


Providing adequate information on food safety



* This information was not included in the surveys conducted in 2019 and 2021.

Stakeholders value the Dairysafe partnership



* This information was not included in the surveys conducted in 2019 and 2021.

Key initiative (case study #2) – Recognising champion dairy businesses

In 2021 Dairysafe announced its inaugural award available to South Australian dairy processors. This was the first time an award in Australia recognised food safety culture. Dairysafe handed this award out again in 2022.

The Food Safety Culture Award recognises dairy businesses that strive to imbed food safety within their business culture and includes a \$5,000 education, training and development grant.

One of Dairysafe's strategic priorities is to lead the South Australian dairy community to embrace a food safety culture, and the objective of the award is to bring food safety culture to the attention of SA processors. Dairysafe places a significant emphasis on food safety culture due to the positive impact it can have on the business.

A positive food safety culture whereby leaders prioritise people in the business, supports food safety, but more importantly, it brings other benefits including investment return, business performance improvement, reduction of costs associated with poor quality and enhanced efficiency.

Food safety culture occurs where a business takes on more than the standard obligations. It requires a business to take extra steps to prioritise food safety throughout the entire organisation, through training and development, in the vision promoted by the business, the attitude within the business demonstrated by staff values, policies, rules and procedures and, most importantly, communication throughout the company.

Food safety culture, like so many things, is a journey not a destination, and businesses that are improving their food safety culture, and those with a mature food safety culture, should be recognised as champion dairy businesses.

The 2022 Food Safety Culture award once again received significant interest from the dairy business. As evidenced by the finalists, the award encompassed a wide variety of dairy businesses with all demonstrating strong food safety cultures.

The 3 finalists identified by the judging panel were The Union Dairy Company, Beston Pure Dairies, and Fleurieu Milk Company. The panel found Fleurieu Milk Company demonstrated a positive food safety culture that comes with a focus on skills, knowledge, values, management commitment and communication which drives sustainable and resilient dairy processing.

Dairysafe continues to promote the importance of culture to positive, consistent food safety outcomes through the annual Food Safety Culture Award.

Employment opportunity programs

Program name	Performance
	Dairysafe did not recruit any employees through a public sector wide employment opportunity program.

Agency performance management and development systems

Performance management and development system	Performance
<p>Employee Performance Management and Development (PMD)</p>	<p>Dairysafe maintains policy arrangements requiring PMD discussions be held with all staff individually at the start of the year, mid-year and at the end of the year ('Staff Performance Management and Development Policy').</p> <p>The PMD documentation ('Agreement') and process is based on templates provided by the Office of the Commissioner for Public Sector Employment.</p> <p>The Dairysafe Chair and CEO met regularly throughout the year to discuss CEO performance and achievement of objectives. The CEO maintains an operational PMD agreement with the Chair.</p> <p>In camera sessions were held at the beginning of each Board meeting, providing an opportunity for the board to discuss any matters relating to the CEO's performance.</p> <p>Ongoing informal one-on-one meetings are held with staff to discuss work priorities, personal support and well-being, training and Work, Health & Safety. These meetings aim to ensure workplans are achievable, progress is meeting agreed expectations, and adequate support is available and provided to staff to achieve shared expectations.</p> <p>100% of Dairysafe FTE's completed the PMD process over the 2022-2023 reporting period.</p>
<p>Dairysafe maintains the following policies for managing poor performance and misconduct:</p> <ul style="list-style-type: none"> • Fraud and Corruption Policy • Staff Code of Conduct Policy • Termination of Employment Policy • Workplace Harassment Policy 	<p>There were NO instances where these policies were required to be applied during the 2022-2023 reporting period for 100% of Dairysafe FTE's.</p>

Work health, safety and return to work programs

Program name	Performance
<p>Work Health and Safety program</p>	<p>WHS is a routine Board meeting agenda item.</p> <p>WHS features as an agenda item on monthly staff meetings.</p> <p>Dairysafe maintains an up to date Site Safety Management Plan to ensure appropriate scheduling of all WH&S activities covering the following elements:</p> <ul style="list-style-type: none"> • worksite inspections • WHS consultation • site induction & visitor management • incident reporting • emergency evacuation • first aid • travelling for work • remote or isolated work • external site visits • personal protective equipment • electrical test and tag <p>Staff are encouraged to report any WHS incidents, issues or near misses.</p>
<p>Policy and procedure review</p>	<p>All policies remain effective in providing a rigorous framework for the safety of Dairysafe employees. The WH&S policies approved and/or reviewed during this period, include:</p> <ul style="list-style-type: none"> - Emergency plans - Covid-19 Pandemic Policy, Risk Assessment & Work Arrangements - External site visits - Driving - Work, health, and safety policy - Fatigue - Farm environment - Remote work - Travelling for work

Workplace injury claims	Current year 2022-23	Past year 2021-22	% Change (+ / -)
Total new workplace injury claims	0	0	0%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%

*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)

Work health and safety regulations	Current year 2022-23	Past year 2021-22	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0	0	0%
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0%

Return to work costs**	Current year 2022-23	Past year 2021-22	% Change (+ / -)
Total gross workers compensation expenditure (\$)	0	0	0%
Income support payments – gross (\$)	0	0	0%

**before third party recovery

Data for previous years is available at: <http://dairy-safe.com.au/>

Executive employment in the agency

Executive classification	Number of executives
Chief Executive Officer	1

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a brief summary of Dairysafe’s overall financial position. The information is unaudited. Full audited financial statements for 2022-2023 are attached to this report.

Statement of Comprehensive Income	2022-23 Budget \$000s	2022-23 Actual \$000s	Variation \$000s	2021-22 Actual \$000s
Total Income	807	773	(34)	793
Total Expenses	907	871	(36)	843
Net Result	(100)	(98)	2	(49)
Total Comprehensive Result	(100)	(98)	2	(49)

Statement of Financial Position	2022-23 Budget \$000s	2022-23 Actual \$000s	Variation \$000s	2021-22 Actual \$000s
Current assets	1,334	1,564	230	2,161
Non-current assets	2,172	2,088	(84)	1,459
Total assets	3,506	3,652	146	3,621
Current liabilities	189	326	137	210
Non-current liabilities	98	105	7	92
Total liabilities	287	431	144	302
Net assets	3,219	3,221	2	3,319
Equity	3,219	3,221	2	3,319

Consultants disclosure

The following is a summary of external consultants that have been engaged by Dairysafe, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	\$12,715

Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
Nil	Nil	Nil
	Total	Nil

Data for previous years is available at: <http://dairy-safe.com.au/>

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by Dairysafe, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	\$11,898

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
Cindie Smart	Communications planning and delivery, including Enews production, distribution and web publication	\$ 15,120
Biz Hub Australia	Development of QMS database and mobile auditing capability, and provision of IT services	\$ 28,886
Beltrame Brothers Builders	Construction work of 136 Glen Osmond Road	\$ 507,124
	Total	\$ 551,130

Data for previous years is available at: <http://dairy-safe.com.au/>

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts.](#)

The website also provides details of [across government contracts.](#)

Risk management

Risk and audit at a glance

Dairysafe maintains a risk management policy and, in 2022-2023, undertook a review of risk and continued to implement the Dairysafe Risk Management Framework 2021-2024.

The Board routinely reviews performance against the Dairysafe controls and treatments schedule.

Fraud detected in the agency

Category/nature of fraud	Number of instances
No fraud was detected in 2022-2023	

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

Strategies implemented to control and prevent fraud

Dairysafe implements a number of strategies to control and prevent fraud within the organisation. These strategies include:

- Policies to assist in managing the risk of fraud include:
 - 'Board Charter and Code of Conduct'
 - 'Board Conflict of interest'
 - 'Staff Code of Conduct'
 - 'Procurement, Financial Delegations and Credit Card Policy'
 - 'Risk management'
 - 'FOI and Confidentiality'
 - 'Privacy'
 - 'Fraud and Corruption'
- A conflict of interest register features as a fixed agenda item for each Board meeting. Board members are required to provide an update to the register at the commencement of each meeting.
- Financial reports are updated monthly and reviewed by the Chief Executive and the Business Manager.
- The monthly financial report is presented in the Dairysafe Board papers and reviewed by the Dairysafe Chair and Board members. The report is formally acknowledged during each Board meeting.
- Board minutes and financial reports are logged and available for audit.

- The transaction process of receiving industry fees through banking transfers minimises the risk of a fraudulent practice occurring.
- The Chief Executive independently reviews all financial transactions prepared and presented by the Business Manager.
- All expenditure requires an authorisation signature by the Chief Executive.
- Dairysafe's financial statements are audited by the Auditor General's Department.
- Limits on employee purchasing cards reviewed annually and monthly reconciliations completed.

Data for previous years is available at: <http://dairy-safe.com.au/>

Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*:

NIL

Data for previous years is available at: <http://dairy-safe.com.au/>

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

Reporting required under any other act or regulation

Act or Regulation	Requirement
<i>Primary Produce (Food Safety Schemes) (Dairy) Regulations 2017</i>	Regulation 14 requires an Annual Report to be presented to the Minister on or before 30 September outlining administration of the regulations for the previous financial year. The report is to include an audited statement of accounts, and directions given to the Authority by the Minister during this period.

This 2022-2023 Annual Report satisfies the above requirement.

Reporting required under the *Carers' Recognition Act 2005*

Not applicable to Dairysafe.

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2022-23
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	0
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	0
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	0
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	0
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	0
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0

Complaint categories	Sub-categories	Example	Number of Complaints 2022-23
Service quality	Information	Incorrect, incomplete, outdated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	0
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	0
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	0
		Total	0

Additional Metrics	Total
Number of positive feedback comments	6
Number of negative feedback comments	0
Total number of feedback comments	6
% complaints resolved within policy timeframes	No formal complaints received

Service Improvements

In line with PC039 - Complaint Management in the South Australian Public Sector, agencies are required to assess and monitor the performance of their Complaint Management System annually. Identifying trends, measuring customer service quality and make service improvements.

Dairysafe’s regulatory management system is certified to the international ISO 9001:2015 quality management standard. As part of the certified system Dairysafe uses several methods to gauge stakeholder satisfaction, which include, but are not restricted to:

- analysis of stakeholder surveys
- client complaints
- analysis of feedback from peak industry bodies

Dairysafe undertakes a stakeholder survey every 2 years, refer to the case study #1 for the results. Complaints, opportunities for improvement and trends identified from the stakeholder feedback are reported to the Dairysafe Board.

Compliance Statement

Dairysafe is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector	Y
Dairysafe has communicated the content of PC 039 and the agency’s related complaints policies and procedures to employees.	Y

Appendix: Audited financial statements 2022-23



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

To the Chair Dairy Authority of South Australia

Opinion

I have audited the financial report of the Dairy Authority of South Australia for the financial year ended 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Dairy Authority of South Australia as at 30 June 2023, their financial performance and their cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chair and Acting Chief Executive Officer.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Dairy Authority of South Australia. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Acting Chief Executive Officer and members of the Authority for the financial report

The Acting Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Reporting Requirements, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Acting Chief Executive Officer is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Acting Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The members of the Authority are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Dairy Authority of South Australia for the financial year ended 30 June 2023.

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 Dairy Authority of South Australia's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Acting Chief Executive Officer
- conclude on the appropriateness of the Acting Chief Executive Officer's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an 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.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Acting Chief Executive Officer and members of the Authority about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

28 September 2023

Dairy Authority of South Australia
(Dairysafe)

Financial report
for the year ended
30 June 2023

Certification of the Financial Statements

We certify that the:

- financial statements of the Dairy Authority of South Australia (trading as Dairysafe):
 - are in accordance with the accounts and records of the Authority; and
 - comply with relevant Treasurer's Instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Authority at the end of the financial year and the result of its operations and cash flows for the financial year
- internal controls employed by the Dairysafe for the financial year over its financial reporting and its preparation of financial statements have been effective.



Roseanne Healy
Chair



Eric Radley
Acting Chief Executive Officer

Dated 27 September 2023

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income			
Fees and charges	2.1	719	765
Interest	2.2	45	7
Grant income		-	20
Net gain/(loss) on disposal of property, plant and equipment	2.4	-	(1)
Other income	2.3	9	3
Total Income		<u>773</u>	<u>794</u>
Expenses			
Employee benefits expenses	3.3	656	642
Supplies and services	4.1	65	74
Depreciation and amortisation	4.2	44	32
Property expenses	4.3	9	2
Travelling expenses		27	21
Decrement from revaluation of property, plant and equipment		12	-
Other expenses	4.4	58	72
Total Expenses		<u>871</u>	<u>843</u>
Net Result		<u>(98)</u>	<u>(49)</u>
Total Comprehensive Result		<u>(98)</u>	<u>(49)</u>

The accompanying notes form part of these financial statements.

The net result and total comprehensive results are attributable to the SA Government as owner.

STATEMENT OF FINANCIAL POSITION

as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Current Assets			
Cash and cash equivalents	6.1	1,376	2,154
Receivables	6.2	188	8
Total current assets		<u>1,564</u>	<u>2,162</u>
Non-current assets			
Property, plant and equipment	5.1	2,021	1,395
Intangible assets	5.3	67	64
Total non-current assets		<u>2,088</u>	<u>1,459</u>
Total assets		<u>3,652</u>	<u>3,621</u>
Current Liabilities			
Payables	7.1	58	87
Employee benefits	3.4	97	99
Other current liabilities	7.2	171	24
Total current liabilities		<u>326</u>	<u>210</u>
Non-current liabilities			
Payables	7.1	5	4
Employee benefits	3.4	100	88
Total non-current liabilities		<u>105</u>	<u>92</u>
Total liabilities		<u>431</u>	<u>302</u>
Net assets		<u>3,221</u>	<u>3,319</u>
Equity			
Retained earnings		<u>3,221</u>	<u>3,319</u>
Total equity		<u>3,221</u>	<u>3,319</u>

The accompanying notes form part of these financial statements.

The total equity is attributable to the SA Government as owner.

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2023

	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 30 June 2021	-	3,368	3,368
Total comprehensive result for 2021-22	-	(49)	(49)
Transfer between equity components	-	-	-
Balance at 30 June 2022	-	3,319	3,319
Net result for 2022-23	-	(98)	(98)
Total comprehensive result for 2022-23	-	(98)	(98)
Balance at 30 June 2023	-	3,221	3,221

The accompanying notes form part of these financial statements.

All changes in equity are attributable to the SA Government as owner.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
<u>Cash flows from operating activities</u>			
Cash inflows			
Fees and charges		690	764
Interest received		45	7
Other income		9	23
Cash generated from operations		<u>744</u>	<u>794</u>
Cash outflows			
Employee benefits payments		(631)	(646)
Payments for supplies and services		(208)	(184)
Cash used in operating activities		<u>(839)</u>	<u>(830)</u>
Net cash provided by operating activities		<u>(95)</u>	<u>(36)</u>
<u>Cash flows from investing activities</u>			
Cash inflows			
Proceeds from sale of property, plant and equipment		-	-
Cash generated from investing activities		<u>-</u>	<u>-</u>
Cash outflows			
Purchase of property, plant and equipment		(658)	(17)
Purchase of intangibles		(19)	(29)
Cash used in investing activities		<u>(677)</u>	<u>(46)</u>
Net cash provided by investing activities		<u>(677)</u>	<u>(46)</u>
Net increase in cash and cash equivalents		(772)	(82)
Cash and cash equivalents at 1 July		2,148	2,230
Cash and cash equivalents at 30 June	6.1	<u>1,376</u>	<u>2,148</u>

The accompanying notes form part of these financial statements.

1. About Dairy Authority of South Australia (Dairysafe)

Dairy Authority of South Australia (Dairysafe) is a Statutory Authority fully funded by the dairy industry and is responsible for administering the dairy food safety scheme pursuant to the *Primary Produce (Food Safety Schemes) Act 2004* and the *Primary Produce (Food Safety Schemes)(Dairy) Regulations 2017*.

Dairysafe does not control any other entities and has no interest in unconsolidated structural entities

1.1 Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*;
- relevant Australian Accounting Standards with reduced disclosure requirements.

For the purpose of preparing the financial statements, the Authority is a not-for-profit entity. The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

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

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flow arising from investing and financing activities are recoverable from, or payable to, the ATO are classified as operating cash flows.

Assets and liabilities that are sold, consumed or realised as part of the normal 12 month operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

1.2 Objectives and activities

Dairysafe's functions, as defined in *Regulation 12*, are:

- to administer the dairy industry food safety scheme.
- to monitor the extent of compliance by accredited producers within Standard 4.2.4 of the *Food Standards Code* and enforce the Standard.
- to approve food safety arrangements to be adopted by accredited producers and monitor the implementation of such arrangements.
- to advise the minister on matters relating to the administration of the dairy industry food safety scheme.
- to carry out other functions assigned to the Authority by these regulations or the Minister.

1.3 Impact of Covid-19 on Dairysafe

There has been no financial impact to Dairysafe as a result of the Covid-19 pandemic.

2. Income

2023	2022
\$'000	\$'000

2.1 Fees and charges

Accreditation Fees

Total fees and charges

719	765
<u>719</u>	<u>765</u>

Accreditation fees are derived from the provision of services to participants in the South Australian dairy industry. This revenue is recognised on delivery of the service.

2023	2022
\$'000	\$'000

2.2 Interest

Interest

Total interest revenue

45	7
<u>45</u>	<u>7</u>

	2023 \$'000	2022 \$'000
2.3 Other income		
Other	9	3
Total other income	<u>9</u>	<u>3</u>

	2023 \$'000	2022 \$'000
2.4 Net gain/(loss) from disposal of property, plant and equipment		
<u>Property, plant and equipment:</u>		
Net proceeds from disposal	-	-
Less carrying amount of assets disposed	-	(1)
Net gain/(loss) from disposal of assets	<u>-</u>	<u>(1)</u>

3. Board, committees and employees

3.1 Key management personnel

Key management personnel include the Minister for Primary Industries and Regional Development, the Chief Executive and the Board.

Total compensation for the key management personnel was \$231,000 in 2022-23 and \$229,000 in 2021-22.

The compensation disclosed in this note excludes salaries and other benefits for the Minister of Primary Industries and Regional Development. The Minister's remuneration and allowances are set by the *Parliamentary Remunerations Act 1990* and the Remuneration Tribunal SA respectively and are payable from the Consolidated Account under section 6 of the *Parliamentary Remunerations Act 1990*.

3.2 Board members

Members during the 2023 financial year were:

Ms RC Healy

Mr M Connor

Mr G Kamencak

Board remuneration

The number of members whose remuneration received or receivable falls within the following bands:

\$0 - \$19,999

\$20,000 - \$39,999

	2023 \$'000	2022 \$'000
	2	2
	1	1
	<u>3</u>	<u>3</u>

The total remuneration received or receivable by members was \$48,000 (\$48,000). Remuneration of members includes sitting fees and superannuation contributions.

	2023 \$'000	2022 \$'000
3.3 Employee benefits expense		
Salaries and wages	528	562
Long service leave	13	(22)
Annual leave	12	4
Skills and experience retention leave	-	(6)
Employment on-costs superannuation	60	60
Board fees	43	44
Total employee benefits expenses	<u>656</u>	<u>642</u>

Employment on-costs - superannuation

The superannuation employment on-costs charge represent Dairysafe's contributions to superannuation plans in respect of current services of current employees.

Executive remuneration

The number of employees whose remuneration received or receivable falls within the following bands:

\$180,001 to \$200,000

Total

	2023	2022
	No	No
	1	1
Total	1	1

The total remuneration received by those employees for the year was \$183,000 (\$181,000)

The table includes all employees whose normal remuneration was equal to or greater than the base executive remuneration level during the year. Remuneration of the employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and any fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for employees who have left Dairysafe.

	2023	2022
	\$'000	\$'000
3.4 Employee benefits liability		
Current		
Accrued salaries and wages	10	23
Long service leave	-	-
Annual leave	85	74
Skills and retention experience leave	2	2
Total current employee benefits	97	99
Non-current		
Long service leave	100	88
Total non-current employee benefits	100	88
Total employee benefits	197	187

Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Long Service Leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which is then applied to the department's employee details. Key assumptions include whether the characteristics of employee remuneration, terms of service with the public sector, and expectations as to when employees take long service leave, as established by the actuary, are applicable to employees of the department. These assumptions affect both the expected amount to be paid that has been factored into the calculation of the liability. The discount rate used in measuring the liability is another key assumption. The discount rate is reflective of long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased from 2022 (3.5%) to 2023 (4%).

This increase in the bond yield results in a decrease in the reported long service leave liability.

The unconditional portion of the long service leave provision is classified as current as the authority does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 7 years of service.

4. Expenses

Employee benefits expenses are disclosed in note 3.3.

	2023	2022
	\$'000	\$'000
4.1 Supplies and services		
Computing and communications	21	16
Printing and stationery	20	21
Legal fees	8	7
Strategic development	12	22
Other	4	8
Total supplies and services	65	74

Consultants

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	No	2023 \$'000	No	2022 \$'000
Below \$10,000	3	13	2	6
\$10,000 or above	-	-	1	14
Total	3	13	3	20

	2023 \$'000	2022 \$'000
4.2 Depreciation and amortisation		
Plant and equipment	27	21
Intangible assets	17	11
Total depreciation and amortisation	44	32

All non-current assets not held for sale with a limited useful life, are systematically depreciated / amortised over their useful lives in a manner that reflects the consumption of their service potential.

Useful life

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment, and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Property, plant and equipment	3-10
Buildings	50
Intangibles	5

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

	2023 \$'000	2022 \$'000
4.3 Property expenses		
Repairs and maintenance	3	-
Rates and taxes	2	2
Other	4	-
Total property expenses	9	2

	2023 \$'000	2022 \$'000
4.4 Other expenses		
Audit fees	10	10
Insurance	12	10
Staff training	5	2
Fringe benefits tax	1	5
Workplace health and safety	5	1
Relocation and accommodation	5	11
Staff recruitment	-	19
Other	20	14
Total other expenses	58	72

Other expenses include audit fees paid / payable to the Auditor-General's Department relating to work performed under the Public Finance and Audit Act 1987 were \$10,000 (\$9,800). No other services were provided by the Auditor-General's Department.

5. Non-financial assets

5.1 Property, plant and equipment by asset class

Property plant and equipment comprises owned tangible assets. The assets presented below do not meet the definition of investment property.

	2023 \$'000	2022 \$'000
Land and buildings		
Land at fair value	880	900
Buildings at fair value	1,020	353
Accumulated depreciation at the end of the period	-	-
Total land and buildings	<u>1,900</u>	<u>1,253</u>
Plant and equipment		
Plant and equipment at cost (deemed fair value)	184	109
Accumulated depreciation at the end of the period	(63)	(41)
Total plant and equipment	<u>121</u>	<u>68</u>
Capital work in progress		
Work in Progress	-	74
Total capital work in progress	<u>-</u>	<u>74</u>
Total property, plant and equipment	<u>2,021</u>	<u>1,395</u>

5.2 Property, plant and equipment owned by Dairysafe

Property, plant and equipment owned by the authority with a value equal to or in excess of \$5 000 is capitalised, otherwise it is expensed. Owned property, plant and equipment is subsequently measured at fair value. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Revaluation of property, plant and equipment is undertaken on a regular cycle and is revalued at least every six years. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value then the asset will be revalued regardless of when the last valuation took place.

Land and buildings

An independent valuation of land and buildings owned by Dairysafe was performed at 30 June 2023, by a certified practicing valuer from M3 Preproperty Pty Ltd.

Fair value of land has been determined using the market approach. The valuation was based on recent market transactions for similar land in the area and includes adjustment for factors specific to the land such as size and location. For land classified as restricted in use, fair value was determined by applying an adjustment to reflect the restriction.

Plant equipment

All items of plant and equipment owned by Dairysafe had a fair value at the time of acquisition less than \$1.5 million and had an estimated useful life of less than three years have not been revalued. The carrying value of these items is deemed to approximate fair value.

Reconciliation 2022-2023	Land and Buildings \$'000	Plant and equipment \$'000	Work in progress \$'000	Total \$'000
Carrying amount at 1 July 2022	1,253	68	74	1,395
Acquisitions	-	-	665	665
Transfers	664	75	(739)	-
Depreciation	(5)	(22)	-	(27)
Decrement from revaluation of property, plant and equipment	(12)	-	-	(12)
Carrying amount at 30 June 2023	<u>1,900</u>	<u>121</u>	<u>-</u>	<u>2,021</u>

5.3 Intangible assets

Purchased computer software
Accumulated amortisation
Total computer software

2023	2022
\$'000	\$'000
98	78
(31)	(14)
<u>67</u>	<u>64</u>

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$5,000.

Reconciliation 2022-2023

Carrying amount at 1 July 2022
Acquisitions
Amortisation
Carrying amount at 30 June 2023

Other Computer Software	Total
\$'000	\$'000
64	64
20	20
(17)	(17)
<u>67</u>	<u>67</u>

6. Financial Assets

6.1 Cash and cash equivalents

Cash at bank
Total cash and cash equivalents

2023	2022
\$'000	\$'000
1,376	2,154
<u>1,376</u>	<u>2,154</u>

6.2 Receivables

Trade receivables
Pre-paid expenses
Other receivables
Total current receivables

2023	2022
\$'000	\$'000
181	2
7	4
-	2
<u>188</u>	<u>8</u>

Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the object of collecting the contractual cash flows and they are measured at amortised cost.

The net amount of GST recoverable from the ATO is included as part of receivables.

6.3 Categorisation of financial assets

Financial assets
Cash and cash equivalents
Cash and cash equivalents
Financial assets at amortised cost
Receivables
Total financial assets

2023	2022
Carrying amount	Carrying amount
\$'000	\$'000
1,376	2,154
7	4
<u>1,383</u>	<u>2,158</u>

Receivables as disclosed in this note does not include statutory amounts as these are not financial instruments.

7. Liabilities

Employee benefits liabilities are disclosed in Note 3.4.

	2023 \$'000	2022 \$'000
7.1 Payables		
Current		
Trade payables	3	58
Accrued expenses	44	20
Employment on-costs*	11	9
Total current payables	58	87
Non-current		
Employment on-costs*	5	4
Total non-current payables	5	4
Total payables	63	91

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short term nature.

*Employment on-costs

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2022 rate (42%) to 43% and the average factor for the calculation of employer superannuation cost on-costs has also changed from the 2022 rate (10.5%) to 11%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is not material. The impact on future periods is impracticable to estimate.

	2023 \$'000	2022 \$'000
7.2 Other Liabilities		
Current		
Accreditation fees received in advance	21	24
Other	150	-
Total current other liabilities	171	24
7.3 Categorisation of financial liabilities		
Financial liabilities		
Financial liabilities at amortised cost		
Payables	3	58
Total financial liabilities	3	58

Payables as disclosed in this note does not include accrued expenses or statutory amounts as these are not financial instruments.

8. Outlook

8.1 Unrecognised commitments

Commitments arising from contractual sources are disclosed at their nominal value.

	2023 \$'000	2022 \$'000
Contractual commitments to acquire property, plant and equipment		
Not later than one year	-	581
Total capital commitments	-	581

9.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

The Authority is not aware of any contingent assets or contingent liabilities.

9.2 Events after balance date

There has not been any significant events after balance date.