Government of South Australia

Dairysafe

Dairy Authority of South Australia

2024-25 Annual Report

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To:

Hon. Clare Scriven MP

Minister for Primary Industries and Regional Development

Minister for Forest Industries

This annual report will be presented to Parliament to meet the statutory reporting requirements of *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

Signature

Dairysafe Presiding Member (Chair)

Date: 26th September 2025

From the Dairysafe Chair

On behalf of the Dairysafe Board, it is a pleasure to present the Annual Report and financial accounts for 2024–2025.

Dairysafe as a food safety regulator, upholds a robust regulatory system recognised for its integrity. We pride ourselves on the quality of the regulatory service we provide to our accredited business operators and, more broadly, our engagement with stakeholders and other regulators, ensuring we respond flexibly and dynamically to an evolving landscape, while focusing on our core responsibility: ensuring that national dairy food safety standards are successfully applied throughout South Australia's dairy supply chain. Whilst in the last year of our current Strategic Directions framework, our four strategic priorities remain relevant and appropriate:

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

Furthermore, this year's Report reflects that Dairysafe has delivered on the commitments, aims, and objectives of our Strategic Directions, including:

- 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.

A key focus throughout the year has been to set the foundations for a process of change management and organisational renewal, ensuring we have the right capacity, capability, culture, and leadership to meet the evolving needs of our accredited industry operators and the general public.

Looking forward, it will be essential that Dairysafe is future-proofed, such that it evolves along with its regulatory peers to be a contemporary regulator which, will mean, embracing digital transformation, enhancing data-driven decision-making, and embedding agility into our operations. These efforts ensure Dairysafe remains responsive, transparent, and effective in a rapidly changing regulatory and industry landscape.

The South Australian dairy industry is renowned for its safe and high-quality products, achieved through strong collaboration with industry and stakeholders. Notably, a significant portion of Dairysafe's activities—including compliance, enforcement, market protection, and incident response contribute meaningfully to the public good. Performance outcomes reflect a high-performing dairy industry and regulator, including:

- Zero cases of foodborne illness associated with South Australian dairy products
- No pathogens found in processed South Australian dairy products at a retail level
- No antibiotic residue detected in South Australian processed dairy products and
- No critical non-conformances found during audits

Following Covid measures, Dairysafe has operated on a deficit budget, which the board recognises is neither sustainable nor, reflective of the developments occurring across the regulatory landscape. Addressing both the deficit and the ensuring the organisation is suitably resourced will be a strategic priority for the Board as part of its strategic planning cycle.

With the Minister's endorsement, the Board is conducting a regulatory review to enhance the dairy food safety scheme. This review aims to address ambiguity, regulatory gaps, cost recovery, compliance, enforcement and governance. These improvements will support ongoing efforts for sustainable regulation in this state.

As a statutory authority, we are mindful that we must work smart. We are committed to using and investing in technology that promotes transparency, accessibility, and efficiency. As part of our responsibilities, we regularly communicate with and advise the Minister regarding issues affecting the Dairy Food Safety Scheme to ensure its effectiveness.

Dairysafe delivers all audit and verification services for the South Australian dairy sector, including export audits. These arrangements provide the industry with enhanced connection and improved access to knowledge sources, approval processes, and potential assistance programs that complement regulatory guidance and market access.

In closing, I would like to extend my appreciation to the Dairysafe Board and our specialist team for their outstanding contributions to excellence in food safety throughout 2024–2025.

Roseanne Healy

Dairysafe Chair

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

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Overview: about the agency

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

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

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

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 South Australian 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 219 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, 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.

The production of Safe and Quality dairy products is a collaborative effort between industry and Dairysafe as the regulator.

Our strategic focus

Our Purpose	Dairysafe is an independent statutory authority established under regulation 7 of the *Primary Produce (Food Safety Schemes) (Dairy) Regulations 2017*. Dairysafe is the accreditation body for the dairy industry food safety scheme in South Australia and is funded by industry accreditation fees. 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.

	Dairysafe achieves this by accrediting dairy farmers, dairy transporters and dairy processors and verifying their capacity and performance in complying with food safety standards. 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.
Our Vision	For customers to have confidence in the dairy industry.
Our Mission	To lead the South Australian dairy community to embrace a food safety culture.
Our Desired Outcomes	1. To keep consumers safe. 2. Delivering value to businesses through consistent food safety regulation and minimal regulatory burden. 3. Supporting businesses to be resilient, sustainable and growing.
Our Values	**Leadership** – Dairysafe takes a leadership role in the industry to facilitate the future sustainability and growth of the industry and for the ultimate safety of the consumer. **Excellence** – Dairysafe is ambitious in our desire to be recognised as the national and international leader in dairy food safety standards. As such, our commitment to best practice and our pursuit of excellence is relentless. We seek to facilitate best practices to help South Australia's dairy industry be recognised internationally for food innovation and safety. **Knowledge** – Dairysafe values the creation and dissemination of knowledge for the betterment of the industry. The South Australian dairy industry regards us not only as an invaluable source of knowledge, but also an essential business partner. **Independence** – As a statutory body financed by industry, the Dairysafe team is recognised for its fiercely independent, unbiased and a-political views. In a position as regulator and food safety custodian, the Dairysafe team is entrusted to act with integrity and transparency in every aspect of our business. **Agility** – Dairysafe is recognised for its dynamic and pro-active approach. We partner with industry to provide them with tools and information to ensure their products meet all dairy food safety standards. Our entrepreneurial spirit ensures we are responsive to the needs of industry and endeavour to assist them in being renowned for food innovation and safety.
Our Strategic Priorities	**Leading food safety regulation** – To keep consumers safe by setting, monitoring and regulating local and national standards.

	Connecting the industry – To create a more knowledgeable and interconnected industry through technology and data. **Inspiring a safety culture** – To lead the South Australian dairy community to embrace a food safety culture. **Building industry and consumer confidence** – To build industry and business confidence that will translate into consumer confidence.
Our functions, objectives and deliverables	**Legislative Functions**: 1. To administer the dairy industry food safety scheme. 2. To monitor the extent of compliance by accredited dairy producers with Standard 4.2.4 of the Food Standards Code and to enforce the Standard. 3. To approve food safety arrangements to be adopted by accredited dairy producers and monitor the implementation of such arrangements. 4. To advise the Minister on matters relating to the administration of the Dairy Food Safety Scheme. 5. To carry out other functions assigned to the Authority by these regulations or the Minister. **Strategic Priorities / Goals / Desired Outcomes:** Strategic Priority #1: **Leading food safety regulation** Goal: To keep consumers safe by setting, monitoring and regulating local and national standards Desired Outcomes: 1. Fit-for-purpose risk-based verification 2. Regulatory solutions for food safety gap areas 3. Industry thought leadership Strategic Priority #2: **Connecting the industry** Goal: To create a more knowledgeable and interconnected industry through technology and data Desired Outcomes: 1. Defined industry information requirements 2. Implementation of a platform to access information and provide ongoing eco-system development Strategic Priority #3: **Inspiring a food safety culture** Goal: To lead the South Australian dairy community to embrace a food safety culture

	Desired Outcomes: 1. Advice regarding maintaining a safe dairy culture 2. Learning pathways for businesses and individuals 3. Leadership in industry alignment and streamlining 4. A collaborative 'co-ownership' safety culture across the industry Strategic Priority #4: **Building industry and consumer confidence** Goal: To build industry and business confidence that will translate into consumer confidence Desired Outcomes: 1. Available tailored business and individual learning programs 2. Strong safety reputation 3. Recognised industry champions 4. Confidence in the industry 5. Industry growth, premium products, increased productivity Strategic Priority #5: **Organisation capabilities to deliver** Goal: To invest in the capabilities of the organisation to ensure it can deliver the strategy Desired Outcomes: 1. Trusted and respected auditors / regulator 2. Sought out for advice and thought leadership 3. Platform of information and knowledge

Our organisational structure

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

Changes to the agency

During 2024-25 there were no changes to the agency's structure and objectives because 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 for 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 2024-2025 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 GAICD joined the Board on 1 July 2020 and has over 25 years' experience in corporate governance, law, regulatory practice and compliance across the public and private sectors. George is a Director and Principal Lawyer at CCL Consultants Pty Ltd, a boutique legal, risk, compliance, and regulatory consultancy, and is an Executive Director at the Essential Services Commission of South Australia. Previous roles included lecturer and facilitator of the Graduate Diploma Legal Practice, Consumer Law Practice Course, Deputy Commissioner at Consumer and Business Services (Attorney General's Department), and as the Regional Director for the ACCC in South Australia. His involvement in state and national committees has covered consumer laws, 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 Law and Management (UNSW Sydney), a Graduate Certificate in Compliance and Risk Management, and is a Graduate of the Australian Institute of Company Directors.

The Board met on 8 occasions in 2024-2025. A summary of outcomes achieved by the Board during this reporting period is provided in the Corporate Performance Summary section of this report.

Dairysafe Operational Team

Dairysafe operated with a team of up to five employees through 2024-2025. The Dairysafe operational team structure includes a Chief Executive Officer, Business Manager, Technical Manager, Senior Food Standards Officer and Food Standards Officer. The CEO reports to the Dairysafe Board. 2024-2025 saw a period of change in the leadership at Dairysafe with further adjustments to personnel and structure continuing as we transition into 2025-2026. Despite this, throughout this period there continues to be significant capability within the team in terms of 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.

Legislation administered by the agency

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

The agency's performance

Performance at a glance

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

Board Member	Scheduled Board meetings in 2024-2025	Board meetings attended
Roseanne Healy	8	8
Michael Connor	8	8
George Kamencak	8	8

Profile - South Australian Dairy Industry National Production

Dairy is Australia's third largest, and one of the most important rural industries, producing about 8.376 billion litres of milk annually and directly employing approximately 31,300 people (*Dairy Australia, In Focus 2024*). Dairy is Australia's third-largest rural industry generating $6.2 billion in farm gate value. There are around 3,889 registered dairy farms operating in Australia and approximately 1.33 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 sector by revenue (**PIRSA Scorecard 2023-2024*) and accounts for 5.7% of Australia's milk, generating $760 million in revenue.

The PIRSA Scorecard* lists the following revenue data:

- Primary production value: $346 million (+26.8% on 5 yr average)
- Processed value: $734 million (+22.1% on 5 yr average)
- Overseas Exports: $151 million (+53% on 5 yr average)

The South Australian industry produced 479 million litres of milk from around 170 dairy (cow) farms during 2024-25 a decrease of 01.65% from previous years volumes.

In 2024-205 Dairy (Bovine) Farm numbers remained stable at 166 farms. Herd size decreased marginally to approx. 64,000 (0.7% Reduction).

In addition to these accredited dairies, there were 2 goat, 1 buffalo and 1 camel dairy operating in 2024-2025. Two cow dairy farms process their own milk, whilst a camel dairy farm also processes 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 342 cows in 2024-2025. In comparison, the average herd size in South Australia in 2024--2025 is 376, a significant increase from an average of 78 cows in 1984. Most South Australian dairy farms (66%) hold between 101 and 500 milking cows, with the largest farm holding a milking herd of approximately 2,200.

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 (62%), followed by the Central region (34%), with 4% production occurring in the Mid North region.

Herd size, farms and milk production across the regions

There were around 64,000 milking cows in South Australia in 2024-2025 contributing to the production of around 479 million litres of milk. Over half (63%) of milk produced occurs in the South-East, which has less than half (42%) of the State's dairy farms but more than half (60%) of the SA milking herd.

Milk production and yield

During 2024-25 the South Australian dairy industry produced 479 million litres of cow's milk from just over 64,000 cows, with an average yield of around 7,484 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 (7,833 l/cow), followed by the Central region (7,793 l/cow), and the Mid North (6,949 l/cow). Australia's national average yield in 2023 was 6,164 l/cow.

Contribution to national milk production

Annual milk production increased in all jurisdictions in 2024-2025 contributing to an overall increase in national production of 3.1%. South Australia's annual production across the 2024-2025 period contributing around 5.7% 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 2024-2025 period is provided in the following table along with the comparative figures for 2023-2024.

Accreditation type	30 June 2024	30 June 2025
Dairy farms (bovine)	170	166
Dairy farms (goat, buffalo, sheep & camel)	4	4
Dairy transports	8	8
Dairy processors	43	41
Total	225	219

Accreditations that were cancelled and newly issued during the 2024-2025 period are provided in the following table:

Accreditation type	Cancelled 2024-2025	New 2024-2025
Dairy farms (bovine)	6	2
Dairy farms (goat, buffalo, sheep & camel)	1	0
Dairy transports	0	0
Dairy processors	7	4
Total	14	7

Dairy farms

As of 30 June 2025, there were 170 accredited dairy farms (166 cow dairies). Over the course of this reporting period 6 dairy farm accreditations were cancelled and 2 new dairy farm accreditations were granted.

In the past years there was a continued downward trend in dairy farm numbers in South Australia and across Australia's dairy regions. Over the current reporting period the number of dairy cow farms around Australia decreased by around 5.8%, where in South Australia the dairy farm numbers decreased by 3.5%.

Dairy processors

On 30 June 2025 there were 41 accredited dairy processors. Over the course of reporting period, 7 dairy processor accreditations were cancelled, and 4 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.

There are 12 dairy processors that also hold export registration with the Commonwealth Department of Agriculture, Fisheries and Forestry (DAFF).

Dairy transporters

On 30 June 2025 there were 8 dairy transporters accredited to transport bulk raw milk. Of these, 5 are commercial transport companies with the remaining 3 being accredited dairy processors that transport bulk raw milk between supplier farms to their processing facility.

During the 2024-2025 period there were no accreditations cancelled or new accreditations granted.

Milk production statistics:

Industry Milk Production Statistics – comparative data from 1974 to 2024						
Region	**Milk (litres)**	**Cows**	**Farms**	**Litres/farm**	**Cows/farm**	**Litres/cow**
Mid-North	23,112,171	3,032	15	1,540,811	202	7,622
Central	156,996,706	22,591	83	1,891,526	272	6,949
South-East	303,998,913	38,806	72	4,222,207	539	7,833
Annual South Australian Totals						
2024	484,107,790	64,429	170	2,847,693	379	7,514
2023	476,371,957	66,354	182	2,617,428	365	7,179
2022	497,760,000	67,650	181	2,750,065	374	7,358
*2021	499,110,000	69,089	198	2,520,756	349	7,224
2020	492,957,986	69,377	206	2,393,000	337	7,105
2019	489,283,351	71,654	221	2,213,952	324	6,828
2018	510,121,007	74,942	228	2,237,373	329	6,807
2017	500,805,339	73,977	240	2,086,688	308	6,769

2016	544,297,211	80,134	244	2,230,726	328	6,792
2015	549,610,354	81,899	252	2,180,993	325	6,711
2014	536,573,563	83,370	264	2,032,476	316	6,436
2013	565,488,352	84,606	268	2,110,031	316	6,684
2012	597,404,939	86,171	275	2,172,382	313	6,933
1984	273,176,320	74,720	962	283,967	78	3,656
1974	255,591,000	81,140	1,397	182,957	58	3,150

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

Dairysafe specific objectives and performance

The below data contains information relevant to Dairysafe strategic directions. Where indicated, the data is specific to 2024-2025 results.

Agency objectives	Indicators	Performance	Outcome
1. Leading food safety regulation	i. Tiered verification system	The audit frequency for dairy processors is based on risk and compliance outcomes.	√

Agency objectives	Indicators	Performance	Outcome
	ii. Recognition of standards iii. Audit rating by customers iv. Less audit activity and expense for customers v. Export auditor authorisation achieved vi. Policy position on additional schemes supported vii. Valued thought leadership viii. Valued contribution to policy & protocols	Audit of export registered dairy processors on behalf of the Commonwealth Department of Agriculture, Fisheries and Forestry (DAFF) The Memorandum of Understanding with DAFF for regulation of export registered dairy processors maintained. Successful external audit of Dairysafe's ISO 9001:2015 regulatory management system.	√ √ √
2. Connecting the industry	i. Industry supports development of information platform ii. Industry values Dairysafe's information platform iii. Positive industry partnership iv. Effective communications plan	Accredited dairy businesses provided with access to the Dairysafe client portal. Stakeholders value Dairysafe's communications for 2024/5 ○ E-news – 4 editions were published. ○ Website – further development of the website, including access to a new training platform. ○ Email communications with stakeholders	√ √ √ √

Agency objectives	Indicators	Performance	Outcome
3. Inspiring a food safety culture	i. Dairysafe industry awards are valued	'Dairysafe Food Safety Culture Award' awarded at the 2024 SA Dairy industry awards.	√
	ii. Advisory program meets stakeholder expectations	Advisory program delivering value & meeting stakeholder expectations	√
	iii. Stakeholders value the Dairysafe partnership	Industry self-reporting issues and dairy businesses actively seeking Dairysafe advice.	√
	iv. Learning pathway/s available	Promotion of online training courses including 12 learning modules – 'Managing notifiable contaminants in dairy'.	√
4. Building industry and consumer confidence	i.SA ranked #1 in quality and safety benchmarks	**NIL** foodborne illness associated with SA dairy products	√
		NIL trade withdrawals or consumer-level recalls	√
		NIL antibiotic residue in finished dairy products	√
		NIL dairy products with pathogens at retail level	√
		Industry compliant with regulatory standards	√
		○ **NIL** critical non-conformance found at audit	√
		○ **14** major non-conformance issues identified at audit	√
		○ **5** minor non-conformance issues identified at audit	√
		○ **280** audits completed	√
		Compliance Framework for notifiable contaminants developed and endorsed by the Board.	√

Agency objectives	Indicators	Performance	Outcome
		Timely and professional management of food safety incidents with positive outcomes – 25 notifiable incidents all resolved .	√
		Effective management of dairy sector complaints ○ **8** complaints effectively managed	√
5. Organisation capabilities to deliver	i. Technology & data is a strength	Continued development of the Dairysafe QMS IT system inc introduction of risk framework	√
	ii. Auditor/regulator development program established	Staff performance development plans agreed & completed.	√
	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.	√
	viii.Dairysafe's industry knowledge is valued	Industry profile maintained for farm and processor sectors	√
	v.Dairysafe acknowledged as innovative	Dairysafe's regulatory management arrangements maintained under external ISO 9001:2015 certification.	√
	vi.Stakeholders value Dairysafe communications	Dairysafe Customer Service Charter updated and endorsed by the Board.	√
		Cyber-Security Framework developed and endorsed by the Board.	√

Corporate performance summary: Dairysafe Board outcomes

Governance

- Dairysafe maintains a Memorandum of Understanding with the Commonwealth Department of Agriculture, Fisheries and Forestry (DAFF) to provide audits of export-registered dairy processors on behalf of DAFF.
- Dairysafe maintained the following governance documents:
    - People and Culture Framework
    - Customer Service Charter
    - Digital and ICT Framework
    - Cyber Security framework
- Full compliance with reporting Government reporting requirements was achieved – no matters were brought to Dairysafe's attention.
- 8 scheduled Board meetings were completed – 100% Board member attendance rate.
- Standing Board meeting agenda items included:
    - Accreditations issued and accreditations cancelled
    - Industry compliance reporting
    - Work, Health & Safety
    - Chief Executives Report
    - Director Conflict of Interest
- Monthly financial reporting was provided at every Board meeting.
- The Board reviewed progress with controls and treatments associated with Dairysafe's Risk Management Framework.
- A negative actual to budget outcome was achieved for 2024-2025.
- The Auditor General's Department assessment returned an unadjusted and unqualified audit of Dairysafe's financial statements.
- 100% of staff with up-to-date Performance Management and Development Plans.
- Policy development and review – 5 policies were reviewed, amended and endorsed.
- An internal Board performance review was completed with positive outcomes.
- Dairysafe's regulatory management arrangements maintained external ISO 9001:2015 certification.

Industry Leadership & Development

- Dairysafe strategic round table held in 2025 endorsing the current strategic framework and supporting future directions planning.
- The 2024 Dairysafe Food Safety culture award was awarded.

Work, Health & Safety

- The 2025 Dairysafe WH&S Site Safety Management Plan was reviewed and endorsed.
- Dairysafe's Risk Register was reviewed and amended.

- An active WH&S policy development and review program was maintained.
- Work, Health & Safety policies were reviewed and endorsed.
- There were **NIL** workplace injury claims.
- There were **NIL** improvement notices.

Strategy

- The Board continued to manage business based on our existing strategy as was endorsed as remaining relevant and effective in feedback received during the strategic roundtable meetings.

- A budget strategy was completed for the 2024-2025 financial year.

Communication & Engagement

- 4 E-news editions were published

Employment opportunity programs

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

Agency performance management and development systems

Performance management and development system	Performance
Employee Performance Management and Development (PMD)	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'). The PMD documentation ('Agreement') and process is based on templates provided by the Office of the Commissioner for Public Sector Employment. 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. 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. Ongoing informal one-on-one meetings are held with staff to discuss work priorities, personal support and well-being, training and Work, Health & Safety. These meetings aim to ensure workplans are achievable, progress is meeting agreed expectations, and adequate support is available and provided to staff to achieve shared expectations. **100%** of Dairysafe FTE's completed the PMD process over the 2024-2025 reporting period.
Dairysafe maintains the following policies for managing poor performance and misconduct: • Fraud and Corruption Policy • Staff Code of Conduct Policy • Termination of Employment Policy Workplace Harassment Policy	There were **NO** instances where these policies were required to be applied during the 2024-2025 reporting period for 100% of Dairysafe FTE's.

Work health, safety and return to work programs

Program name	Performance
Work Health and Safety program	WHS is a routine Board meeting agenda item. WHS features as an agenda item on monthly staff meetings. Dairysafe maintains an up-to-date Site Safety Management Plan to ensure appropriate scheduling of all WH&S activities covering the following elements: • worksite inspections • WHS consultation • site induction & visitor management • incident reporting • emergency evacuation • first aid • mental health and well-being • travelling for work • remote or isolated work • external site visits • personal protective equipment • electrical test and tag • manual handling Staff are encouraged to report any WHS incidents, issues or near misses.
Policy and procedure review	All policies remain effective in providing a rigorous framework for the safety of Dairysafe employees. The WH&S policies approved and/or reviewed during this period, include: - Emergency plans - External site visits - Driving - Work, health, and safety policy - Fatigue - Farm environment - Remote work - Travelling for work Mental health and well-being

Workplace injury claims	Current year 2024-25	Past year 2023-24	% Change (+ / -)
Total new workplace injury claims	0	0	0%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%

**number of claimants assessed during the reporting period as having a whole person impairment meeting the relevant threshold under the Return to Work Act 2014 (Part 2 Division 5)*

Work health and safety regulations	Current year 2024-25	Past year 2023-24	% Change (+ / -)
Number of notifiable incidents (*Work Health and Safety Act 2012, Part 3)*	0	0	0%
Number of provisional improvement, improvement and prohibition notices (*Work Health and Safety Act 2012 Sections 90, 191 and 195*)	0	0	0%

Return to work costs**	Current year 2024-25	Past year 2023-24	% Change (+ / -)
Total gross workers compensation expenditure ($)	0	0	0%
Income support payments – gross ($)	0	0	0%

***before third party recovery*

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

Executive employment in the agency

Executive classification	**Number of executives**
Chief Executive Officer	0

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

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 the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2024-2025 are attached to this report.

Statement of Comprehensive Income	**2024-25 Budget $000s**	**2024-25 Actual $000s**	**Variation $000s**	Past year 2023-24 **Actual $000s**
Total Income	799	752	47	952
Total Expenses	923	1,065	(165)	1,067
Net Result	(124)	(313)	(212)	(115)
Total Comprehensive Result	**(124)**	**(313)**	**(212)**	**(115)**

Statement of Financial Position	**2024-25 Budget $000s**	**2024-25 Actual $000s**	**Variation $000s**	Past year 2023-24 **Actual $000s**
Current assets	0	977	0	1,353
Non-current assets	0	2,284	0	2,093
Total assets	**0**	**3,261**	**0**	**3,446**
Current liabilities	0	192	0	227
Non-current liabilities	0	36	0	113
Total liabilities	**0**	**228**	**0**	**340**
Net assets	**0**	**3,033**	**0**	**3,106**
Equity	**0**	**3,033**	**0**	**3,106**

Consultants disclosure

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

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

Consultancies	Purpose	$ Actual payment
All consultancies below $10,000 each - combined	Various	Combined total of all actual payments to consultants under $10,000

Consultancies with a contract value above $10,000 each

Consultancies	Purpose	$ Actual payment
Faro Ventures Pty Ltd	Education and Audit Business Case Studies Consulting Advisory	$ 54,360
M&S Food Consultants	Development of a specialised and risk-oriented training program for dairy processing	$ 45,760
MadeLaw	Legislative Review Consultation Paper	$ 20,086
Rob DiMonte	2028 Strategic Directions development:	$ 12,100
Visualizm	Production and development of visuals for training modules	$ 53,707
	Total	$ 186,013

Data for previous years is available at: insert hyperlink to specific data.sa page and ensure data sources are referenced.

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 the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below $10,000

Contractors	Purpose	$ Actual payment
All contractors below $10,000 each - combined	Various	Combined total of all actual payments to contractors under $10,000

Contractors with a contract value above $10,000 each

Contractors	Purpose	$ Actual payment
Cindie Smart Consulting	Communications planning and delivery, including Enews production, distribution and web publication	$23,760
BizHub Australia	QMS database and mobile auditing capability, and provision of IT services	$32,234
PKF	Bookkeeping, Advisory & Board Support	$32,633
Stillwell Management	Fee for services - CEO position shortlisted and successful placement of candidate.	$17,135
	Total	$ 105,762

Data for previous years is available at: insert hyperlink to specific data.sa page and ensure data sources are referenced.

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 2024-2025, undertook a review of risk and controls, and continued to implement the Dairysafe Risk Management Framework 2021-2024. The Board routinely reviews performance against the Dairysafe controls and treatments schedule.

Fraud detected in the agency

Category/nature of fraud	Number of instances
No fraud was detected in 2024-2025	0

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

Strategies implemented to control and prevent fraud

Dairysafe implements several 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 Board
- 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.
- All expenditure requires an authorisation 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 are 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
Primary Produce (Food Safety Schemes) (Dairy) Regulations 2017	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 2024-2025 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 2024-25
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	0
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	0
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	0
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	0
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	0
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0

Complaint categories	Sub-categories	Example	Number of Complaints 2024-25
Service quality	Information	Incorrect, incomplete, out-dated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	0
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	0
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	0
		Total	0

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

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

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 2024-25

INDEPENDENT AUDITOR'S REPORT

Government of South Australia
Audit Office of South Australia

Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
ABN 53 327 061 410
enquiries@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 2025.

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 2025, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2025
- a Statement of Financial Position as at 30 June 2025
- a Statement of Changes in Equity for the year ended 30 June 2025
- a Statement of Cash Flows for the year ended 30 June 2025
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chair and Chief Executive Officer.

Basis for opinion

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

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

Responsibilities of the 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 Australian Accounting Standards – Simplified Disclosures, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the 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 2025.

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
Deputy Auditor-General

26 September 2025

Dairy Authority of South Australia
(Dairysafe)

Financial Report
for the year ended
30 June 2025

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 Dairysafe; 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 Dairysafe at the end of the financial year and the result of its operations and cash flows for the financial year

- internal controls employed by the Dairysafe for the financial year over its financial reporting and its preparation of financial statements have been effective.

Roseanne Healy
Chair

Melissa Jackson
Chief Executive Officer

Dated 26th September 2025

STATEMENT OF COMPREHENSIVE INCOME

Dairy Authority of South Australia

for the year ended 30 June 2025

	Note	2025 $'000	2024 $'000
Income			
Fees and charges	3.1	695	727
Grant income	3.2	-	150
Net gain/(loss) on disposal of property, plant and equipment		-	14
Other income	3.3	57	61
Total Income		752	952
Expenses			
Employee related expenses	4.1	653	698
Supplies and services	4.2	208	232
Depreciation and amortisation	5.4, 5.6	73	63
Travelling expenses		21	23
Other expenses	4.3	110	51
Total Expenses		1,065	1,067
Net Result		(313)	(115)
Other Comprehensive Income			
Changes in property, plant and equipment asset revaluation surplus	5.4	241	-
Total other comprehensive income		241	-
Total Comprehensive Result		(72)	(115)

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

Dairy Authority of South Australia

as at 30 June 2025

	Note	2025 $'000	2024 $'000
Current Assets			
Cash and cash equivalents	5.1	964	1,281
Receivables	5.2	13	72
Total current assets		977	1,353
Non-current assets			
Property, plant and equipment	5.3-5.5	2,233	2,045
Intangible assets	5.6	51	48
Total non-current assets		2,284	2,093
Total assets		3,261	3,446
Current Liabilities			
Payables	6.1	49	119
Employee related liabilities	6.2	125	87
Other current liabilities	6.3	18	21
Total current liabilities		192	227
Non-current liabilities			
Employee related liabilities	6.2	36	113
Total non-current liabilities		36	113
Total liabilities		228	340
Net assets		3,033	3,106
Equity			
Retained earnings		2,792	3,106
Asset Revaluation Surplus		241	-
Total equity		3,033	3,106

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

Dairy Authority of South Australia

for the year ended 30 June 2025

	Retained earnings $'000	Total equity $'000
Balance at 30 June 2023	3,221	3,221
Total comprehensive result for 2023-24	(115)	(115)
Balance at 30 June 2024	3,106	3,106
Net result for 2024-25	**(313)**	**(313)**
Increment from revaluation of the property, plant and equipment	241	241
Total comprehensive result for 2024-25	(72)	(72)
Balance at 30 June 2025	3,033	3,033

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

Dairy Authority of South Australia

for the year ended 30 June 2025

	Note	2025 $'000	2024 $'000
Cash flows from operating activities			
Cash inflows			
Receipts from fees and charges		750	696
Receipts from interest and other income		55	63
Receipts from grants		-	165
GST Recovered from the ATO		34	10
Cash generated from operations		839	934
Cash outflows			
Employee related payments		(692)	(706)
Payments for supplies and services		(245)	(155)
Payments for grants		(92)	(49)
Other payments		(119)	(54)
Cash used in operations		(1,148)	(964)
Net cash used in operating activities		(309)	(30)
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		-	(65)
Purchase of intangibles		(8)	-
Cash used in investing activities		(8)	(65)
Net cash used in investing activities		(8)	(65)
Net decrease in cash and cash equivalents		(317)	(95)
Cash and cash equivalents at 1 July		1,281	1,376
Cash and cash equivalents at 30 June	5.1	964	1,281

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, applying simplified disclosures.

For the purpose of preparing the financial statements, Dairysafe 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.

All amounts in the financial statements and accompanying notes are rounded to the nearest thousand dollars ($'000)

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

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

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

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

Material accounting policies are set out throughout the notes.

1.2 Objectives and activities

Dairysafe's functions, as defined in Section 12 of the Regulations, are:

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

2. Board, committees and employees

2.1 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 $208,000 in 2024-25 and $220,000 in 2023-24

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* .

2.2 Board members

Members during the 2025 financial year were:

Ms RC Healy
Mr MR Connor
Mr GC Kamencak*

*In accordance with Premier and Cabinet Circular 016, government employees did not receive any remuneration for board/committee duties during the financial year

Board remuneration

The number of members whose remuneration received falls within the following bands:	2025	2024
$0	1	-
$0 - $19,999	1	2
$20,000 - $39,999	1	1
Total number of members	3	3

The total remuneration received by members was $35,000 ($35,000). Remuneration of members includes sitting fees and superannuation contributions.

3. Income

	2025 $'000	2024 $ 000
3.1 Fees and charges		
Accreditation Fees	695	727
Total fees and charges	695	727

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.

3.2 Grant income	2025 $'000	2024 $'000
Grant income	-	150
	-	150

Grant income relates to a grant agreement provided by the Department of Primary Industry and Regions for the development of risk-based and commodity specific training package for dairy processing, focusing on trends in process control breakdowns and notifiable incidents. These training packages were completed and distributed in 2023-24

3.3 Other income	2025 $'000	2024 $'000
Interest	53	54
Other	4	7
Total other income	57	61

4. Expenses

4.1 Employee related expenses	2025 $'000	2024 $'000
Salaries and wages	578	576
Long service leave	(8)	8
Annual leave	(22)	2
Skills and experience retention leave	(4)	4
Employment on-costs superannuation	68	70
Board fees	31	32
Other	10	6
Total employee related expenses	653	698

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

Employee remuneration	2025	2024
$166,001 to $171,000*	n/a	
$171,001 to $191,000	-	1
Total	-	1

* This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration for 2023-24.

The total remuneration received by those employees for the year was nil ($185,000)

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

4.2 Supplies and services	2025 $'000	2024 $'000
Computing and communications	32	24
Printing and stationery	26	18
Legal fees	23	16
Consultants	-	121
Contractors	30	-
Grants expenditure	-	8
Strategic development	82	24
Minor works, maintenance and equipment	13	17
Other	2	4
Total supplies and services	208	232

4.3 Other expenses	2025 $'000	2024 $'000
Audit fees	11	11
Impairment loss on contractual receivables	48	-
Insurance	17	14
Staff training	11	8
Fringe benefits tax	-	4
Workplace health and safety	-	1
Staff recruitment	18	9
Other	5	4
Total other expenses	110	51

Other expenses include audit fees paid / payable to the Audit Office of South Australia relating to work performed under the Public Finance and Audit Act 1987 were $10,500 ($10,500). No other services were provided by the Audit Office of South Australia.

5. Assets

5.1 Cash and cash equivalents	2025 $'000	2024 $'000
Cash and cash equivalents	964	1,281
Total cash and cash equivalents	964	1,281

	2025 $'000	2024 $'000
5.2 Receivables		
Contract receivables	52	62
Less: impairment loss on contract receivables	(49)	-
Prepayments	8	10
Interest receivable	3	
Total current receivables	13	72

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

5.3 Useful life and depreciation of non-financial assets

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)
Plant and Equipment	3-10
Motor Vehicles	3-10
Buildings	50
Intangibles	5

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed 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

5.4 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

	Land $'000	Buildings $'000	Motor Vehicles $'000	Plant and equipment $'000	Total $'000
Reconciliation 2024-25					
Carrying amount at 1 July 2024	880	1,014	95	65	2,035
Depreciation	-	(21)	(25)	(7)	(53)
Increment from revaluation of property, plant and equipment	127	114	-	-	241
Carrying amount at 30 June 2025	1,007	1,107	51	58	2,233
Gross Carrying Amount	1,007	1,107	135	75	2,324
Accumulated Depreciation	-	-	(78)	(17)	(91)
Carrying Amount	1,007	1,107	51	58	2,233

5.5 Property, motor vehicles, plant and equipment

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

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

Land and buildings

Dairysafe undertook an internal exercise to determine whether the carrying amounts of land and building assets recognised under the revaluation model were materially different from their fair values After undertaking this review, Dairysafe elected to process a revaluation increment for its land and building asset as at 30 June 2025 The increment was based on the average increase in land and building values within the state since the last independent valuation

The purpose of the internal exercise performed in 2024-25 is to capture any material changes in the land and building values during the intervening period prior to the formal revaluation.

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

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

Motor vehicles, plant and equipment

All items of motor vehicles, plant, and equipment 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

5.6 Intangible Assets

	Other Computer Software $'000	WIP $'000	Total $'000
Reconciliation 2024-25			
Carrying amount at 1 July 2024	48	-	48
Acquisitions	-	23	23
Amortisation	(20)	-	(20)
Carrying Amount at 30 June 2025	28	23	51
Gross Carrying Amount	98	23	121
Accumulated Amortisation	(70)	-	(70)
Carrying Amount	28	23	51

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

6. Liabilities

	2025 $'000	2024 $'000
6.1 Payables		
Current		
Contractual payables	27	1
Accrued expenses	22	118
Total current payables	49	119

Payables and accruals are raised for all amounts owing but unpaid. Contractual 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

	2025 $'000	2024 $'000
6.2 Employee related liabilities		
Current		
Accrued salaries and wages	12	19
Annual leave	36	56
Long service leave	65	
Skills and retention experience leave	2	5
Employment on-costs	10	7
Total current related liabilities	125	87
Non-current		
Long service leave	34	107
Employment on-costs	2	6
Total non-current employee related liabilities	36	113
Total employee related liabilities	161	200

Long-term employee related liabilities are measured at present value and short-term employee related liabilities are measured at nominal amounts

Salaries and wages, annual leave, skills and experience retention leave and sick leave
The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date

The annual leave liability and the skills and experience retention leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid. The salary inflation rate applied to the annual leave and SERL liabilities increased to 3.2% in 2025 from 2.4% in 2024.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement of sick leave

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 are based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of services. These assumptions are based on employee data over SA Government entities. The discount rate is reflective of long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has remained unchanged from 2024 at 4.25%

The actuarial assessment performed by DTF maintained the salary inflation rate from 2024 at 3.5% for the long service leave liability. Consequently, there was no net financial effect

The current portion of long service liabilities reflects the amounts expected to be taken (approved or paid out of termination) to eligible employees within 2025-26

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

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has remained unchanged from the 2024 rate (44%) and the average factor for the calculation of employer superannuation cost on-costs has also changed from the 2024 rate (11.5%) to 12%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is not material. The impact on future periods is impracticable to estimate

	2025 $'000	2024 $'000
6.3 Other Liabilities		
Current		
Accreditation fees received in advance	18	21
Total current other liabilities	18	21

7. Outlook

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

	2025 $'000	2024 $'000
Other Contractual commitments		
Not later than one year	10	10
Later than one year but not later than five years	3	11
Total other contractual commitments	13	21

7.2 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

Dairysafe is not aware of any contingent assets or contingent liabilities

7.3 Events after the reporting period
All events occurring after financial statement balance date, and for which financial reporting framework requires adjustment or disclosure, have been adjusted or disclosed