



# DAIRY AUTHORITY OF SOUTH AUSTRALIA

## **2021-22 Annual Report**

CSIRO Building 1, Gate 4, Waite Road, Urrbrae

PO Box 140, Glen Osmond, SA 5064

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

Contact phone number: +61 8 8223 2277

Contact email: [admin@dairy-safe.com.au](mailto:admin@dairy-safe.com.au)

ISSN: 2205 – 6866 (print)

2205 – 6874 (online)

Date approved by the Board: 14 September 2022

Date presented to Minister: 27 September 2022

**OFFICIAL**

2021-22 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 2021-2022.

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: **27 September 2022**

Signature



## From the Dairysafe Chair

On behalf of the Dairysafe Board, it is a pleasure to present the Annual Report and financial accounts for 2021-2022.

As a specialised and progressive regulator operating in a dynamic environment, we are focused on ensuring national dairy food safety standards are successfully and consistently applied across South Australia's dairy supply chain.

Our efforts are concentrated on keeping consumers safe, delivering value, and supporting businesses to be resilient, sustainable, and successful.

The 2021-2022 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 terms of these goals, Dairysafe has delivered the following initiatives during 2021-2022:

- Creating an online Business Continuity tool for dairy farmers.
- Developing a data management system that manages accreditation, audit, incident and complaints, which incorporates a client portal providing transparency and access to business specific information.
- Delivering the inaugural 'Food Safety Culture Award', recognising champion dairy processors.
- Completing comprehensive audits of export registered dairy processors on behalf of the Commonwealth.
- Providing industry specific food safety training initiatives.

By working collaboratively with our industry and stakeholders, the South Australian dairy industry's reputation for producing safe high-quality products continues to be validated by the following key performance outcomes:

- ✓ No foodborne illnesses associated with SA dairy products
- ✓ No pathogens detected in processed SA dairy products at retail level
- ✓ No recalls of SA dairy products

- ✓ No detections of antibiotic residue in processed SA dairy products
- ✓ No critical non-conformance identified at audit

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, and I'm pleased to report Dairysafe continues to satisfy its statutory obligations while performing at a high level with no increase in fees over the past 4 years. The decision not to increase fees has been on the basis that there hasn't been a typical operating year due to Covid constraints in recent times, however the Board has decided to address the fee structure and proportionality in early 2023.

Dairysafe delivers all audit and verification services for the South Australian dairy sector which, I'm happy to say, has included export audits in 2021-2022. We feel these arrangements provide industry with enhanced connection and improved access to knowledge sources, approval processes and potential assistance programs that complement regulatory guidance and market access.

Our relationships and cooperation with industry partners and stakeholders have enabled Dairysafe to continually improve our focus and services through information sharing and regular benchmarking of systems and processes across our dairy industry. I'm confident the outcomes of this work help to ensure we have a robust and effective South Australian dairy food safety scheme.

This Annual Report outlines Dairysafe's performance and the work completed during the 2021-2022 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 2021-2022.



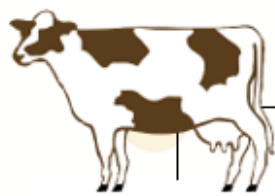
Roseanne Healy

**Dairysafe Chair**

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

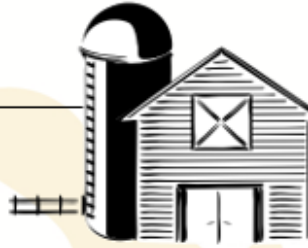


## South Australian dairy industry at a glance



### Cows per region

Mid-North **3,400**  
Central **25,400**  
South-East **38,700**



### Farms per region

Mid-North **19**  
Central **89**  
South-East **73**



### Litres produced per region

Mid-North **24.2M**  
Central **182.7M**  
South-East **290.8M**

### Accredited dairy businesses in SA

Farms (bovine) **181**  
Farms (non-bovine) **9**  
Processors **46**  
Transporters **9**



### Yield per cow

Mid-North **7,070L**  
Central **7,170L**  
South-East **7,500L**

## Contents

<b>Overview: about Dairysafe .....</b>	<b>8</b>
Our strategic focus.....	9
Our organisational structure.....	12
Our Minister .....	12
Dairysafe Board .....	13
Dairysafe Operational Team .....	15
Legislation administered by Dairysafe .....	15
Other related agencies (within the Minister's area/s of responsibility).....	15
<b>Dairysafe's performance .....</b>	<b>16</b>
Performance at a glance.....	16
Agency contribution to whole of Government objectives.....	16
Profile - South Australian Dairy Industry .....	17
National Production.....	17
Snapshot - the South Australian Dairy Industry .....	17
Dairy farm herd size.....	17
Regional milk production.....	17
Herd size, farms and milk production across the regions.....	18
Milk production and yield .....	18
Farm production.....	19
Contribution to national milk production .....	19
Accredited dairy businesses .....	19
Dairy farms.....	20
Dairy processors .....	21
Dairy transporters .....	21
Dairy industry workforce .....	21
Milk production statistics .....	22
Dairysafe specific objectives and performance .....	22
Corporate performance summary - Dairysafe Board outcomes .....	27
Employment opportunity programs .....	32
Agency performance management and development systems.....	33
Work health, safety and return to work programs .....	34
Executive employment in the agency.....	36
<b>Financial performance .....</b>	<b>37</b>

Financial performance at a glance .....	37
Consultants disclosure .....	37
Contractors disclosure .....	38
<b>Risk management.....</b>	<b>40</b>
Risk and audit at a glance.....	40
Fraud detected in the agency.....	40
Strategies implemented to control and prevent fraud.....	40
Public interest disclosure .....	41
<b>Reporting required under any other act or regulation.....</b>	<b>42</b>
Reporting required under the <i>Carers' Recognition Act</i> 2005.....	42
<b>Public complaints.....</b>	<b>43</b>
Number of public complaints reported .....	43
Additional Metrics.....	44
Service Improvements .....	45
Compliance Statement.....	45
<b>Appendix: Audited financial statements 2021-22.....</b>	<b>46</b>

## 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 in 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

<b>Our Purpose</b>	<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>
<b>Our Mission</b>	To lead the South Australian dairy community to embrace a food safety culture.
<b>Our Vision</b>	For customers to have confidence in the dairy industry.
<b>Our Desired Outcomes</b>	<ol style="list-style-type: none"> <li>1. To keep consumers safe.</li> <li>2. Delivering value to businesses through consistent food safety regulation and minimal regulatory burden.</li> <li>3. Supporting businesses to be resilient, sustainable and growing.</li> </ol>
<b>Our Values</b>	<p><b>Leadership</b> – 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><b>Excellence</b> – 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>

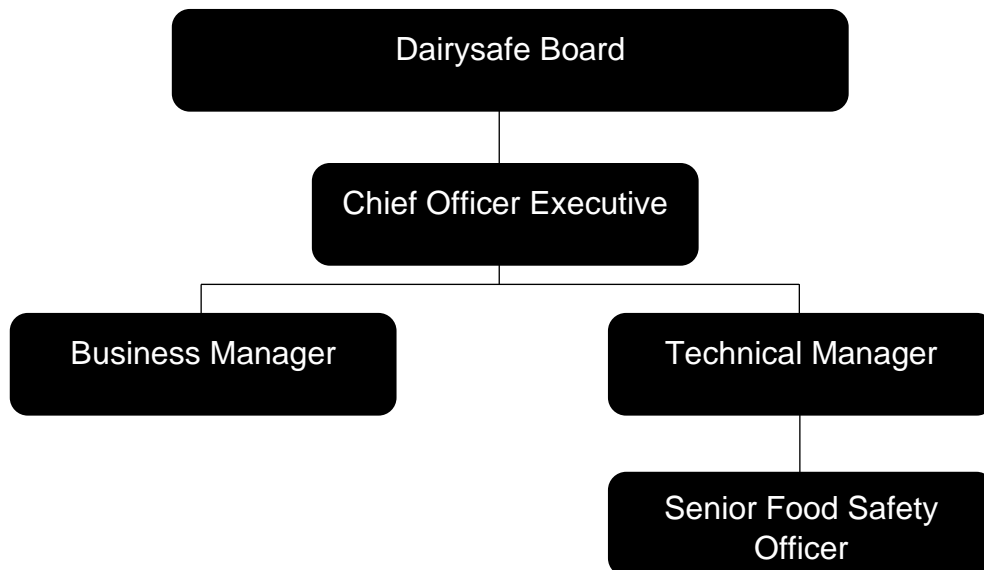
	<p><b>Knowledge</b> – Dairysafe values the creation and dissemination of knowledge for the betterment of the Industry. The South Australian dairy industry regards us not only as an invaluable source of knowledge, but also an essential business partner.</p> <p><b>Independence</b> – As a statutory body 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><b>Agility</b> – 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>
<b>Our Strategic Priorities</b>	<p><b>Leading food safety regulation</b> – To keep consumers safe by setting, monitoring and regulating local and national standards.</p> <p><b>Connecting the industry</b> – To create a more knowledgeable and interconnected industry through technology and data.</p> <p><b>Inspiring a safety culture</b> – To lead the South Australian dairy community to embrace a food safety culture.</p> <p><b>Building industry and consumer confidence</b> – To build industry and business confidence that will translate into consumer confidence.</p>
<b>Our functions, objectives and deliverables</b>	<p><b>Legislative Functions:</b></p> <ol style="list-style-type: none"> <li>1. To administer the dairy industry food safety scheme.</li> <li>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.</li> <li>3. To approve food safety arrangements to be adopted by accredited dairy producers and monitor the implementation of such arrangements.</li> <li>4. To advise the Minister on matters relating to the administration of the Dairy Food Safety Scheme.</li> <li>5. To carry out other functions assigned to the Authority by these regulations or the Minister.</li> </ol> <p><b>Strategic Priorities / Goals / Desired Outcomes:</b></p> <p>Strategic Priority #1: <b>Leading food safety regulation</b></p> <p><u>Goal</u>: To keep consumers safe by setting, monitoring and regulating local and national standards</p>

	<p><u>Desired Outcomes:</u></p> <ol style="list-style-type: none"> <li>1. Fit-for-purpose risk-based verification</li> <li>2. Regulatory solutions for food safety gap areas</li> <li>3. Industry thought leadership</li> </ol> <p><u>Strategic Priority #2: Connecting the industry</u></p> <p><u>Goal:</u> To create a more knowledgeable and interconnected industry through technology and data</p> <p><u>Desired Outcomes:</u></p> <ol style="list-style-type: none"> <li>1. Defined industry information requirements</li> <li>2. Implementation of a platform to access information and provide ongoing eco-system development</li> </ol> <p><u>Strategic Priority #3: Inspiring a food safety culture</u></p> <p><u>Goal:</u> To lead the South Australian dairy community to embrace a food safety culture</p> <p><u>Desired Outcomes:</u></p> <ol style="list-style-type: none"> <li>1. Advice regarding maintaining a safe dairy culture</li> <li>2. Learning pathways for businesses and individuals</li> <li>3. Leadership in industry alignment and streamlining</li> <li>4. A collaborative 'co-ownership' safety culture across the industry</li> </ol> <p><u>Strategic Priority #4: Building industry and consumer confidence</u></p> <p><u>Goal:</u> To build industry and business confidence that will translate into consumer confidence</p> <p><u>Desired Outcomes:</u></p> <ol style="list-style-type: none"> <li>1. Available tailored business and individual learning programs</li> <li>2. Strong safety reputation</li> <li>3. Recognised industry champions</li> <li>4. Confidence in the industry</li> <li>5. Industry growth, premium products, increased productivity</li> </ol> <p><u>Strategic Priority #5: Organisation capabilities to deliver</u></p> <p><u>Goal:</u> To invest in the capabilities of the organisation to ensure it can deliver the strategy</p>
--	---

	<p><u>Desired Outcomes:</u></p> <ol style="list-style-type: none"> <li>1. Trusted and respected auditors / regulator</li> <li>2. Sought out for advice and thought leadership</li> <li>3. Platform of information and knowledge</li> </ol>
--	--

## Our organisational structure

Dairysafe is a small Authority consisting of a statutory Board of three (3) and small operational team comprising 4 fulltime equivalent staff.



## Changes to the agency

During 2020-21 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 2021-2022 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 8 occasions in 2021-2022 with an additional 3 meetings/interfaces out of sessions.

The Board also undertook industry tours in October 2021 and April 2022, visiting 4 farmers and 6 processing facilities.

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**

Four Dairysafe employees constituted the operational team on 30 June 2022, with 2 long-term employees retiring at that time.

The Dairysafe operational team includes a Chief Executive Officer, Business Manager, Technical Manager, and Senior 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 2021-2022 the Dairysafe operational team consisted of:

<b>Chief Executive Officer</b>	Geoff Raven
<b>Accountant</b>	Rocco Galluccio (retired June 2022)
<b>Business Manager</b>	Eric Radley
<b>Technical Manager</b>	Craig Heard
<b>Senior Food Standards Officer</b>	Derene Szczerba
<b>Food Safety Officer</b>	Fiona Little (retired June 2022)

**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 2021-22	Board meetings attended	Unscheduled Board sessions attended
Roseanne Healy	8	8	3
Michael Connor	8	8	3
George Kamencak	8	8	3

### Agency contribution to whole of Government objectives

Dairysafe actively contributes to whole of Government objectives through the following actions:

Key objective	Dairysafe's contribution
Industry growth	<ul style="list-style-type: none"> <li>Ensuring food safety regulation does not stifle innovation.</li> <li>Verifying compliant food safety arrangements across industry to support confidence and market access.</li> <li>Establishing and maintaining an operating environment which is responsive to the needs of SA's dairy industry.</li> </ul>
Regulatory efficiencies	<ul style="list-style-type: none"> <li>Reducing duplication and red tape between State and Commonwealth food safety and biosecurity regulators that can impact business costs.</li> <li>Streamlined industry accreditation system.</li> <li>Maintaining operational costs at a level which allows industry fees to be maintained at reasonable and sustainable levels.</li> <li>Ensuring the dairy industry maintains robust food safety programs that minimise negative public health and industry impacts.</li> </ul>
Enhanced Services	<ul style="list-style-type: none"> <li>Adding value to dairy businesses through the delivery of the regulatory audit process, including audit of export registered dairy processors.</li> <li>Being an open, communicative, and transparent organisation.</li> <li>Development of a business continuity tool for use by dairy farmers to reduce their exposure to business continuity breakdown.</li> </ul>



## 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 2021-2022 and directly employing approximately 37,400 people (*Dairy Australia, In Focus 2021*). Dairy is Australia's third-largest rural industry generating \$4.7 billion in farm gate value. There are around 4,618 registered dairy farms operating in Australia and approximately 1.38 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 2020-2021*) and accounts for 5.8% of Australia's milk and nearing a billion dollars in generated revenue.

The PIRSA Scorecard\* lists the following revenue data:

- Production value: \$262.7 million
- Processing value: \$547.2 million
- Overseas Exports: \$99 million

The South Australian industry produced 497.7 million litres of milk from around 181 dairy (cow) farms during 2021-2022, a decrease of 0.3% on 2020-2021 production.

During 2021-22 dairy cow farm numbers decreased by 8.6%, from 198 on 30 June 2021 to 181 on 30 June 2022, whilst the dairy herd in South Australia decreased by 2.1% to around 67,650.

In addition to these accredited dairies, there were also 1 sheep, 5 goat, 2 buffalo and 1 camel dairy operating in 2021-2022. Three cow dairy farms process their own milk, whilst 1 goat, buffalo, sheep and camel dairy farm also process their own milk.

### Dairy farm herd size

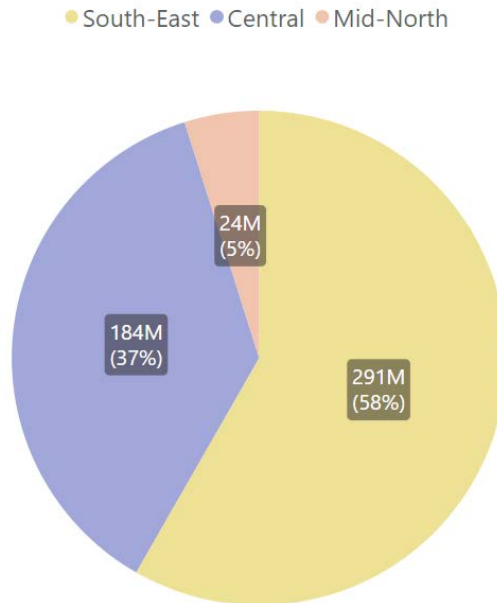
The average size of a dairy farm herd in Australia has increased from 93 cows in 1985 to 300 cows in 2021-2022. In comparison, the average herd size in South Australia in 2021-2022 is 374, a significant increase from an average of 78 cows in 1984.

The majority of South Australian dairy farms (66%) hold between 101 and 500 milking cows, with the largest farm holding a milking herd of .

### 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).

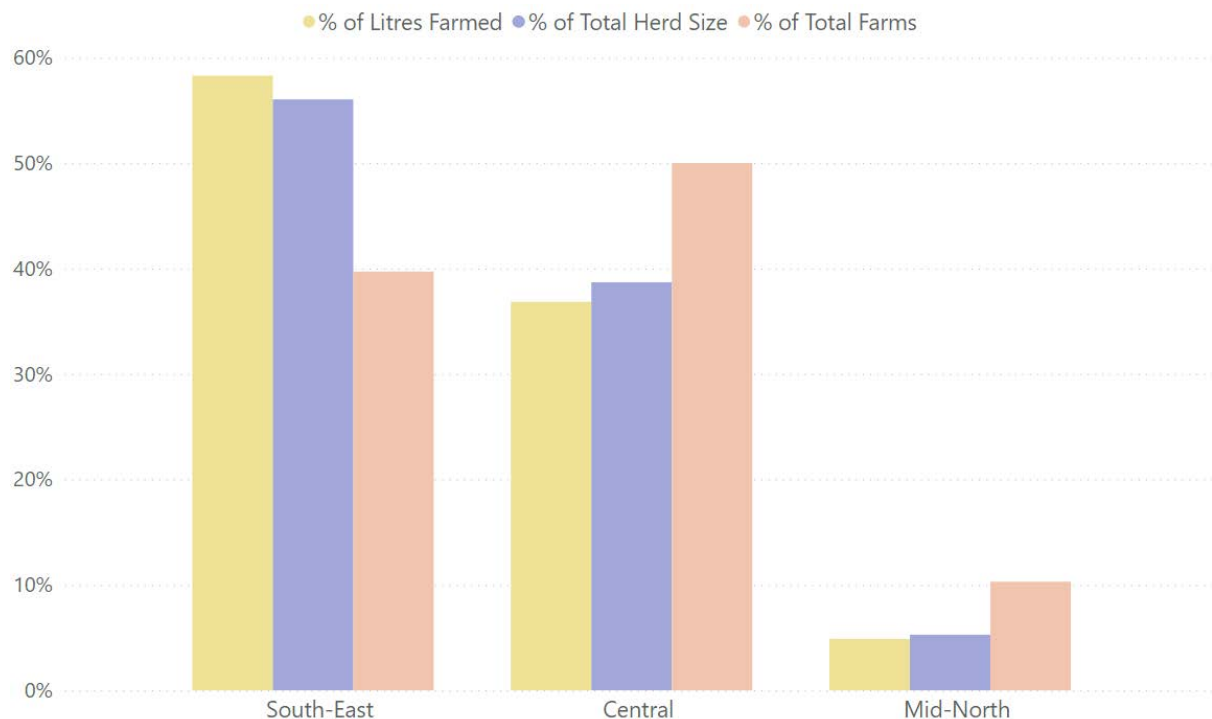
The majority of milk production occurs in the South-East (58%), followed by the Central region (37%), with 5% production occurring in the Mid North region.



### Herd size, farms and milk production across the regions

There were around 67,650 milking cows in South Australia in 2021-2022 contributing to the production of around 498 million litres of milk.

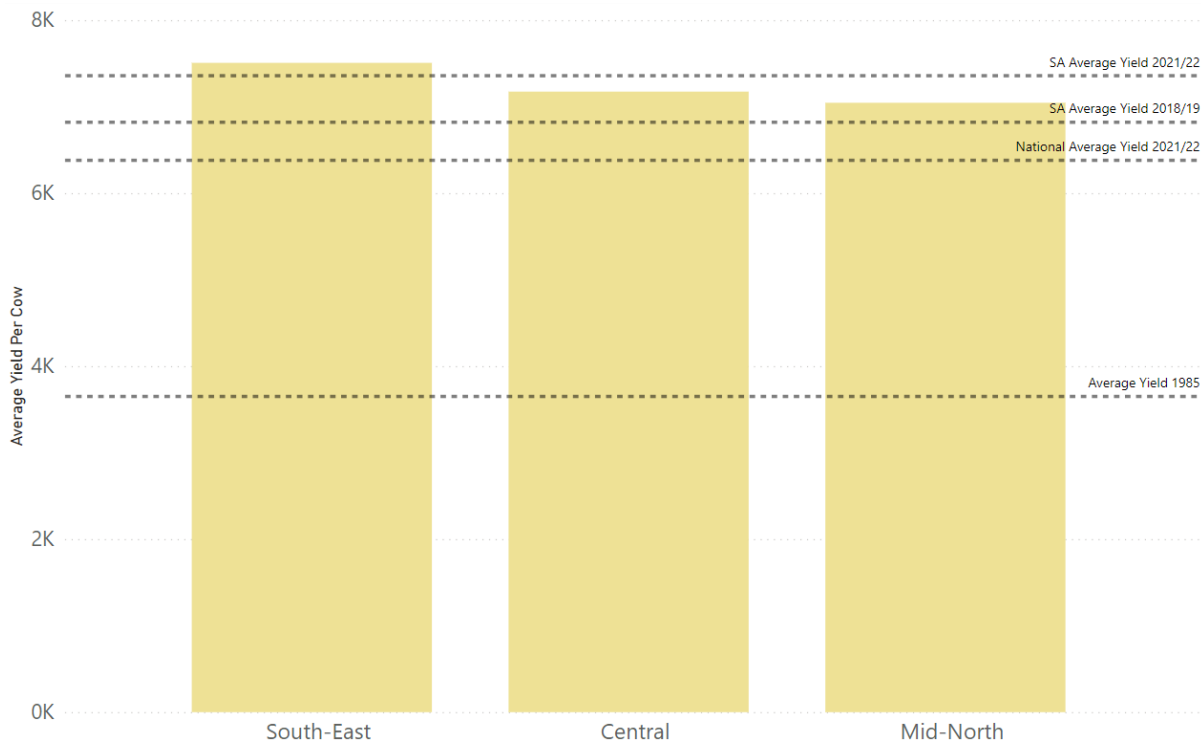
Over half (58%) of milk produced occurs in the South-East, which has less than half (40%) of the State's dairy farms but more than half (57%) of the SA milking herd.



### Milk production and yield

During 2021-2022 the South Australian dairy industry produced 498 million litres of cow's milk from just over 67,650 cows, with an average yield of around 7,358 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 (7,500 ltrs/cow), followed by the Central region (7,170), with the Mid North having the lowest yield (7,070). Australia's national average yield in 2021-2022 was 6,380 ltrs/cow.



## Farm production

The South-East region has the largest dairy farms with an average 531 cows/farm, significantly more than in the Central region (286) and more than double the number of cows per farm in the Mid North (181). The milk yield per farm is greatest in the South-East (3.98M litres/farm), followed by the Central region (2.05M litres/farm), with the yield in the Mid North significantly lower at 1.275M litres/farm.

## Contribution to national milk production

Annual milk production decreased in all jurisdictions in 2021-2022 contributing to an overall decrease in national production of -3.9%. South Australia's annual production across the 2021-2022 period decreased by 0.3%, contributing around 5.8% 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 2021-2022 period is provided in the following table along with the comparative figures for 2020-2021:

Accreditation type	30 June 2022	30 June 2021
Dairy farms (bovine)	181	198
Dairy farms (goat, buffalo, sheep & camel)	9	9
Dairy transports	9	9
Dairy processors	47	46
Total	246	262

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

Accreditation type	Cancelled 2021-2022	New 2021-2022
Dairy farms (bovine)	19	2
Dairy farms (goat, buffalo, sheep & camel)	0	0
Dairy transports	1	1
Dairy processors	4	5
Total	24	8

### Dairy farms

As of 30 June 2022 there were 190 accredited dairy farms (181 cow dairies). Over the course of this reporting period 19 dairy farm accreditations were handed back and 2 new dairy farm accreditations were granted.

There is a continued downward trend in dairy farm numbers in South Australia and across Australia's dairy regions. Over this reporting period the number of dairy cow farms reduced around Australia by about 8.6%, which also represented the reduction in South Australian dairy farm numbers. But while the number of farms has decreased the average herd size continues to slowly increase in South Australia, being 374 for this reporting period compared to 349 milking cows in 2020-2021.

In South Australia, 14% of farms have 100 or less milking cows, 66% have between 101 and 500 cows, 16% have between 501 and 1000 cows, and 4% have a herd size greater than 1000.

### **Dairy processors**

On 30 June 2022 there were 46 accredited dairy processors. Over the course of reporting period, 4 dairy processor accreditations were handed back, and 5 new accreditations were 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).

Dairysafe staff participated in audits of export registered processors in conjunction with DAFF staff in the 2<sup>nd</sup> half of 2021 and were approved to audit on behalf of DAFF onwards from December 2021.

### **Dairy transporters**

On 30 June 2022 there were 9 dairy transporters accredited to transport bulk raw milk. Of these, 3 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 2021-2022 period 1 dairy transporter accreditation was handed back and 1 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 644 (ABS averaged over 4 quarters to August 2021)
- Total SA employment in dairy product manufacturing is 830 (ABS averaged over 4 quarters to August 2021)

## Milk production statistics

Industry Milk Production Statistics – comparative data from 1974 to 2022						
Region	Milk (litres)	Cows	Farms	Litres/farm	Cows/farm	Litres/cow
Mid-North	24,228,365	3,439	19	1,275,177	181	7,045
Central	182,679,852	25,464	89	2,052,583	286	7,174
South-East	290,853,541	38,747	73	3,984,295	531	7,506
Annual South Australian Totals						
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

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	The Memorandum of Understanding with DAWE for regulation of export	✓
	iv. Less audit activity and expense for customers		

Agency objectives	Indicators	Performance	Outcome
	<p>v. Export auditor authorisation achieved</p> <p>vi. Policy position on additional schemes supported</p> <p>vii. Valued thought leadership</p> <p>viii. Valued contribution to policy &amp; protocols</p>	<p>registered dairy processors was finalised.</p> <p>Dairysafe provided a positive contribution to the SA Productivity Commission's inquiry into food regulation.</p> <p>National antibiotic management policy endorsed</p> <p>Successful external audit of Dairysafe's ISO 9001:2015 regulatory management system.</p>	<p>✓</p> <p>✓</p> <p>✓</p>
<b>2. Connecting the industry</b>	<p>i. Industry supports development of information platform</p> <p>ii. Industry values Dairysafe's information platform</p> <p>iii. Positive industry partnership</p> <p>iv. Effective communications plan</p>	<p>Accredited dairy businesses provided with access to the new Dairysafe client portal.</p> <p>Stakeholders value Dairysafe's communications:</p> <ul style="list-style-type: none"> <li>o Bulletins – 4 issued.</li> <li>o E-news – 4 editions published: 48.32% open rate compared to 44.25% in 2020-2021 (industry average 21%).</li> <li>o Website – further development of the website, including access to a digitised Business Continuity Tool and listeria training webinars.</li> <li>o Email communications with stakeholders</li> </ul> <p>A Processor Forum was introduced (2 Forums completed) to provide a networking opportunity on food safety for dairy processors.</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
<b>3. Inspiring a food safety culture</b>	<p>i. Dairysafe industry awards are valued</p>	<p>Inaugural 'Dairysafe Food Safety Culture Award'</p>	<p>✓</p>

Agency objectives	Indicators	Performance	Outcome
	<p>ii. Advisory program meets stakeholder expectations</p> <p>iii. Stakeholders value the Dairysafe partnership</p> <p>iv. Learning pathway/s available</p>	<p>awarded at the 2021 SA Dairy industry awards.</p> <p>Advisory program delivering value &amp; meeting stakeholder expectations</p> <p>Industry self-reporting issues and dairy businesses actively seeking Dairysafe advice.</p> <p>Development of online listeria webinars and certificate of completion.</p>	<p>✓</p> <p>✓</p> <p>✓</p>
<b>4. Building industry and consumer confidence</b>	<p>i. Business Continuity Tool developed</p> <p>ii. SA ranked #1 in quality and safety benchmarks</p>	<p>Dairy farm web-based Business Continuity Tool developed and available at no cost to farmers on website.</p> <p><b>NIL</b> foodborne illness associated with SA dairy products</p> <p><b>NIL</b> trade withdrawals or consumer level recalls</p> <p><b>NIL</b> antibiotic residue in finished dairy products</p> <p><b>NIL</b> dairy products with pathogens at retail level</p> <p>Industry compliant with regulatory standards</p> <ul style="list-style-type: none"> <li>○ <b>NIL</b> critical non-conformance found at audit</li> <li>○ <b>29</b> major non-conformance issues identified at audit</li> <li>○ <b>22</b> major non-conformance issues identified at audit</li> <li>○ <b>261</b> audits completed</li> </ul> <p>Timely and professional management of food safety incidents with positive outcomes</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>



Agency objectives	Indicators	Performance	Outcome
		<ul style="list-style-type: none"> <li>38 incidents managed – <b>NIL</b> negative outcomes</li> </ul> <p>Effective management of dairy sector complaints</p> <ul style="list-style-type: none"> <li>8 complaints effectively managed</li> </ul> <p>Review and approval of variations to Approved Arrangements</p> <ul style="list-style-type: none"> <li>22 variations effectively managed</li> </ul>	<p>✓</p> <p>✓</p> <p>✓</p>
<b>5. Organisation capabilities to deliver</b>	i. Technology & data is a strength	Phase 2+ development of the Dairysafe QMS IT system completed and commissioned.	✓
	ii. Auditor/regulator development program established	<p>Staff self-led strength-based performance development plans agreed &amp; completed.</p> <p>Professional development:</p> <ul style="list-style-type: none"> <li>DWC pasteuriser operator course</li> <li>ISO 9001 foundation training</li> <li>FBPAUD5003 – Audit a heat treatment process</li> <li>DAWE export auditor modules</li> <li>Drive to survive course</li> </ul>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
	iii. Technical development training program in place	Staff maintain nationally recognised auditor scopes for all industry sectors	✓
	vii. Robust business risk management program	Dairysafe risk management framework implemented and monitored.	✓
		Industry profile established for farm and processor sectors	✓

Agency objectives	Indicators	Performance	Outcome
	viii.Dairysafe's industry knowledge is valued	Dairysafe's regulatory management arrangements maintained under external ISO 9001:2015 certification.	✓
	v.Dairysafe acknowledged as innovative	Dairysafe technological needs analysis completed.	✓
		Digital and ICT Framework developed.	✓
	vi.Stakeholders value Dairysafe communications	Dairysafe Customer Service Charter endorsed by the Board.	✓
		Dairysafe People and Culture Framework developed and endorsed by the Board.	✓
		Workforce development project created in partnership with SA Health & PIRSA.	✓

## **Corporate performance summary - Dairysafe Board outcomes**

### **Governance**

- Dairysafe entered into 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.
- The Board endorsed 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.
- 8 scheduled Board meetings were completed.
- 3 unscheduled Board sessions/interfaces conducted.
- Standing Board meeting agenda items included:
  - Accreditations issued and accreditations revoked
  - Finance reports
  - Industry compliance reporting
  - Work, Health & Safety
  - Chief Executives Report
  - Director Conflict of Interest
- Monthly financial reporting was provided to every Board meeting.
- On 2 occasions the Board reviewed progress with controls and treatments associated with Dairysafe’s Risk Management Framework.
- A positive budget outcome was achieved for 2021-2022.
- 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 – 3 new policies were developed; 5 policies were reviewed, amended and endorsed; 6 policies were reviewed & endorsed.
- An internal Board performance review was completed with positive outcomes.
- The Board completed a review of the Employee Handbook.

- The Board completed a review of the Dairysafe Accreditation Handbook.
- Dairysafe's regulatory management arrangements maintained external ISO 9001:2015 certification.

### **Industry Leadership & Development**

- Dairysafe formally approved 5 dairy processor company farm food safety programs.
- The Board completed 8 industry visits during 2021-2022:
  - Myponga dairy farmers
  - Nangkita Dairies Pty Ltd
  - B-d Paris Creek Pty Ltd
  - Fleurieu Milk Company
  - Section 28 Cheese Pty Ltd
  - Bega Dairy and Drinks
  - Mitani Products
  - Obela Fresh Dips & Spreads

### **Work, Health & Safety**

- The 2022 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.
- 9 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-1 strategy progress report was provided to accredited businesses and stakeholders in December 2021.
- Budget strategy was completed for the 2022-2023 financial year.

### **Communication & Engagement**

- 4 E-news editions were published, covering 51 articles.

## Key initiative (case study #1) – Developing an on-line business continuity tool for dairy farmers

Dairysafe is responsible for ensuring the SA dairy industry complies with national food safety standards to safeguard public health. In 2021-2022, Dairysafe developed and implemented a business continuity tool for assessing business continuity risks that is designed, in part, to support dairy farmers and Dairysafe's stakeholder engagement activities.

Business continuity is the ability to rapidly adapt and respond to business disruptions, safeguard people and assets, while maintaining continuous farming operations.

This initiative arose from discussions with other food safety regulators about the links between business resilience and food safety risk. Some regulators argued that there is a direct link between food safety outcomes and the capacity of a business to manage unexpected events causing business interruptions such as bushfires, power failures, consistency of inputs, loss of critical infrastructure, unavailability of key staff, equipment breakdown, biosecurity impacts, lack of farm communication and culture, poor financial management and lack of risk management.

The relevance of these risks has been recently highlighted by the impacts of bushfires, drought, overseas conflicts and COVID-19 on businesses.

Under the direction of an industry reference group, and with the support of the SA Dairy Industry Fund, the SA Dairyfarmers Association (SADA), and local dairy farmers, Dairysafe developed the free online tool that acts as a 15 minute 'Health Check' for a dairy farming business.

Available on the Dairysafe website, the tool allows a farmer to quickly test their preparedness for business disruption through a 15-minute self-assessment. After entering farm details and responding to a range of questions, the online tool identifies tailored options to reduce exposure to business continuity breakdown, based on a two-dimensional risk matrix. One dimension on the risk matrix is farm risk and the second dimension on the risk matrix is the self-assessed level of maturity in managing business continuity risks.



The BCT evaluates exposure to business continuity breakdown (business disruption events) and provides farmers with opportunities for improvement, linking each opportunity with one or more existing on-farm business tools.

The Farm BCT assesses how well a farm enterprise is prepared for such business disruption events through a series of guided questions. Following this, a tailored report is generated to guide a farm enterprise with opportunities on how to minimise exposure to business disruption.

The Farm BCT provides a pathway for farmers to achieve consistent milk safety and quality outcomes and increase business resilience.

Business continuity planning can have a positive financial outcome for a farming business as it reduces the potential negative productivity and financial impact of a disruptive event.

When testing the BCT with farmers they said:

- “The Farm BCT makes me aware of where my business sits, if my practices need improvement, or if they are they sufficient. This is a simple 10-minute task that isn’t onerous.”
- “The Farm BCT highlights areas that need attention.”
- “The Farm BCT will drive change.”
- “The Farm BCT is good for our business and good for our industry.”

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

In 2021, Dairysafe announced a new award available to South Australian dairy processors, the first time an award in Australia recognised food safety culture.

The Food Safety Culture Award recognises dairy businesses that strive to imbed food safety within their business culture and included 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 significant emphasis on food safety culture because it's good for business and helps to deliver safe, high-quality dairy products.

The value comes from a focus on skills, knowledge, values, management commitment and communication which drives sustainable and resilient dairy processing businesses, supports business confidence and favours innovation and growth.

Food safety standards are a moral and legal obligation for all food businesses. The public has an expectation they will be provided with safe food every time, and when that isn't the case, it can lead to business disruption and potentially damage brands.

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 inaugural 2021 Food Safety Culture Award received significant interest from dairy businesses – among them some well-known artisan producers, illustrating that food safety culture does not necessarily reside in big business.

Entrants for the 2021 award demonstrated, through management, staff and supplier behaviour, that all aspects of their business have a commitment to food safety, and they consistently show it in what they do every day.

The 3 finalists identified by the judging panel were The Union Dairy Company, Obela Fresh Dips and Spreads, and Bega Dairy and Drinks. The panel found Bega Dairy and Drink's food safety culture is well developed, mature and internalised in most cultural dimensions.

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

**Employment opportunity programs**

<b>Program name</b>	<b>Performance</b>
	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
Employee Performance Management and Development (PMD)	<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 &amp; 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><b>100%</b> of Dairysafe FTE's completed the PMD process over the 2021-2022 reporting period.</p>
<p>Dairysafe maintains the following policies for managing poor performance and misconduct:</p> <ul style="list-style-type: none"> <li>• Fraud and Corruption Policy</li> <li>• Staff Code of Conduct Policy</li> <li>• Termination of Employment Policy</li> <li>• Workplace Harassment Policy</li> </ul>	<p>There were <b>NO</b> instances where these policies were required to be applied during the 2021-2022 reporting period for 100% of Dairysafe FTE's.</p>

## Work health, safety and return to work programs

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

<b>Workplace injury claims</b>	<b>Current year 2021-22</b>	<b>Past year 2020-21</b>	<b>% Change (+ / -)</b>
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)

<b>Work health and safety regulations</b>	<b>Current year 2021-22</b>	<b>Past year 2020-21</b>	<b>% Change (+ / -)</b>
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%

<b>Return to work costs**</b>	<b>Current year 2021-22</b>	<b>Past year 2020-21</b>	<b>% Change (+ / -)</b>
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 2021-2022 are attached to this report.

<b>Statement of Comprehensive Income</b>	<b>2021-22 Budget \$000s</b>	<b>2021-22 Actual \$000s</b>	<b>Variation \$000s</b>	<b>2020-21 Actual \$000s</b>
Total Income	813	793	(20)	1,543
Total Expenses	869	843	(20)	777
<b>Net Result</b>	<b>(56)</b>	<b>(49)</b>	<b>0</b>	<b>766</b>
<b>Total Comprehensive Result</b>	<b>(56)</b>	<b>(49)</b>	<b>0</b>	<b>766</b>

<b>Statement of Financial Position</b>	<b>2021-22 Budget \$000s</b>	<b>2021-22 Actual \$000s</b>	<b>Variation \$000s</b>	<b>2020-21 Actual \$000s</b>
Current assets	1,701	2,162	461	2,252
Non-current assets	1,798	1,459	(340)	1,390
<b>Total assets</b>	<b>3,498</b>	<b>3,621</b>	<b>122</b>	<b>3,642</b>
Current liabilities	90	210	120	196
Non-current liabilities	64	92	34	78
<b>Total liabilities</b>	<b>154</b>	<b>302</b>	<b>154</b>	<b>274</b>
<b>Net assets</b>	<b>3,344</b>	<b>3,319</b>	<b>32</b>	<b>3,368</b>
<b>Equity</b>	<b>3,344</b>	<b>3,319</b>	<b>32</b>	<b>3,368</b>

### 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

<b>Consultancies</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
All consultancies below \$10,000 each - combined	Various	\$5,700

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

<b>Consultancies</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
Nielsen Architects	Development of 136 Glen Osmond Road proposals	\$ 14,490
	Total	\$ 14,490

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**

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
All contractors below \$10,000 each - combined	Various	\$12,455

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

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
Cindie Smart	Communications planning and delivery, including Enews production, distribution and web publication	\$ 16,200
Biz Hub Australia	Development of QMS database and mobile auditing capability, and provision of IT services	\$ 27,211
Stillwell Management	Assistance in Recruitment of employees	\$ 19,037
Beltrame Brothers Builders	Construction work of 136 Glen Osmond Road	\$ 52,200
	Total	\$ 114,648

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 2021-2022, undertook a comprehensive review of risk and developed and endorsed 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 2021-2022	

*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 Accountant.
- 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 Accountant.
- 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 2021-2022 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 2021-22
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

<b>Complaint categories</b>	<b>Sub-categories</b>	<b>Example</b>	<b>Number of Complaints 2021-22</b>
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
		<b>Total</b>	<b>0</b>

<b>Additional Metrics</b>	<b>Total</b>
Number of positive feedback comments	0
Number of negative feedback comments	0
Total number of feedback comments	0
% 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. 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 2021-22**

## INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
Tel +618 8226 9640  
Fax +618 8226 9688  
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 2022.

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 2022, its financial performance and its cash flows for the year then ended in accordance with the 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 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Chair, Chief Executive Officer and the Business Manager.

#### 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 Chief Executive Officer and members of the Authority for the financial report**

The 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 the 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 is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the 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 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 2022.

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 Chief Executive Officer
- conclude on the appropriateness of the 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 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)**

27 September 2022


# **Dairy Authority of South Australia (Dairysafe)**

**Financial report  
for the year ended  
30 June 2022**

## **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



**Roseanne Healy**  
Chair



**Geoff Raven**  
Chief Executive Officer



**Eric Radley**  
Business Manager

Dated            27 September 2022

## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>Income</b>			
Fees and charges	2.1	765	778
Interest	2.2	7	10
Grant income		20	-
Net gain/(loss) on disposal of property, plant and equipment	2.4	(1)	749
Other income	2.3	3	6
<b>Total Income</b>		<u>794</u>	<u>1,543</u>
<b>Expenses</b>			
Employee benefits expenses	3.3	642	590
Supplies and services	4.1	74	81
Depreciation and amortisation	4.2	32	18
Property expenses	4.3	2	12
Travelling expenses		21	18
Other expenses	4.4	72	58
<b>Total Expenses</b>		<u>843</u>	<u>777</u>
<b>Net Result</b>		<u>(49)</u>	<u>766</u>
<b>Total Comprehensive Result</b>		<u>(49)</u>	<u>766</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 2022

	Note	2022 \$'000	2021 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	6.1	2,154	2,230
Receivables	6.2	8	22
<b>Total current assets</b>		<u>2,162</u>	<u>2,252</u>
<b>Non-current assets</b>			
Property, plant and equipment	5.1	1,395	1,342
Intangible assets	5.3	64	48
<b>Total non-current assets</b>		<u>1,459</u>	<u>1,390</u>
<b>Total assets</b>		<u>3,621</u>	<u>3,642</u>
<b>Current Liabilities</b>			
Payables	7.1	87	48
Employee benefits	3.4	99	111
Other current liabilities	7.2	24	37
<b>Total current liabilities</b>		<u>210</u>	<u>196</u>
<b>Non-current liabilities</b>			
Payables	7.1	4	3
Employee benefits	3.4	88	75
<b>Total non-current liabilities</b>		<u>92</u>	<u>78</u>
<b>Total liabilities</b>		<u>302</u>	<u>274</u>
<b>Net assets</b>		<u>3,319</u>	<u>3,368</u>
<b>Equity</b>			
Retained earnings		<u>3,319</u>	<u>3,368</u>
<b>Total equity</b>		<u>3,319</u>	<u>3,368</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 2022

	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 30 June 2020	2,086	516	2,602
<b>Total comprehensive result for 2020-21</b>	-	766	766
Transfer between equity components	(2086)	2,086	-
Balance at 30 June 2021	-	3,368	3,368
Net result for 2021-22	-	(49)	(49)
<b>Total comprehensive result for 2021-22</b>	-	(49)	(49)
<b>Balance at 30 June 2022</b>	-	3,319	3,319

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 2022

Note	2022 \$'000	2021 \$'000
<b><u>Cash flows from operating activities</u></b>		
<b>Cash inflows</b>		
Fees and charges	764	823
Interest received	7	10
Other income	23	6
<b>Cash generated from operations</b>	794	839
<b>Cash outflows</b>		
Employee benefits payments	(646)	(528)
Payments for supplies and services	(184)	(136)
<b>Cash used in operating activities</b>	(830)	(664)
<b>Net cash provided by operating activities</b>	(36)	175
<b><u>Cash flows from investing activities</u></b>		
<b>Cash inflows</b>		
Proceeds from sale of property, plant and equipment	0	2853
<b>Cash generated from investing activities</b>	0	2853
<b>Cash outflows</b>		
Purchase of property, plant and equipment	(17)	(1332)
Purchase of intangibles	(29)	(33)
<b>Cash used in investing activities</b>	(46)	(1365)
<b>Net cash provided by investing activities</b>	(46)	1488
<b>Net increase in cash and cash equivalents .</b>	(82)	1663
<b>Cash and cash equivalents at 1 July 2022</b>	2230	567
<b>Cash and cash equivalents at 30 June 2022</b>	2148	2230

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 include GST in the Statement of 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, however some physical audits for farm and processor have been carried out via remote electronic means.

## 2. Income

### 2.1 Fees and charges

Accreditation Fees

**Total fees and charges**

2022	2021
\$'000	\$'000

765	778
-----	-----

765	778
-----	-----

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.

2022	2021
\$'000	\$'000

### 2.2 Interest

Interest

**Total interest revenue**

7	10
---	----

7	10
---	----



### 2.3 Other income

Other

Rental income

**Total other income**

2022 \$'000	2021 \$'000
3	0
0	6
<u>3</u>	<u>6</u>

### 2.4 Net gain/(loss) from disposal of property, plant and equipment

Property, plant and equipment:

Net proceeds from disposal

Less carrying amount of assets disposed

**Net gain/(loss) from disposal of assets**

2022 \$'000	2021 \$'000
0	2852
(1)	(2103)
<u>(1)</u>	<u>749</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 \$229,000 in 2021-22 and \$217,000 in 2020-21.

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 2022 financial year were:

Ms RC Healey

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

2022 \$'000	2021 \$'000
2	2
1	1
<u>3</u>	<u>3</u>

The total remuneration received or receivable by members was \$48,000 (\$47,000). Remuneration of members includes sitting fees and superannuation contributions.

2022 \$'000	2021 \$'000
----------------	----------------

### 3.3 Employee benefits expense

Salaries and wages

Long service leave

Annual leave

Skills and experience retention leave

Employment on-costs superannuation

Board fees

**Total employee benefits expenses**

562	433
(22)	21
4	38
(6)	3
60	51
44	44
<u>642</u>	<u>590</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:

\$167,001 to \$187,000

**Total**

2022 No	2021 No
1	1
<b>1</b>	<b>1</b>

The total remuneration received by those employees for the year was \$181,000 (\$170,000)

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.

**3.4 Employee benefits liability****Current**

Accrued salaries and wages

Long service leave

Annual leave

Skills and retention experience leave

**Total current employee benefits**

2022 \$'000	2021 \$'000
23	10
0	34
74	60
2	7
<b>99</b>	<b>111</b>

**Non-current**

Long service leave

**Total non-current employee benefits**

**Total employee benefits**

88	75
<b>88</b>	<b>75</b>
<b>187</b>	<b>186</b>

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 2021 (1.25%) to 2022 (3.5%).

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 10 years of service.

**4. Expenses**

Employee benefits expenses are disclosed in note 3.3.

**4.1 Supplies and services**

Computing and communications

Printing and stationery

Subscriptions

Legal fees

Industry workshops

Strategic development

Other

**Total supplies and services**

2022 \$'000	2021 \$'000
16	11
21	20
0	4
7	2
0	19
22	15
8	10
<b>74</b>	<b>81</b>

#### 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	2022 \$'000	No	2021 \$'000
Below \$10,000	2	6	-	-
\$10,000 or above	1	14	-	-
<b>Total</b>	<b>3</b>	<b>20</b>	<b>-</b>	<b>-</b>

#### 4.2 Depreciation and amortisation

	2022 \$'000	2021 \$'000
Plant and equipment	21	14
Intangible assets	11	4
<b>Total depreciation and amortisation</b>	<b>32</b>	<b>18</b>

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
Intangibles	5

#### Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are review 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.

#### 4.3 Property expenses

	2022 \$'000	2021 \$'000
Repairs and maintenance	0	1
Rates and taxes	2	9
Other	0	2
<b>Total property expenses</b>	<b>2</b>	<b>12</b>

#### 4.4 Other expenses

	2022 \$'000	2021 \$'000
Audit fees	10	9
Insurance	10	7
Staff training	2	5
Fringe benefits tax	5	10
Workplace health and safety	1	2
Relocation and accommodation	11	11
Staff recruitment	19	0
Other	14	14
<b>Total other expenses</b>	<b>72</b>	<b>58</b>

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 \$9,800 (\$9,500). 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.

	2022 \$'000	2021 \$'000
<b>Land and buildings</b>		
Land at fair value	900	900
Buildings at fair value	353	353
<b>Total land and buildings</b>	<b>1253</b>	<b>1253</b>
<b>Plant and equipment</b>		
Plant and equipment at cost (deemed fair value)	109	109
Accumulated depreciation at the end of the period	(41)	(20)
<b>Total plant and equipment</b>	<b>68</b>	<b>89</b>
<b>Capital work in progress</b>		
Work in Progress	74	0
<b>Total capital work in progress</b>	<b>74</b>	<b>0</b>
<b>Total property, plant and equipment</b>	<b>1395</b>	<b>1342</b>

### 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.

#### Land and buildings

Fair value has been determined using the market approach. The valuation was based on recent market transactions for similar land in the area and includes adjustments for factors specific to the land such as size and location.

#### 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 2021-2022	Land and Buildings \$'000	Plant and equipment \$'000	Work in progress \$'000	Total \$'000
Carrying amount at 1 July 2021	1253	89	0	1342
Acquisitions	0	0	74	74
Disposals	0	0	0	0
Depreciation	0	(21)	0	(21)
<b>Carrying amount at 30 June 2022</b>	<b>1253</b>	<b>68</b>	<b>74</b>	<b>1395</b>

### 5.3 Intangible assets

Purchased computer software  
Accumulated amortisation  
**Total computer software**

2022 \$'000	2021 \$'000
78	84
(14)	(36)
64	48

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 2021-2022

Carrying amount at 1 July 2021  
Acquisitions  
Disposals  
Amortisation  
**Carrying amount at 30 June 2022**

Other Computer Software \$'000	Total \$'000
48	48
28	28
(1)	(1)
(11)	(11)
64	64

## 6. Financial Assets

### 6.1 Cash and cash equivalents

Cash at bank  
**Total cash and cash equivalents**

2022 \$'000	2021 \$'000
2154	2230
2154	2230

### 6.2 Receivables

Trade receivables  
Pre-paid expenses  
Other receivables  
**Total current receivables**

2022 \$'000	2021 \$'000
2	17
4	5
2	0
8	22

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.

### 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**

2022 Carrying amount \$'000	2021 Carrying amount \$'000
2154	2230
4	17
2158	2247

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.

	2022 \$'000	2021 \$'000
<b>7.1 Payables</b>		
<b>Current</b>		
Trade payables	58	29
Accrued expenses	20	10
Employment on-costs*	9	9
<b>Total current payables</b>	<b>87</b>	<b>48</b>
<b>Non-current</b>		
Employment on-costs*	4	3
<b>Total non-current payables</b>	<b>4</b>	<b>3</b>
<b>Total payables</b>	<b>91</b>	<b>51</b>

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.

	2022 \$'000	2021 \$'000
<b>7.2 Other Liabilities</b>		
<b>Current</b>		
Accreditation fees received in advance	24	37
<b>Total current other liabilities</b>	<b>24</b>	<b>37</b>

### 7.3 Categorisation of financial assets

#### Financial liabilities

##### Financial liabilities at amortised cost

	2022 Carrying amount \$'000	2021 Carrying amount \$'000
Payables	58	29
<b>Total financial liabilities</b>	<b>58</b>	<b>29</b>

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.

	2022 \$'000	2021 \$'000
<b>Contractual commitments to acquire property, plant and equipment</b>		
Not later than one year	581	0
<b>Total capital commitments</b>	<b>581</b>	<b>0</b>

### 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.